

THURSDAY, 8 MAY 1997

Mr SPEAKER (Hon. N. J. Turner, Nicklin) read prayers and took the chair at 9.30 a.m.

PETITIONS

The Clerk announced the receipt of the following petitions—

Cartage of Sugarcane, Tully District

From **Mr Rowell** (81 petitioners) requesting the House to consider the cartage of cane by tram rather than road in the Tully district.

Southern Brisbane Bypass, Freight Rail Line

From **Mr Robertson** (380 petitioners) requesting the House to totally reject the plan to establish the freight line along the Southern Brisbane Bypass Road and Gateway Arterial.

Petitions received.

MINISTERIAL STATEMENT

Queensland/Texas Sister-State Arrangements

Hon. R. E. BORBIDGE (Surfers Paradise—Premier) (9.32 a.m.), by leave: I inform the House of the outcome to this stage of discussions with the Government of the State of Texas in the United States on a proposal that Queensland and Texas enter into a sister-State arrangement. We look quite rightly to our near north for the bulk of our reciprocal arrangements in the way of sister-State and sister-city agreements. It is towards Asia that the bulk of our exports are directed and it is within the east and north Asian spheres that, at the national level, our future security and prosperity will be found. Nonetheless, Queensland's ties with our American cousins are substantial, historic, immensely valuable and deserving of close attention and careful nurturing.

With this in mind, and mindful also of the direct interest of Texas business in our developing oil and gas industries in particular, it was my pleasure late last year to initiate direct contact with Governor George Bush of Texas. The impetus for this contact came from my colleague the Minister for Training and Industrial Relations. I pay tribute to Mr Santoro for his interest and energy in this area.

In February a Queensland businessman, Mr Geoffrey Thomas, who was visiting the United States on business, travelled to Austin, the capital city of Texas, and was received there by the Texas Senate. The Senate passed a resolution which proposed the setting up in each State of sister-State Friendship Committees. I will table a copy of that resolution of the Texas Senate for the information of honourable members. Mr Thomas, who himself is numbered in the lengthening list of Queenslanders doing business in the "Lone Star" State, delivered a message from me to the people of Texas asking them to join with us in a sister-State arrangement. I am happy to report that the message was warmly received.

Governor Bush, who honourable members will know is the son of former President George Bush and is widely tipped to be the next Republican contender for the White House, takes the view that such an arrangement should be firmly business based. I share his view for the commonsense that it contains and for its happily matching Queensland's existing practical policy on links with foreign States. Through my office and the Department of Economic Development and Trade, the Government is considering how best to construct a suitable mechanism. I will report to the House in due course on progress towards that objective.

Honourable members will undoubtedly think it appropriate that effective bipartisan consensus is achieved in this place to match that of the Texas Senate in showing practical internationalism in regard to a sister-State arrangement between our two States. I therefore invite the Leader of the Opposition to signify his agreement with the process and principles attached to this welcome further development of Queensland's international relations. I now table the resolution of the Senate of Texas.

MINISTERIAL STATEMENT

Brisbane Airport Corporation Limited

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (9.35 a.m.) by leave: I wish to direct the attention of the House to the successful tender by Brisbane Airport Corporation Limited, BACL, for the lease of Brisbane Airport. The Port of Brisbane Corporation is part of the successful consortium of bidders. Other members of the consortium include the Commonwealth Bank of Australia; the Commonwealth Financial Services, a CBA subsidiary which manages superannuation

funds; Schiphol, the owner-operator of the Schiphol Airport in Amsterdam, the Netherlands, and manager of the J. F. Kennedy Airport in the United States; the Port of Brisbane Corporation; Prudential Corporation Australia Limited; RAC Insurance Limited; ANZ Management Investments Limited and the City of Brisbane Airport Corporation Limited.

This is great news for Queensland and, in particular, Queensland business because it will provide those in this State with a major regional voice in the facility's operation. BACL's strength is that consortium members understand the business and economic priorities of Queensland. The involvement of consortium members such as the Port of Brisbane Corporation, POBC, gives Queensland a strong local voice in the operation of the airport. I am a strong advocate for regional input into the operation of the Brisbane Airport and the announcement of BACL as the successful tenderer is great news for Queensland, and for Queensland businesses in particular.

The airport is a major gateway to Queensland for business and tourism, which are so important to the State's economy, and the successful consortium will have a clear focus on opportunities in these vital areas of economic growth. With the consortium focusing on these objectives, the Brisbane Airport is set to become a powerhouse which contributes significantly to economic growth in this State.

The coalition recognises the importance of developing value-adding industries for Queensland's economic growth. Freight traffic through the airport plays a major role in the development of these industries, and the expertise within the BACL consortium will ensure that the Brisbane Airport realises its full potential in this area.

One of the strongest aspects of the successful bid is its focus on quality management and its innovative plan to develop the airport and its surrounds. The Government has supported the port of Brisbane's involvement in the airport tender as it considers enormous potential exists for synergies to be developed between the airport, the seaport and the development of value-adding industries strategically located between both ports. Further major positives include—

joint marketing of the region, both in Australia and offshore, as a base for freight traffic and value-adding industries;

promoting the area as one where business can access both port and airport;

joint assessment and planning for infrastructure support; and

joint management of environmental issues affecting the area.

POBC will initially contribute equity to the total bid price. POBC will fund its equity contribution under a loan facility arrangement on a fully stand-alone, commercial basis with no contribution from Government. POBC's involvement in the consortium has been at arm's length from the Queensland Government and has been undertaken on a purely commercial basis. The airport sale represents a strategic opportunity for the port, and POBC has adopted a very prudent approach towards this exciting investment opportunity.

The structure of the consortium will encourage cooperation between all stakeholders in the development of significant new business and employment opportunities within the Gateway/ports area. I am advised that the interest of the Port of Brisbane Corporation in the airport will in no way disadvantage users of the Brisbane port and, with the potential for increased usage, there is the potential for increased efficiencies to be realised through economies of scale.

The airport operator will be Schiphol, the world-renowned operator of Europe's fourth largest airport, which is at Amsterdam. I believe that the quality of the consortium will ensure its success and I congratulate the Port of Brisbane Corporation on its vision and strategy.

MINISTERIAL STATEMENT

Centre for National Research on Disability and Rehabilitation

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (9.39 a.m.), by leave: This morning I bring to the attention of the Parliament initiatives supported by the coalition Government which are aimed at reducing the impact of road trauma on the community. I am sure that no-one would disagree with me when I say that it is heartbreaking to see the lives of healthy, happy people shattered by road accidents.

As a community, we have been aware of the distress suffered by victims and their families as they struggle to come to terms with the consequences of severe injury—injuries

that can leave them paralysed and incapacitated, with the prospect of resuming their normal lives lost forever. We have been aware of these things, but being able to do something about them has been the challenge.

I am very happy to report that Queensland has taken the initiative and is leading the country with a program aimed at dramatically cutting the social and financial cost of accident trauma. Earlier this week I had the pleasure of launching a program called CONROD, the Centre of National Research on Disability and Rehabilitation. CONROD has come about through the cooperation of several key players: the Motor Accident Insurance Commission, the Queensland Institute of Medical Research and the University of Queensland's Department of Medicine. Some \$15m has been committed to CONROD in a five-year plan. The focus is research into injury treatment, long-term disability and rehabilitation.

Through this research, health-care professionals will get access to the very latest developments, case studies and other documentation, which will improve the way we manage people who have been severely injured. The impact of severe trauma cannot be underestimated. The initial personal suffering is extreme and, sadly, a speedy and satisfactory recovery can never be guaranteed.

Each incident and circumstance of trauma carries with it a unique set of variables, which places great demand on the infrastructure and services dedicated to helping the victims of trauma. To ensure that they receive the most effective and successful treatment, the people and organisations delivering that treatment have to be armed with cutting-edge knowledge. That is why CONROD was set up. This is CONROD's mission: to create in Queensland and Australia a knowledge base that health-care professionals can use to get results—positive outcomes, primarily for the victims of trauma, but for the greater community as well.

Our Centre of National Research on Disability and Rehabilitation has been boosted by the generous cooperation of the Federal Government of Germany. Through an agreement brokered by the coalition Government, CONROD has been granted the Australian licence for a European database system which will provide our local health-care professionals with world-best management models for the treatment and rehabilitation of accident victims.

Some \$25m was spent on developing this database. Its value to Queenslanders and all Australians is immeasurable. I sincerely thank the German Government for its generosity. In conclusion, I pay tribute to the young, talented researchers who are driving the CONROD program forward. They have the support, respect and gratitude of the Government and the community. We wish them every success in their honourable endeavours and look forward to sharing the discoveries and solutions which will benefit us now and generations into the future.

MINISTERIAL STATEMENT

TAB Staff Consultation

Hon. T. R. COOPER (Crows Nest—Minister for Police and Corrective Services and Minister for Racing) (9.42 a.m.), by leave: Yesterday, the member for Bundamba had a go—he had a carp and a whinge—at the consultation process regarding the future of the Queensland TAB. It may have escaped the member for Bundamba's attention—and I am sure a heck of a lot does—that my ministerial statement was focusing on the process for consulting the racing fraternity about the future landscape of the racing industry and how the three codes may relate to a privatised TAB. It may also have escaped the member's limited capacity that, quite obviously, the TAB is a major stakeholder in the decision-making process, and it goes without saying that internal consultation with employees is, and always has been, a major component of that process.

The member is just going through the motions and a political point-scoring exercise. Scaremongering is his wont, as is stirring up false fears about job losses and stacking and misusing the public gallery, because he knows that the process in this matter has been immaculate. It is recognised that the TAB has its job to do and has managed its affairs extremely well. Nevertheless, any downsizing that he is saying will occur under privatisation probably already occurred when he was the Minister. Since 1991, the agency and subagency network shrunk from 402 to 263 sites—down 139 agencies. Country towns from here to the cape have a right to be concerned that they were losing their TAB. The member opposite could not have given a damn.

The TAB has been extremely astute in respect of PubTAB and its placement of those agencies. Nevertheless, the member opposite was the Minister when we saw a massive downsizing in the agencies that he was

carping about yesterday. How many jobs from those agencies went under the member for Bundamba? I do not recall him once standing up for TAB agents and workers when he was the Minister. Hypocritically, he dragged in those TAB staff for a staged performance yesterday. He duped them into the gallery to do his wicked will.

Let us look at the Victorian experience. The privatisation in the TAB in that State has resulted in massive gains to the racing industry. It is getting millions of dollars extra. I say to the member—

Mr GIBBS: I rise to a point of order. I am confused. Is the member talking about the toilets in Pine Rivers or me?

Mr SPEAKER: Order! I am confused also. There is no point of order.

Mr COOPER: No-one will ever mistake the member for Bundamba for the member for Pine Rivers.

The Victorians have gone through privatisation and are getting millions of dollars extra. Is the member for Bundamba against that? Is he against getting millions of extra dollars for the racing industry?

Mr Gibbs interjected.

Mr COOPER: That is being done and is documented. The member is entering into the politics of the issue and is trying to denigrate the process of improving the racing industry in Queensland. What is more, there were no job losses in the unionised areas of the Victorian TAB. There were no job losses in Telebet. In fact, retail staff numbers in TABCorp have increased since privatisation.

Far from being derelict in consultation with staff, this Government and the TAB have been particular about keeping employees up to date and informed and have provided every opportunity for the Australian Services Union to participate in the consultation process. The fact is that the earliest briefings to the Australian Services Union in relation to the potential privatisation of the TAB were provided by Dr David Watson, MLA, in 1996 in relation to the findings of the FitzGerald Commission of Audit. The CEO of the TAB, Mr McIlwain, wrote further to the Australian Services Union on 24 December 1996 in response to correspondence from the union. In that letter, Mr McIlwain stated—

"The issue of privatisation has been addressed on at least two occasions to our staff, and in a specific response to your Union."

The TAB also offered an opportunity for the ASU to sit down with the Macquarie Bank team to discuss the TAB options and the potential impact on staff, and to have direct input into the development of that report. That meeting took place on 3 February 1997. The chief executive also raised the issue of potential TAB privatisation at length and on several occasions in an information sheet regularly distributed to staff, and staff will continue to be updated through that medium.

The consultation process is not over yet. It is only just beginning. It is entering a new phase—and I am sorry to disappoint the member opposite—and staff will continue to be consulted over the TAB's future. The Government steering committee now in charge of examining and analysing the Macquarie Bank options and consulting with all the stakeholders will make a further recommendation to the Government. TAB staff will be involved intimately in that process, as will the Australian Services Union, which will be invited to engage in further consultation over the next three months.

Let me make one thing crystal clear, and I will keep it simple for the member opposite: the risks of doing nothing in the current trading and wagering environment pose the biggest threat to both the security of the racing industry and the job security of the TAB's employees and agents. The racing industry is one of the largest industries in Queensland and is worth approximately 6,000 Queensland jobs. Part of the whole process of examining options for the TAB is looking at ways to expand the business. No matter what the future of the TAB holds, one thing is for sure: we will always continue to have a wagering business in Queensland and we will certainly need to continue to have a professional, trained and qualified work force.

Far from slamming the door on staff, the door is wide open. What the member opposite wants is for the union to be able to "back door" the process. He may have operated in that way, but I certainly do not. A process has been set out. It is a correct process. I suggest the member opposite do likewise.

MINISTERIAL STATEMENT

Health Capital Works Expenditure

Hon. M. J. HORAN (Toowoomba South—Minister for Health) (9.49 a.m.), by leave: The 1996-97 Budget appropriation for Queensland Health involving capital works was \$295.38m, including \$41.14m for minor works and equipment replacement expenditures by

District Health Services. The base program for capital works is \$254.24m, a significant increase to the previous Government's appropriation in 1995-96 which allocated \$166.711m. Currently, Queensland Health has spent \$35m more this year than the amount spent under the previous State Government at a similar point in time. This expenditure will be reached this financial year due to a substantial number of works packages, specialist equipment purchases associated with redevelopment and information support systems implementation, which will be completed or substantially finalised by 30 June 1997.

In far-northern Queensland, facilities include Cairns Hospital redevelopment and car park, Smithfield and Centenary Park CHCs, Cooktown and Thursday Island developments, plus redevelopments at Badu and Boigu Islands. Current expenditure for these facilities is \$12.8m and a further \$11.7m is expected to be expended within the next two months. A number of works packages are currently under way at Cairns Hospital and involve reallocation of services, the purchase of specialist equipment due for delivery in May and June 1997 and the completion of documentation for the calling of tenders associated with the new psychiatric unit and clinical services block. The Cairns Hospital car park has been completed and is currently in use.

In the north and north west of the State, facilities include Mackay, Proserpine, Mount Isa, Mornington Island, Townsville and Palm Island Hospitals redevelopments. Capital works packages are under way on the Proserpine Hospital redevelopment involving the upgrading of airconditioning, chillers and a new generator. Additionally, a new airconditioning system is being installed at Mackay Hospital. Staff accommodation has been a high priority in remote and rural communities, and Mornington Island has recently had new accommodation established. A project definition plan of the development at the Mornington Island Hospital has been finalised and significant professional fees will be paid for this activity in the 1996-97 financial year. Work at Palm Island is being advanced similar to that at Mornington Island.

In the central and central west of the State, facilities include Emerald, Barcaldine, Gladstone, Clermont and Rockhampton Hospitals, Eventide Nursing Home and Woorabinda and Rockhampton CHCs. An amount of \$5.08m has been expended to date and a further \$2m will be expended by 30 June 1997.

In the Wide Bay area, facilities include Bundaberg, Maryborough, Hervey Bay and Cherbourg. To date for this zone expenditure of \$15.5m has been achieved and a further \$10m will be expended over the next two months. The majority of funds will be expended on commissioning of the new Hervey Bay Hospital which is due to accept patients by 28 May 1997 and be officially opened in June this year.

In the metropolitan, south coast and Sunshine Coast areas, facilities include the Prince Charles Hospital, Redland Hospital, Pine Rivers CHC, Palm Beach CHC, Gold Coast, Robina, Logan, Beaudesert, Ipswich, Princess Alexandra, QE II, Redcliffe, Caboolture, Herston Hospitals Complex, Caloundra, Nambour and Noosa. To date, \$37.4m has been expended with a further expectation of some \$55m over the next two months which will be expended on activities currently occurring at listed facilities above. Major activity is occurring on Brisbane's Herston campus involving the construction of a new medical research centre, the construction of a central energy plant and demolition activities preliminary to major excavation to establish the base for the new hospital facilities. All this activity has been programmed to ensure that expenditure levels will be achieved by 1996-97 year end.

Works packages are occurring at Redland, Logan, Ipswich and Gold Coast Hospitals and at other facilities. At the Gold Coast Hospital, tenders have been accepted for the delivery of emergency generators, cooling towers, airconditioning, water chillers, steam boiler plant and medical suction plant and for work to commence on the upgrading of lifts. This activity will ensure that expenditure will be substantially achieved for this facility. Works packages at Ipswich Hospital are under way involving refurbishment and the relocation of the integrated mental health unit, plus the construction of the hospital car park.

Substantial major equipment purchases are being made as part of the redevelopment projects at the Prince Charles Hospital, Royal Brisbane, Royal Women's and Royal Children's Hospitals and Princess Alexandra Hospital, involving some \$9m including CT scanner, ultrasounds and fluoroscopy items. Boiler plant is being purchased for the central energy plant at Princess Alexandra Hospital for which a tender has been accepted. The accident and emergency facility at Princess Alexandra Hospital has been completed, along with the installation of an airconditioning system for the geriatric facility.

Significant construction and refurbishment activity amounting to \$11m is occurring at QE II Hospital and will be substantially completed by 30 June 1997. This includes the new intensive care unit and accident and emergency for QE II, bringing this hospital once again to front-line community standard. Further, a new cardiac services unit is being established at the Princess Alexandra Hospital and construction is under way along with a significant number of purchases of equipment. In this regard, it is expected that some \$8m will be expended this financial year.

For the Darling Downs and south west, facilities include the Cunnamulla CHC and the Toowoomba Hospital redevelopment. A managing contractor has been appointed to undertake the redevelopment at the Toowoomba Hospital, and a number of works packages are being undertaken involving roadways and refurbishment. A contractor has been appointed for the construction of a new car park on the hospital campus and significant expenditure will be incurred over the next two months. To date, \$3.5m has been expended and it is expected that a further \$5.6m will be achieved by 30 June 1997.

In general, over and above activities relating to the extensive redevelopment of hospitals and health-care facilities throughout Queensland, funds have also been allocated to information technology in which \$21.3m has been expended to date. A further \$22.5m will be expended by 30 June 1997 for implementation of a number of strategies involving human resource management systems and support payroll services, anaesthetic network, corporate and regional community health information system and clinical management systems. Further expenditure will be incurred for the acquisition of priority specialist equipment involving major items such as CT scanners. A further \$3.5m will be incurred in the next two months.

As I have outlined, substantial construction activity is also occurring associated with consultant involvement in developing project definition plans, design and documentation activity, the purchase of major items of equipment and a number of small minor works packages throughout the State. The intensity and magnitude of this coalition State Government's Health Capital Works Program is recognised by all involved with the program to ensure that project milestones are maintained, funding commitments met and works completed as quickly as possible.

MINISTERIAL STATEMENT

Courier-Mail Editorial on Natural Resources Legislation Amendment Bill

Hon. H. W. T. HOBBS (Warrego—Minister for Natural Resources) (9.56 a.m.), by leave: The Courier-Mail today continued its furious tirade against myself, the National Party and country people in general by a shameful editorial which people could be excused for thinking was written by Peter Beattie. Such is the reputation of the Courier-Mail today, with its raft of former Federal and State Labor staffers now employed as full-time journalists for the Courier-Mail. I cite as an example Mike Fishpool, a former Labor ministerial staffer, interviewing Labor Senator Margaret Reynolds, whose husband, Henry Reynolds, is a very strong native title campaigner.

Opposition members interjected.

Mr HOBBS: Cut it out! Come on, boys—have a little bit of understanding of what is going on in the world. Are there any unbiased journalists left at that establishment? Where are the professionals?

I make it quite clear that my interest in this matter is well and truly declared in the parliamentary register of pecuniary interests. It is there for all to see—even the blindfolded members opposite. Anything that I or this Government have done is well within the rules of this House, despite the continued allegations that we are doing something wrong. I will quote from the Clerk's letter to me, which cited several references from the records of the Queensland Parliament, including this ruling by a former Speaker—

"A Member intending to convert his leases to freehold can vote on related matters."

The letter also states that it is quite clear that a pecuniary interest is—

". . . not to be taken to extend to interests held in common with the public, or a large section of the public, or to vocational interests or matters of public policy."

There are absolutely thousands of leaseholders out there. It is totally false for anyone to continue claiming wrongdoing on our part. The rules are there, and we are abiding by them.

The editorial also takes the direct Beattie line that the legislation is to help a small group of mates and says that the change is not to help the battlers. Let them try and sell that one to the thousands of landowners out there who have been doing it tough year after year

due to drought and low commodity prices and who are battling to make ends meet. Personally, I would know very few of the people who may or may not wish to convert their tenure. Of course, the National Party represents people in the bush—the same as Labor represents its own constituency. Not every piece of legislation affects the whole population of Queensland—for instance, fishing legislation affects only those involved—while other legislation may impact on different sections of society. Only this week the House passed new legal aid legislation. Will this benefit the Labor lawyers opposite? Where is the Courier-Mail editorial on that? It is plain to see that not all legislation affects the interests of all Queenslanders.

The Leader of the House, Tony FitzGerald, made the point that under the Wik legislation to be introduced it will be necessary to upgrade pastoral leases. Mr FitzGerald was not referring to this particular piece of legislation but some possible future legislation. Of course, the Courier-Mail and others have taken that up and claimed that he was talking about this legislation. The legislation that was brought into the House and rejected by the House recently was put together two years ago—before Wik. No doubt this was confusing to some, but Mr FitzGerald's intent was plain.

The article quoting Margaret Reynolds deserves some attention. She claimed that we should table a list of all the leaseholders throughout the State who may benefit. Does this include the well-known American citizen and now overseas investor, Rupert Murdoch, who owns the Courier-Mail?

ADDITIONAL SITTING DAY

Mr FITZGERALD (Lockyer—Leader of Government Business) (10 a.m.), by leave, without notice: I move—

"That pursuant to Standing Order No. 26, the House will meet for the dispatch of business, in addition to the days agreed to pursuant to the Sessional Order of 2 April 1996, at 9.30 am on Friday, 9 May 1997 on which day the routine of business shall be as follows—

(a) 9.30 am to 10.30 am—

- Prayers
- Messages from the Governor
- Matters of Privilege
- Speaker's Statements
- Motions of Condolence
- Petitions

- Statutory Instruments
- Ministerial Statements
- Ministerial Notices of Motion
- Any other Government Business
- Personal Explanations
- Reports
- Question Time

(b) 10.30 am to Adjournment of the House—

Government Business."

Motion agreed to.

PUBLIC WORKS COMMITTEE

Report

Mr STEPHAN (Gympie) (10.01 a.m.): I lay on the table Public Works Committee report No. 36—the Expansion of the Dalrymple Bay Coal Terminal. The committee supports the expansion of the terminal. As the Ports Corporation of Queensland believes the terminal could be worth about \$3 billion in economic activity, the committee believes the project will bring real benefits to Queensland's economy.

The committee makes two recommendations, both of which address environmental issues. The committee recommends that the Ports Corporation of Queensland ensures that pollution control equipment at the terminal meets environmental emission standards. The other recommendation requires that the Department of Environment set emission standards for coal dust, which is a serious problem for residents of the Louisa Creek area, a small town beside the terminal. I thank my fellow committee members for their assistance during the inquiry. I say thanks also to the many people who made submissions or appeared at the public hearing. I also thank the committee staff for their efforts. I commend the report to the House.

PUBLIC ACCOUNTS COMMITTEE

Report

Mr WOOLMER (Springwood) (10.02 a.m.): I lay upon the table of the House report No. 39 of the Public Accounts Committee titled "Health Assessments—Department of Public Works and Housing" and move that the report be printed.

Ordered to be printed

Mr WOOLMER: Whilst I am formally tabling this report, I would like to acknowledge

that the work was compiled under the stewardship of the previous chairman, Mr Bob Harper, MLA. The committee looked at concerns raised by a member of the community regarding health assessments offered in 1992 and 1995-96 within the Department of Public Works and Housing's Health Program. As a result of the inquiry, the committee has made five recommendations regarding the provision of health assessments within budget sector departments. I commend the report to the House.

NOTICE OF MOTION

Health Capital Works Program

Mrs EDMOND (Mount Coot-tha) (10.03 a.m.): I give notice that I will move—

"That this House condemns the Health Minister for his incompetent handling of the health capital works program."

PRIVATE MEMBERS' STATEMENTS

Queensland Budget

Mr BEATTIE (Brisbane Central—Leader of the Opposition) (10.03 a.m.): In 19 days' time, the Treasurer will bring down the Queensland Budget. I issue a warning today to all Queenslanders that this will be a Budget of deceit and betrayal. The Budget will claim record spending in capital works. In reality, they will be recycled projects which this Government has failed to deliver on. The Government has been unable to complete its Capital Works Program. It is like giving out last year's Christmas presents all over again. This Budget will become known as the "regurgitated Budget". There will be headlines about record capital works, but all the Budget will contain is money that the Government did not spend this year.

Honourable members should not believe Treasurer Sheldon if she tries to blame harsh measures on Federal Government cutbacks. Her Liberal colleague in Victoria, Premier Kennett, reduced taxes this year. What an extraordinary comparison between Queensland and Victoria, and Victoria was a basket case! Premier Borbidge has already said that there is some slack in the system. Revenue this year will come in at \$110m above budget, including extra taxes. It is obvious that there should be tax cuts not increases.

The huge windfall in the leftovers from this year must be used to create jobs to solve the unemployment crisis in this State. This should

be an employment Budget. There are 26,000 fewer jobs this year than there were last year. Thirty-four per cent of young Queenslanders are unemployed; there are 70,000 young Queenslanders out of work, which is more than the entire population of Rockhampton.

This Government must stop imposing extra costs on business by stripping the earnings of Government corporations. Last year it stole an extra \$700m. It is earnings stripping. It is eroding the capital of Government corporations by stripping their earnings. This leads to higher charges on business, which in turn affects their ability to create jobs. We need a job-generation Budget, not the excuses that we have had from this Treasurer and this Premier.

Time expired.

Chancellor H. Kohl

Mr J. N. GOSS (Aspley) (10.05 a.m.): Yesterday I spoke about the visit of Chancellor Helmut Kohl of Germany to Queensland. Today I want to draw to the attention of the House the immense benefits of such high-profile visits. Chancellor Kohl visited Port Douglas in north Queensland, which, as honourable members will recall, was visited last November by the newly re-elected President Clinton and Mrs Clinton. I am informed that American tourist interest in the area since their visit has risen by 58%. That is one measure by which the practical effect of VIP tourism, if we can give it that description, can be assessed. I would be very surprised indeed if the visit by the Chancellor last weekend failed to produce a similar effect on German tourist interest in the attractions of north Queensland.

It goes far beyond tourism, of course. Today's international relationships are chiefly expressed through the business links and cultural exchanges which inevitably flow from these visits. That represents a marketing edge for Queensland. In Germany's case, this is especially so with coal. It costs us US\$50 a tonne to produce, whereas it costs Germany, because of European Union subsidies and other imposts, US\$350 a tonne. That is our competitive edge, especially since Germany is having to grapple with the need to reduce subsidies.

But of course we must look beyond fossil fuels to our new industries that will be the mark of progress and prosperity in the 21st century. Our competitive edge is being sharpened in all kinds of fields by the close attention that Queensland's European office is placing on

Germany and other continental States in the European Union. The Chancellor has personally expressed his desire for closer and more joint partnerships between German and Australian industry. The German tourists are not the high-profile large groups——

Time expired.

Queensland Share Trading

Hon. K. E. De LACY (Cairns) (10.07 a.m.): I would like to draw attention to an article in the Australian Stock Exchange magazine, Perspective. Members will remember that the Goss Government halved stamp duty on share transactions in the 1995 Budget. This article provides a ringing vindication of that decision. In essence, the decision led to a large increase in the volume of share trading, greatly mitigating the loss of stamp duty revenue to the States. In Queensland, despite a stamp duty reduction of 50%, revenue reduced by only 14%, and this year the revenue from stamp duty on share trading will be greater than it was in 1994-95.

In fact, the story throughout Australia is almost as dramatic. The value of share trading increased by 50% in the year following the tax cut, reflecting the greater attractiveness of equity markets and the return from off shore of many transactions. Stamp duty revenue, therefore, reduced by only 25%, and within two years revenue will have passed pre-existing levels. Members will remember the outrage in the other States at our unilateral decision. The other States were all forced to follow suit, but they imposed massive new taxes on their long-suffering constituents to compensate for the so-called tax losses.

Now that revenue from stamp duty on share trading is back to pre-existing levels, honourable members will note that the other States have not moved to remove the compensating taxes. The same study claims a net economic benefit to the Australian community in discounted present value terms of \$4.6 billion. It also points out that the Commonwealth will benefit to the tune of \$975m from additional capital gains tax revenue flowing directly from our tax initiative. This points once again to a major flaw in Commonwealth/State tax arrangements, when a progressive and well-managed State such as Queensland was under the Goss Government can make enlightened tax decisions in the national interest, but all of the revenue benefits flow entirely to the Commonwealth.

Southern Brisbane Bypass

Mr CARROLL (Mansfield) (10.09 a.m.): Brisbane's livability and economic future continue to be assured by the provision of large projects such as the Southern Brisbane Bypass. This project will facilitate high-speed, efficient and safer transportation options for industry and the travelling public. The \$175m 28-kilometre project connects the Gateway Motorway to the Logan Motorway and duplicates the Logan Motorway west to the Ipswich Motorway. That route provides only slightly longer transport but certainly faster transport for vehicles wanting to get from the Wishart area across to Goodna and it avoids travel via the Upper Mount Gravatt and Rocklea route.

The new bypass will be opened next Tuesday and will provide the missing link that will allow vehicles, especially heavy transport, to travel south and east of the city on a four-lane 100 km/h divided motorway bypassing the Upper Mount Gravatt regional business centre and also the central business district of Brisbane.

Access to the new bypass will be from the Gateway Motorway, Miles Platting Road, Logan Road, to and from the north at Compton Road, Logan Motorway, Wembley Road, Mount Lindesay Highway, Stapylton Road, and the future Centenary Highway extension to and from the east at Boundary Road and the Ipswich Motorway. The engineers have chosen an alignment sensitive to rare flora and fauna species habitat and residential areas. So there is a wide buffer, and this will not involve any interference with residential areas.

The toll reduction and revision of toll booth locations in response to representations by me and the Federal MHR for Moreton, Gary Hardgrave, will also facilitate the transport of traffic and the speed at which it can travel. Another feature is the reduced tolls, which will certainly benefit heavy transport in particular. This roadway will be of great benefit to the residents of Mansfield and other southside electorates.

Time expired.

Traffic Problems, Kessels Road

Mr ROBERTSON (Sunnybank) (10.11 a.m.): Following on from that nonsense from the member for Mansfield—the Minister for Transport, Vaughan Johnson, the Federal member for Moreton, Gary Hardgrave, and the member for Mansfield stand condemned for

promoting ill-conceived, quick-fix solutions to traffic problems on Kessels Road which will cause more problems than they solve. The Minister for Transport's decisions to slash tolls on the soon-to-be-opened southern Brisbane bypass to encourage more trucks to use this road has been done without any assessment of the impacts of this decision on local residents in Stretton, Kuraby and Runcorn.

The Minister for Transport should know that, throughout the whole community consultation process leading up to the construction of the bypass, the issue of traffic noise was the No. 1 concern of local residents along the route. Noise barriers have been planned and the heights determined after exhaustive traffic modelling by engineers in consultation with the community. But despite all the consultation and the guarantees given to the community over the past four years, the Minister for Transport has come along and effectively destroyed all that work. It is a treacherous decision. Like a bull in a china shop, the Minister for Transport has gone for the quick fix without any consideration of the effect on residents along the bypass route. It makes a complete joke of the Minister's often-stated commitment to consultation with the community.

This road is one that the Liberal and National Parties opposed before the last State election. Twelve months on, they have suddenly had a change of heart and are now trying to channel more vehicles onto it. I call on the Minister for Transport to undertake an immediate study of the impact of future traffic flows along the bypass route as a result of his thoughtless and treacherous decision. Residents have a right to know whether the noise barriers erected following community consultation will be effective.

The bypass will be open next Tuesday. As a long-term opponent of that road, I thank the Minister for his invitation to sip champagne and eat caviar with him, but I must refuse. Because of all the abuse that he has hurled at me over the past few months, the one thing that he will never call me is a hypocrite.

Rural Fire Division

Mr HEALY (Toowoomba North) (10.13 a.m.): While the Opposition specialises in focusing on the negative aspects of just about everything, with its Emergency Services spokesman in recent days selectively using interim statistics in a shabby attempt to denigrate our services, the coalition recognises and, indeed, applauds the dedication of all

emergency services staff. The level of dedication of our volunteer firefighters in the Rural Fire Division is matched only by their sheer numbers.

More than 46,000 people throughout the State give up their own time to fight fires in rural and remote areas. As well, these volunteers regularly spend time on equipment testing and maintenance and vital training. The effective training of these volunteers is a priority of the Honourable Minister for Emergency Services. The training of volunteers is carried out by regional training officers located at key centres across the State. These officers are supported by rural fire brigade trainers who, in turn, instruct members of their own brigades in rural firefighting.

In the past there has been a shortage of full-time officers within the Rural Fire Division, accompanied by a lack of training documentation. In line with this Government's commitment to the improvement of emergency service delivery throughout the State, the Rural Fire Division now has a permanent staff of eight training officers. The eight officers are located throughout rural and regional Queensland, with the training coordinator in Brisbane being responsible for the development of training policy standards and resource material. Training officers at Cairns, Townsville, Rockhampton, Maryborough, Caboolture, Toowoomba and Ipswich are responsible for coordinating training among volunteers and developing the train-the-trainer network.

A professional approach to developing appropriate training methodologies has been established. A divisional training plan, the Volunteer Training and Educational Program—VTEP—has been developed, which is the blueprint for all volunteer training. It provides guidelines for instructors to train volunteers in the appropriate skills to ensure increased operational efficiency and safety, both individually and collectively as a brigade. Training resource packages have been developed for the basic firefighter modules, and these are now being distributed throughout the State. An interim package for the more advanced course aimed at brigade operational managers is also being developed.

In line with this Government's commitment to the provision of improved emergency service delivery throughout the State, the Honourable Minister—

Time expired.

Merinda Meatworks, Bowen

Mrs BIRD (Whitsunday) (10.15 a.m.): Labour Day is usually a day of great celebration for the people of Bowen. This year, Labour Day was a sad and sorry event. A heavy gloom descended after the announcement of the closure of the Merinda meatworks. The sickening truth—that the meatworks would not reopen—would throw 250 people out of work. In some respects there was a sense of relief, because for the past eight months since the last season's closure every avenue for the response from the Government as to its opening date was ignored. The arrogance of the company and, in particular, the attitude of Kevin Hoey, the north Queensland manager, had to be seen to be believed. Nippon Borthwicks would do well to investigate the relationship between Mr Hoey and Australian Meat Holdings senior management, who will benefit from the closure of the meatworks in Bowen and Mackay.

Despite the fact that enterprise bargaining agreements were well on the way, the company withdrew negotiations, offering unacceptable productivity levels and reduced working hours. In March I called a public meeting, inviting all stakeholders, including the graziers, workers, management of Borthwicks and Nippon, Kevin Hoey, Mr Kerr and Mr Hinohara, well prior to the meeting. Half-page advertisements were put in the newspaper. Three hundred people attended, but no representative from the company.

As instructed by the meeting, open and personal letters were sent to Federal and State IR Ministers. Late this week I received a response from Santo Santoro and a long letter from Peter Reith. I thank Peter Reith for his caring words and his directions. However, I feel that this was too late. I call on the company to continue negotiations with the workers at Borthwicks and to try to put in place some sensible working hours for the people of Bowen. Recently, De-Anne Kelly, the member for Dawson, made comments that we had not had—

Time expired.

Rural Industries

Mr MITCHELL (Charters Towers) (10.17 a.m.): A threat by Aboriginal leaders to impose a farm gate boycott on pastoral produce if they do not get their way on the native title issue has been brought to my attention. It seems fitting that this threat should follow the recent promotion of Primary Industries Week in Queensland, which was

based around the theme of how vital the great rural industries are to the Queensland economy. The gross farm gate value to the rural industry of Queensland is \$5.891 billion, with just over half going to the Australian domestic market and the remainder to export markets. In actual fact, rural exports account for 37% of Queensland's total. The value of these exports on board ship is around \$4.6 billion. Of that, about \$2.6 billion is value at the farm gate.

Members opposite may be interested to know that the additional \$2 billion represents value added in the processing chain. That is where Labor's city-based constituency comes in—the people Labor pretends to represent. These people in the food and fibre processing industries would feel the bite of the boycott. Around one in five of all jobs in Queensland is in the rural sector, in industries servicing this sector and value adding to rural sector products, and in food and fibre wholesaling and retailing. That represents over 280,000 Queenslanders who depend for their living on rural production. About 45,000 are direct employers, while another 38,000 are employees on rural properties. Most important, however, is the fact that there are another 200,000 Queenslanders whose off-farm jobs are directly identifiable as being dependent on rural produce. One could go a lot further down the chain and identify jobs in transport, banking, insurance, and even the Public Service, which depends on farmers remaining in business and producing.

In summary, the worst potential of this threat is almost \$6 billion in production, \$4.6 billion in exports and at least 280,000 Queensland jobs. What about the Labor Party? What is its stand on native title? Is it like its predecessor, still having two bob each way?

Time expired.

Land Rentals

Mr CAMPBELL (Bundaberg) (10.19 a.m.): I would like to advise the House that the headline in one newspaper reads: "Land Act amendments going before Parliament next week could cause \$100m 'Loss' in land issues". The article in the Queensland Country Life states—

"A senior Government official pointed out this week that the legislation in its present form could mean a loss to the State coffers of more than \$100 million.

The claim was also made that those most likely to benefit would be 'a few

friends of the upper echelon of the National Party'."

That article was written under the pen of Tony Koch. However, it was not written in 1997; it was written in 1981, when members opposite were doing the same thing back then as they are doing today. They were able to give their mates a good go back then, and we had to fix that up. They are going back to the same old habits. Although the members opposite can look after their mates, poor old Mary Faro from Bundaberg—and Mr Slack would know her—is facing the possible loss of her home because she cannot pay the increase in rental for her leasehold land. The rent on her land has risen from \$330 to \$860. That is for a block of land that is less than 1,000 square metres. She says that, because she is a pensioner, she cannot afford that increase. What do members opposite care about her losing her home? Although they can afford to pay that amount, she could possibly lose her home.

Mr Browning, a valuer, said that Crown leasehold payments had increased despite decreases in land values. The poor old battlers, the poor old pensioners, pay more and cannot afford to freehold their land. For her land, with an unimproved value of \$24,000, Mary Faro would have to pay \$39,360 in freeholding repayments over 10 years. Meanwhile, under the scheme of the members opposite, their mates would have to pay only \$24,000 over 30 years. If she had the money, Mary Faro would still have to pay \$24,000 cash to freehold that block of land, while the members opposite, for a block valued at \$24,000, would pay only \$18,000 cash because they are going to give themselves a discount.

Time expired.

Health and Safety Work Plans

Mr LAMING (Mooloolah) (10.22 a.m.): Although death, injury and illness at work are not pleasant subjects, they are, nevertheless, very important ones. My electorate has one of the highest levels of construction activity in Queensland. That means that risks to workers and the public have to be properly managed. The construction industry has the highest average compensation costs per injury. In 1994-95, a total of \$9.4m was paid in compensation in the industry and more than 100,000 calendar days were lost because of work injuries. When one realises that that is just the tip of the injury iceberg, the need for action becomes very clear.

One initiative to improve the construction industry's performance, recommended by an industry advisory group and supported by the major building industry associations, is health and safety work plans. Preparing a work plan is an investment in workplace health and safety which could save lives as well as thousands of dollars in lost time, compensation and rehabilitation. Since January of this year, the Workplace Health and Safety Act has required all principal contractors and subcontractors to prepare work plans prior to starting work. Developed by this Government in conjunction with industry groups, these plans help to identify risks so they can be eliminated or minimised before construction work commences. A guide to work plans and model work plans are readily available to industry, and the Government has worked closely with industry groups to promote that preventive concept.

In partnership with industry associations, seminars and tool box talks have been held throughout Queensland. I commend the actions of the responsible Minister, the Honourable Santo Santoro, and his department for that initiative and the hard work of the staff involved. Work plans are now proving to be a simple and effective way to reduce the risk of workplace injury and illness from the word go on a construction site. Thousands of construction workers are now following safe methods of work that are provided for in the work plans. That is just one way this Government is helping the construction industry to lift its workplace health and safety performance.

Time expired.

Actions of Chief Fire Commissioner

Hon. D. M. WELLS (Murrumba) (10.24 a.m.): I would like to draw the attention of honourable members to some of the very early initiatives taken by the new Fire Chief, Wayne Hartley. I have here a document above the signature of the assistant commissioner titled "Let's Celebrate". It was put out in the first week of Mr Hartley's reign. It states—

"2 barbeques are to be held this coming Friday . . . to celebrate the newly formed Queensland Fire and Rescue Authority and to acknowledge the passing of the Queensland Fire Service.

The locations for these illustrious events will be Petrie Fire Station and Kemp Place. Food and non alcoholic beverages will be provided."

I have information that what lies behind that is an undertaking by the new Fire Commissioner to have barbecues all over the State of Queensland to celebrate his appointment as Fire Commissioner.

Mr Mackenroth: At least if the fire gets out of control, they'll be able to look after it.

Mr WELLS: I thank the honourable member. His first initiative on becoming fire chief was to light up the barby.

Mr Speaker, you can understand people such as the Fire Commissioner wanting others to share his happiness, but try this: a memo circulated through the Department of Emergency Services, which states—

"I have received a request from the Chief Commissioner's Office, Queensland Fire & Rescue Authority to ensure that all references to Geoff Skerrit as commissioner, and references to QFS are immediately removed and up-dated to reflect the changes to the new authority.

Examples are"—

Mr Robertson: A purge.

Mr WELLS: Not only is it a purge but also one is reminded of Big Brother in George Orwell's 1984 who expunged the names of people from history. Winston Smith was declared an unperson. Examples of expunctions were given—

"action & referral sheets

circulation advices

internal telephone directories . . ."

That is not a very creditable set of early initiatives. Although they are not impressive, what else could he do when the Staib report recommended an additional \$30m a year and the Government gave it nothing?

Time expired.

Carmel College

Mr HEGARTY (Redlands) (10.26 a.m.): I would like to acknowledge the recent visit to Parliament House of Year 11 students from Carmel College, Thornlands, a private Catholic college in my electorate. The students were undertaking legal studies, which incorporated a knowledge of the Parliament and the duties of parliamentarians. I had the pleasure to address the students on the latter aspect and found them very interested and well informed on that subject. I would like to commend the students and their teachers on the exemplary way that they conducted themselves during their visit to Parliament House. It certainly

reflected favourably on the values obviously taught in the school.

Carmel College is one of the premier private colleges in the Redlands. Situated on a large acreage site adjacent to Moreton Bay, the college consists of fine new colonial-style buildings, which provide a conducive learning atmosphere and help to instil a sense of pride in the students for their school and their own achievements. The college was established in 1993 as a result of a demand for a Catholic high school in the Redlands area. The school has now grown to 650 students. This year the first Year 12 students will graduate. The college offers a wide range of subjects relevant to the needs of the students' future career prospects, which include hospitality, manual arts and photography. I look forward to following the progress of those Year 11 students during the remainder of their time at Carmel College.

Women's Affairs

Ms SPENCE (Mount Gravatt) (10.27 a.m.): On 25 May last year, the Deputy Premier and Minister responsible for women's affairs delivered a landmark statement for Queensland women that was disappointing in its lack of substance, devoid of new ideas and short on commitment. The only new initiative announced a year ago was the Government's intention to survey 5,000 Queensland women as part of a broad-ranging consultative process. That was generally taken to be code for "We don't have a policy so we are going to do a survey so that we can develop one." What has happened to that survey?

Money was allocated in the Budget for it and numerous press releases proclaimed it as an impressive new initiative. In a question on notice last September, the Minister informed me that the survey results would be available in mid 1997. Honourable members can imagine my surprise when requesting those survey results last week to be informed by the Office of Women's Affairs that at that stage there was no survey, no questions, no results—nothing!

Mrs SHELDON: I rise to a point of order. If the member would like to know the real facts, I suggest that she asks me a question. She is misleading the House on that point. I ask her to withdraw.

Ms SPENCE: I would suggest that on any—

Mrs SHELDON: She is misleading the House. I ask her to withdraw. I find her comments offensive and I ask her to withdraw.

Ms SPENCE: I withdraw. I would suggest that, on any assessment, the abysmal failure of the Office of Women's Affairs to fulfil one of the major initiatives of this Government in a year points to serious inadequacies in the performance of that office. Is that a reflection of the lack of interest that this Minister displays in that part of her portfolio responsibilities? Women are concerned that the Office of Women's Affairs is playing no role in the policy formation of this Government and that the Minister has no time to meet with women's organisations.

Time expired.

QUESTIONS WITHOUT NOTICE

Hospital Capital Works Charge

Mrs EDMOND (10.30 a.m.): I refer the Minister for Health to his refusal yesterday to confirm or deny that the Treasurer's 5% tax on hospital capital works would affect the timing of projects within his Health capital works program. I also refer to his assertion yesterday that this Government is providing the cash and a faster construction period. I ask: is he not just covering up the fact that his department has advised him that the current capital charging regime has the potential to compromise Queensland Health's effort to accelerate the capital works program?

Mr FITZGERALD: I rise to a point of order. I seek clarification. Notice has been given that this motion be debated tonight.

Mr SPEAKER: No, I have allowed the Honourable Minister to answer the question.

Mr HORAN: I thank the honourable member for her question. I am starting to wonder how stupid are members opposite. An amount of \$100m more is being spent this year than was spent in the last financial year. This morning in my ministerial statement I demonstrated how that target is going to be met. Members opposite seem to think that \$295m worth of works compared to the \$195m worth of works that were carried out the previous year is somehow or other less. As I told Opposition members yesterday in answer to a question that was asked by the Leader of the Opposition, they should wait and see what is contained in the Budget, because a bit more will be spent next year as well.

Yesterday, I pointed out very clearly on innumerable occasions to the House that when the coalition came to Government, it found a \$1.2 billion blow-out in capital works owing mainly to the incompetence of the previous Health Minister, the honourable Mr

Beattie. Queensland Health had an incomprehensible mess in capital works. The coalition took over from a Government that had wandered around this State promising \$50m here, another \$40m there. Government members would blow into those towns on the train, hop off and say, "I will give you another \$40m." However, there was no cash to pay for that. There was a \$1.2 billion blow-out.

Members opposite—the former Government—ran a most important multibillion-dollar program of capital works on behalf of the taxpayers of this State and made a financial mess of it. When people consider some of the basket cases that were created under Labor in some southern States and when they consider the financial legacy that was left by those States, they know that everyone in Queensland can rest safely knowing that in this State Labor got thrown out, Mr Beattie got thrown out, and there will be no more multimillion-dollar financial messes left in this State. I think that the decent, thinking people of Queensland deserve more than having a Government con them.

The former Government wandered around the State offering tens of millions of dollars more than what it had in the purse. Members opposite have been exposed for that. Over and over again the Government will expose them to the public of Queensland for the charade that they perpetrated throughout this State. We will tell those people that Labor's former Health Ministers wandered around the State and offered tens of millions more than they had. We will tell them about the \$1.7 billion hospital rebuilding program, of which \$150m had not even been approved by Treasury.

However, I turn to the positive things that are now happening in Queensland Health. We have reorganised the hospital rebuilding program. We now have a \$2.1 billion Hospital Rebuilding Program. We have two greenfield sites at Robina and Noosa that are going to be developed by private enterprise. We have announced the short list for those projects that will provide free public health services. We will spend \$270m on minor capital works at \$27m a year. How has the Government done that? It reorganised the financial capital works mess that was left behind by Mr Beattie, which the honourable member for Mount Coot-tha tries desperately to cover up. I bet she wishes that the member had not been the previous Health Minister and that he had not left her with such a mess to try to cover up and handle.

A Government member: She was pretty good on leaving messes, though.

Mr HORAN: I take that interjection. The honourable member certainly knew about messes. What did the honourable member leave us with in workers' compensation? Was it \$100m or \$200m over, or \$300m? I just forget.

Mrs EDMOND: I rise to a point of order. I would be delighted if Mr Santoro would stop covering up the figures of what I left in workers' compensation.

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

Mr HORAN: All I know is that when the coalition came to Government, in relation to workers' compensation, we in Queensland Health suddenly had to find another \$12m, because our bill had gone up by \$12m. We had to find \$22m for the unfunded enterprise bargain that Labor left behind. There was no money in the bikkie tin to pay the staff the wage increases that they deserved. We had to find about \$78m to cover the Beattie debt and the Elder debt that was left behind.

However, that is only recurrent expenses. The member asked me about capital works and the \$1.2 billion blow-out. Yesterday, I described how the previous Health Minister tried to heist \$34m out of the capital works program to refund the recurrent debt that at that stage he was leaving with Queensland Health. Of course, we all know that it was far more than that. On the positive side, we are spending \$100m more. I do not know how I can get this through to some members opposite: \$295m compared to \$195m means \$100m more spent this financial year than was spent last year. That means that more works are done. We saved the \$34m that Mr Beattie tried to take out of the capital works program. That meant that some of the projects that were planned in some of the electorates of members opposite were able to go ahead. Otherwise, they would have been cancelled. This Government saved them. We are spending \$100m extra this year, which means that more work is being done, more equipment is being purchased, there will be more information technology and we have funded the \$1.2 billion blow-out left behind by Mr Beattie.

I think members opposite should thank their lucky stars that this coalition Government is delivering hospitals and community health centres right across their electorates and those represented by other members. This Government has fixed up the financial mess that was left behind by Mr Beattie.

Once again, I warn members opposite: keep Mr Beattie away from the chequebook.

They are lucky that the coalition has come to Government and has fixed things up. Things are happening faster and better than ever.

Kurwongbah and Petrie Police Initiatives

Mr SPRINGBORG: I ask the Honourable Minister for Police and Corrective Services: can he outline what community policing initiatives are under way at Kurwongbah and whether police numbers are increasing in the Petrie division?

Mr COOPER: I thank the honourable member for the question. Quite obviously, this matter is of current importance. Of course, the news in relation to it is good—but not for that lot opposite. When the Opposition was in Government, police numbers in the Petrie division went down. During 1994-95, there were 65 police stationed in the Petrie division. In 1995, that figure went down to 57—a drop of eight in one year. However, that is Labor's record. Throughout the State, police numbers in all the police divisions and districts were going down.

This Government has been able to put back those police, and it is putting them back in droves. Over the past 12 months, 12 more positions have been allocated to the Petrie police division. That increases the numbers in that division from 53 to 65, and there will be 68 by the end of the year. Police numbers are heading in the right direction, and the police and the people know that.

There is also good news for the Dayboro Police Station. It is a single officer station. However, by the end of the year, it will be upgraded to a two-man station. Police numbers are heading in the right direction. They have not moved in that direction for yonks. This Government is recognising the policing needs of Dayboro.

This Government is also trying to civilianise many police positions. Petrie has a full complement of six civilians supporting the police officers, and that station will have another one by the end of the year, which will make seven. Once again, police numbers are heading in the right direction.

In relation to community policing, I think that it is the way to go. This Government is about the police forming a partnership with the community. In that area, there are six Neighbourhood Watches and another one is about to start at Kallangur. Those numbers are heading in the right direction. Those Neighbourhood Watches are being linked and coordinated by a community liaison

officer—just another part of the service provided by the police—to make sure that those Neighbourhood Watches keep their finger on the pulse. There is also an intelligence officer stationed in that area—another part of the service. That intelligence officer works with the community liaison officer. There is also a tactician stationed in that area who in conjunction with the community plans tactics to prevent crime, such as car stealing at shopping centres and at railway car parks or vandalism.

Mr Hollis: Will they be in the toilets as well?

Mr COOPER: We will never forget the toilets. No, we would not do that. We know that the member has a problem there, and we will make sure that we look after that area as well. It is all part of the service. We will make sure that even Redcliffe gets looked after.

As I said, the police are heavily involved with community-based committees and business and community service organisations. They have a very pro-active, problem-solving crime role in the communities. Police act as advisers to community groups, such as the Pine Rivers Crime Free Consultative Committee and the Plan Safe Coordination Group. Those groups plan, identify and research social problems and then, in partnership with the police, they recommend and implement the appropriate strategies required to solve local problems. That is happening now and it is the way of the future; it is happening at the Petrie Police Station.

Recently a Quick Response Unit was established. The local organisations identified a need for a unit which could hit crime hard and hit it quickly. Police do not work just on foot; police on bicycles can focus on hot spots, be it in railway stations or shopping centres. That is something that Opposition members have yet to learn, but those blokes can already do it. They are very visible, which is exactly what the community groups wanted. A police citizens youth club has also been established at Pine Rivers. Anyone with such a club in their area will know what a fantastic job it does. The clubs organise great activities for young people as part of the partnership between the police and the community.

Under Labor the situation was bad and getting worse; under the coalition it is gradually getting better and better. This is the way to go and the Opposition will hear this story time and time again, not only in Petrie or Kurwongbah but also across the State. I am glad to say that the news is good.

Hospital Capital Works Charge

Mr BEATTIE: When will the Minister for Health tell the truth about the effects of the Treasurer's 5% capital works charge when he has already misled the member for Redcliffe and evaded answering questions on it yesterday and today, particularly—

Mr SPEAKER: Order! I allowed latitude to the honourable member for Mount Coot-tha. There is a motion before the House which states—

"That this House condemns the Health Minister for his incompetent handling of the health capital works program."

That issue is listed for debate this evening.

Mr BEATTIE: With respect, my question deals with a capital works charge; it does not deal with the program in the general sense.

Mr SPEAKER: I will allow the question.

Mr BEATTIE: When will the Minister for Health tell the truth about the effects of the Treasurer's 5% capital works charge when he has already misled the member for Redcliffe and evaded answering questions on it yesterday and today—

Mrs Sheldon: What about you misleading the people of Queensland when you were the Minister?

Mr BEATTIE: I am happy to take the Treasurer's interjection—particularly when his ministerial briefing paper of 21 February 1997 entitled "New initiatives budget 1997" states—

"It is questionable whether the additional recurrent savings associated with the capital charge can be realised without hospitals having to suffer direct budget cuts with subsequent flow-on effects on service delivery."

I ask: will the Minister now tell the truth about what hospital services, including doctors, nurses and patient waiting lists, will suffer as a result of the Treasurer's 5% tax on hospital building projects?

Mr HORAN: I thank the honourable member for his question. Obviously, he wants to do some penance today for the dreadful sins of leaving a \$1.2 billion blow-out and trying to take \$34m out of the capital works program. It is interesting that all members opposite know that under the previous Health Minister they would have received half a hospital, because he promised things which he did not have the cash to deliver. This Government fixed up the mess and provided the funds.

I will give the House some examples of the cost that some hospitals have borne as they have tried to operate in broken down, dysfunctional outlets. That is the way that those hospitals would have stayed under the Beattie plan, which offered everybody hundreds of millions of dollars that the former Minister did not have. It is disgraceful that a Health Minister was prepared to promise things that he did not have the cash to pay for. Once again the coalition Government has had to fix up the mess, which is typical of what happens all over Australia. This Government has provided hundreds of millions of dollars to fund the former Health Minister's unfunded promises.

I can tell the House about one regional hospital in Queensland that would not have been redeveloped had Mr Beattie still been the Health Minister because, despite his promises, he did not have the money to do so. The hospital is broken up into three dysfunctional levels. For a patient to have an operation, staff must collect the patient and take him or her down in the lift to the bottom floor, across an outdoor walkway into another building, then up and through another level and into the theatre. Of course, the reverse happens after the operation.

Let us look at the Royal Brisbane Hospital. Hundreds of millions of dollars have been spent on that dysfunctional hospital. How would one like to be wheeling trollies or delivering anything in that place when there is one building here, another one over here, another one up on the hill. It is like the back streets of Chicago. Mr Beattie did not have the money to fix that hospital. He pulled a hoax on the State of Queensland by claiming that he had the money when, in fact, he was \$1.2 billion short.

It is quite obvious that, instead of having a half-hospital that delivers no savings because it is dysfunctional, inoperable and terrible for patients and staff, this Government will fully fund the development of our hospitals. We have the money to deliver and, in the process, we will build modern and functional hospitals—functional hospitals for all services, functional hospitals for all treatments that patients may need, and hospitals in which patients can receive wonderful care and attention.

Mrs EDMOND: I rise to a point of order. Mr Speaker, your decision to allow the question was based on the fact that it was about the capital charge and not the capital works.

Mr HORAN: For the benefit of the honourable member opposite, I will say it again: we have funded the unfunded portions that the honourable member's Government left behind—the hundreds of millions of dollars that were not there. I have described to the honourable member the massive savings of this Government. Under the Labor plan, hospitals would be half-built or not built at all.

Mr Livingstone: Rubbish!

Mr HORAN: The Labor Party did not have the cash to pay for them. Hundreds of millions of dollars would have been continually poured down the drain of these dysfunctional, inoperable hospitals. The savings that will accrue to Queensland Health from the building of new hospitals will be absolutely massive. This Government has been able to provide funding for those hospitals over and above the funding money that was available. I do not know how many times I have to ram it through the thick head of the honourable member who asked the question that we are talking about savings and efficiencies. Mr Elder also seems to think that we are better off with a half-hospital which will provide no savings in services. He would rather leave the other half of the hospital unbuilt and have staff pushing trollies around the hills and wheeling patients along open-air corridors while both staff and patients endure terrible conditions.

I will finish on a positive note: once again the coalition Government has provided the money to cover the \$1.2 billion blow-out of unfunded promises, the hoax that was perpetrated on the people of Queensland by the previous Health Minister, Mr Beattie. At the same time, this funding will provide modern, functional hospitals that will be the pride of Queensland and the envy of the rest of the world. These modern, functional hospitals will deliver savings so that extra money can be found to provide for other hospitals. We will be delivering.

Hospital Capital Works Charge

Mr BEATTIE: I direct a second question to the Minister for Health. As the Minister arrogantly continues to hide the truth about this critical health issue, I now table the department's 21 February ministerial briefing paper to the Minister and challenge him to deny that it advises him that the Treasurer's 5% capital works charge will, firstly, erode Queensland Health's recurrent budget, which is used to pay for doctors, nurses and patient care, by \$26.2m in 1998-99, \$56.8m in 1999-2000 and \$75m in 2000-2001; and, secondly, that it has the potential to compromise

Queensland Health's effort to accelerate the capital works program. I ask: as the Ministers's brief states, does this 5% hospital building tax not compromise his ability to provide health services to meet the needs of Queensland's rapidly growing population?

Mr HORAN: I thank the Opposition Leader again for his speech and his little question. He does not seem to understand—

Mr Elder interjected.

Mr SPEAKER: Order! I warn the member for Capalaba under Standing Order 123A.

Mr HORAN: The member does not seem to understand that, under Mr Beattie's \$1.2 billion unfunded blow-out and hoax—

Mr Fouras interjected.

Mr SPEAKER: Order! I warn the member for Ashgrove under Standing Order 123A.

Mr HORAN: Under Mr Beattie's plan, we would not even have a hospital; we would have half a hospital. I have told the member over and over again that we are providing the money and the savings. I do not know how many times I have to tell members opposite—

Mr Livingstone: What have you got to hide?

Mr T. B. Sullivan: Five per cent tax.

Mr HORAN: Mr Speaker, if it is all right with you, I would like to take on these fellows opposite. Those two were quite happy to have all these promises that they could not deliver peddled around the State. I wonder what the Opposition would prefer—half a hospital or a proper hospital that delivers millions of dollars in savings?

Mr Beattie interjected.

Mr HORAN: The member can say what he likes. In my previous answer, I pointed out to him the millions of dollars in savings being made. We will be able to deliver brand-new, fully built hospitals and all of the services required. More patients will be treated. Under the Opposition's half-baked plan, we would have half a hospital and no savings. The hospital would be dysfunctional and the number of services would not be increased. Under our plan—

Mr Ardill: Why don't you answer the question?

Mr HORAN: I do not know how many times I have to tell the member about savings. Does he realise what those tens of millions of

dollars of savings will mean? Does the member realise that, if he built a new factory and was able to produce more in that factory at a lesser cost, he would have some funds available to pay off that factory? Does the member understand that basic sort of premise?

The Opposition Leader has identified to some extent the sorts of savings that can be made by having new and functional hospitals. The patients of Queensland will be so pleased that we will be delivering more services in a better facility, not a half-baked one. The only other option they would have would be to go back to the sorts of unfunded promises that Labor made—half a hospital, no savings, staff still unhappy, dissatisfied patients and perhaps old hospitals. We have heard old Henry talking about—

Mr SPEAKER: Order!

Mr HORAN: The honourable member opposite mentioned cockroaches. Would he prefer to keep some of the old buildings? New hospitals could not be built under the previous plan. Would he prefer to have cockroach-ridden hospitals? Would he not be worried about the risk of infection in these old buildings? Would he prefer that system to stay in place? Obviously, the member does not care that we can achieve savings by building new hospitals.

I ask every member opposite whether, in their electorate where this massive program is being undertaken, they would like to go back to having Mr Beattie building half a hospital or whether they would prefer to be under a coalition Government that delivers a completely new hospital and care and attention to their constituents, the savings from which we can use to pay for the unfunded part left behind by Mr Beattie, and which not only looks after staff but also patients?

Mr T. B. Sullivan interjected.

Mr SPEAKER: Order! I warn the member for Chermside under Standing Order 123A for persistent interjections.

Mr HORAN: In summary, we were left with a \$1.2 billion blow-out because of unfunded promises made by the previous Health Minister, Mr Beattie. We were left with \$34m worth of unfunded capital works. The former Minister endeavoured to take that money out of capital works funding. That money was lost forever. It could have gone towards the Caboolture Hospital or the Hervey Bay Hospital, but it was lost forever. That is what we were left with, and it was our

responsibility to fund the unfunded part over and above all the equity funds that remained for the seven years left under that program.

We have funded that work and we have enabled this massive program to go ahead. At the same time, we have funded it in a way that will be paid for by the savings achieved by building new, modern and functional hospitals. Multi-millions of dollars will be saved in the cost of running those hospitals. Had Mr Beattie been left in charge, we would have half a hospital in every town. That would have cost millions more because those facilities were totally inadequate and dysfunctional. That costs taxpayers millions of dollars in unnecessary money, simply to provide basic running costs.

Leasehold Properties

Mr CARROLL: I ask the Minister for Natural Resources: can he inform the House of the facts of how Queenslanders engaged in rural industry across regional and rural Queensland not only come to hold an interest in the many leasehold interests in land from the Queensland Government but also maintain those responsibilities?

Mr HOBBS: There is a general impression—and it seems to be reflected in the Courier-Mail and, in particular, on the part of members on the other side of the House—that people on the land are able to pay only a few cents a week to have a nice rural property. That is not the case at all. People have to understand that those lessees have to purchase those properties. They pay anything from \$4 an acre to \$40 an acre in the rural areas. They have to pay the capital cost, and that could be several hundred thousand dollars or even more.

Once they do that, they then have to carry out maintenance and capital improvements on the property. Then they pay their rents and rates. It is very important that people understand that. There are also conditions on leases that lessees must abide by—for example, looking after and controlling noxious plants and feral animals and paying worker's compensation, which has blown out because of members opposite. There are also a lot of other management procedures that must be taken into consideration.

The editorial in this morning's Courier-Mail stated that "past practices by some pastoralists, such as overstocking and wholesale clearing, have destroyed and degraded the land". It is outrageous that a paper of the standing of the Courier-Mail

should say that that type of thing still occurs. That did occur in the past; I do not deny that. However, things have changed dramatically. For example, we have Landcare and there has been a dramatic change in attitude in rural industry. It is very, very unfair for a leading paper to report such rubbish. The person who wrote that editorial obviously has no idea about what people have done and the effort they have put into Landcare in recent years.

As to overstocking—it just does not occur in the way it used to. People understand that they have to try to look after their properties. As to wholesale clearing—we have tree-clearing guidelines in place. I hope that the journalists from the Courier-Mail are listening to this. Under those guidelines, people can no longer clear land in an irresponsible manner. In the next few months we will be introducing land-clearing guidelines that have a more regional focus. That will represent a further improvement in those measures. We believe that that will flow across to freehold land.

It is important that people understand that acquiring a rural property is not like renting a unit or an office where one pays weekly rent. These property owners have to put up the cash. It is vital that we provide security of tenure for these people. We have entered a totally new era in which there is no such security. The town of Murrumbidgee once had 13 shearing teams. It now has one due to drought and low commodity prices. Virtually the entire town is deserted. The store has closed and the pub is just about on its last legs as well. We have to do something. We cannot just let those towns run down. Something like 2.4 million cattle grown on these properties are slaughtered in Queensland annually, which equates to 2.5 man jobs each beast per day. Sheep are another factor in the equation. Revenue is generated by these leaseholders, so we must do everything we can to assist them. They need some sort of security to enable them to continue.

Members opposite should understand that these land-holders are not trying to do the wrong thing. They are genuinely attempting to look after their land. Members opposite have claimed that this exercise is a land grab. That is a totally ridiculous assertion that is rejected by me, by members on this side of the House and by all the people in rural Queensland.

Port of Brisbane Corporation, Brisbane Airport Lease

Mr ELDER: I direct a question to the Deputy Premier and Treasurer. In light of her

ministerial statement this morning on the lease for the new Brisbane Airport and in light of the Government-owned Port of Brisbane Corporation's involvement in the successful bid of \$1.4 billion, I ask the Treasurer, as a shareholding Minister: what is the total financial exposure for Queensland taxpayers as a result of the corporation's involvement in the consortium and any contingent liabilities that arise from the bid? Can the Treasurer guarantee that port charges will not increase to fund any necessary borrowings?

Mrs SHELDON: As the honourable member would know, the Port of Brisbane Corporation acts as itself. It is a corporation and was set up as such under the former Government's rules applying to corporations——

Mr Elder: You're a shareholder.

Mrs SHELDON: I am quite happy to discuss that, but let us get it quite clear that it is running as a separate business entity using its own funds and its own asset base. It has borrowed money and it will be repaid at commercial rates. I and the other shareholding Minister, the Minister for Transport, have had full briefings from the corporation and have been assured that it can fully meet its commitments under this arrangement. At the end of the day, the people of Brisbane stand to gain considerably from that input, because it is going to be——

Mr Nuttall: You don't know, do you?

Mrs SHELDON: The member certainly does not know! This is a great thing for our State——

Mr Elder: Are there any contingent liabilities?

Mrs SHELDON: The member is trying to smear it again. He makes negative comments about anything that is good for Queensland. I know what his sneaky behaviour is all about.

Mr SPEAKER: Order! The member has asked the question and the Minister is answering it. He is already warned under Standing Order 123A.

Mrs SHELDON: The fact of the matter is that, on the information given to us, the corporation can well afford to do what it is doing. It has informed us that there will be no extra charges for people using the port as a result of this. I said that in my ministerial statement this morning, which the member obviously did not listen to. The corporation has to have its books audited. All of those things clearly come——

Mr Hamill: Are there any contingent liabilities?

Mrs SHELDON: Why would there be any contingent liability?

Opposition members: We're asking you.

Mrs SHELDON: I just do not know why members opposite are dredging up what they hope will be smears. I have said to the member that——

Mr Elder: We're just asking a question.

Mrs SHELDON: It is such a stupid question from the member, and it is designed to somehow besmirch the Ports Corporation and its success——

Mr ELDER: I rise to a point of order. I am not impugning at all the reputation of the Port of Brisbane Corporation, nor the bid. I asked a simple question on behalf of the people of Queensland: are there any contingent liabilities?

Mrs SHELDON: It is certainly a simple question!

Mr SPEAKER: Order! There is no point of order. The Minister is answering the question.

Mrs SHELDON: I have already said that the assets that the Port of Brisbane Corporation has itself will well and truly cover any debt that has been incurred by borrowing the money that it has borrowed. Further, the information that has been given to us is, as I have said now three times, that it can meet any liabilities that come under the debt that has been incurred. The initial input was \$200m. That will be dropping substantially very quickly. From the information that was given both to me and to the Minister for Transport, it is very clear that the port expects to do quite well out of this. We will be able to focus very much on the regional development of the port and the airport. The Port of Brisbane Corporation wishes to expand the port. It needs to be said in this place that the port is growing daily. Usage of the port is increasing considerably. Most of that relates to freight and transport and some of it relates to passenger numbers. I have already said that the Ports Corporation can fully meet its debt and its repayments. At the end of the day there will be a profit in this for the Ports Corporation, which of course is going to mean a benefit for the people of Queensland.

Mr Hamill: Brisbane or the Ports Corporation?

Mrs SHELDON: This is a corporation as set up under the Corporations Act. It acts

independently. The shareholding Ministers signed the agreement enabling the Ports Corporation to be involved in this as we thought it was a very positive move for—

Mr HAMILL: I rise to a point of order. In listening to the answer by the Treasurer, I believe that she may be inadvertently misleading the House. She keeps referring to the Ports Corporation. The Ports Corporation is a different entity from that of the Port of Brisbane Corporation.

Mr SPEAKER: Order! The question has been asked and the Minister is answering the question.

Mrs SHELDON: What needs to be very clearly said—

Mr SPEAKER: Order! The Minister will resume her seat. For clarification, I refer to Speaker Fouras' precedent on 22 August 1991, when he said—

"Members sometimes complain about lengthy answers from Ministers. There are two sides to this matter. If questions are multifaceted and members give Ministers enough room to skate around those questions, they will. If members want short, sharp answers they should ask specific questions."

I rule that the Minister is answering the question. The Minister can answer the question as she sees fit.

An Opposition member interjected.

Mr SPEAKER: Does the member want to question that ruling? I call the Deputy Premier and Treasurer, and I call for order on both sides of the House.

Mrs SHELDON: It is of concern that the Opposition is again bagging a very good initiative for the State of Queensland.

Mr ELDER: I rise to a point of order. That is not true and I ask for it to be withdrawn.

Mr SPEAKER: The honourable member has indicated that he wishes the Treasurer to withdraw some remark.

Mrs SHELDON: Mr Speaker, I did not refer to him by name, but if you wish me to withdraw, I am happy to withdraw. All I can say is that if members opposite are so sensitive about bagging everything that is good for Queensland, why do they continue to do so? This is a great initiative for Queensland. The Minister for Transport and I thoroughly support it and, in the future, honourable members will see great development in our State for major assets such as the Brisbane Airport. This Government is very pleased that this bid was

successful on a level playing field. I would like to conclude by pointing out to the members opposite that Lord Mayor Jim Soorley thought it was a pretty good thing for the State as well, and his council has also been involved.

Health Services, North Queensland

Mr TANTI: I ask the Honourable Mike Horan, Minister for Health: would he please tell the House of some of the health improvements the coalition Government has brought to north Queensland?

Mr HORAN: I thank the honourable member for his question. I know he takes an intense interest in the health services in north Queensland.

Mr Beattie: Tell us about the tax.

Mr HORAN: I think the Opposition Leader should get a job in Fred Brophy's boxing tent. He has been boxed around the ears about three times today and he still wants to go another round. The coalition Government is not only funding the unfunded part of the hospital rebuilding program but also we are actually providing for additional staff. It is interesting to see how already this year we have increased the number of in-patients being treated and we have increased the number of outpatients who have been treated. Specifically in relation to Townsville, about which the honourable member asked the question, one of the first things we did was to provide the funding for a full-time urologist. That is something that north Queensland has not had for years and years. When we took Government, the waiting time for public urology in north Queensland had blown out to something like well after the year 2000. We now have a full-time urologist working in Townsville to provide a service there, plus outreach services to other parts of northern Queensland.

Mr Beattie interjected.

Mr HORAN: In taking the interjection from the Leader of the Opposition, I point out that this full-time urologist will be able to look forward to working and treating people in a fully-built hospital, not half a hospital as the previous Government would have delivered. In addition, at Townsville we have been able to provide for four emergency department specialists so that we can provide that basic front-line service—getting back to basics, as we always said we would do. Included in that is a permanent director of the emergency department, a permanent position which has not existed in Townsville for some eight years.

Mr MACKENROTH: I rise to a point of order. Did Speaker Fouras ever give a ruling on tedious repetition?

Mr SPEAKER: There is no point of order, but he did make a lot of rulings.

Mr HORAN: I guess if the Opposition Leader keeps asking the same question, he will keep getting the same answer. What the honourable member does not like to hear about is all the additional services that we are providing, as well as building new hospitals. The truth hurts, doesn't it? Not only are we building, but we are also providing services for people who actually treat the patients. As well as all those initial specialists in the emergency department, we have been able to fix up the Kirwan Hospital for Women with three obstetrics and gynaecology specialists, and a fourth is about to arrive. We have provided for two radiation oncologists and a clinical haematologist at the Townsville Hospital.

In the area of eye surgery, we have halved the waiting list from 459 to 230. I have no doubt that the people of north Queensland appreciate what the coalition Government is undertaking. We have provided what the people of Cairns have wanted for years: a licence to put in place a cardiac catho lab as well as a renal dialysis lab. I know the coalition members in that area are absolutely delighted with that.

We have upped the spending on the new Cairns Hospital from the paltry \$70m provided by the previous Labor Government to around \$105m now. We will be providing additional funding so that it can have a rehabilitation unit to look after those far-north Queenslanders who suffer strokes, head injuries, spinal injuries and so forth. At that hospital the first part of the clinical services building, an early works program of \$950,000, has already commenced now that the car park has been completed.

Moving up to the Atherton Tableland at Mareeba, we are looking after the eyes of more of the people of Queensland. We are putting in place an eye service that is actually going to treat 100 cases of eye surgery per year. That is 100 people on the Atherton Tableland who will be able to get their sight back under the coalition but who were left behind by the previous Government. We are putting in place a specialist—

An Opposition member interjected.

Mr SPEAKER: Order! I hear the honourable member. I would ask the Minister to wind up.

Mr HORAN: I was just about to move to the Atherton Tableland where we are putting in place a \$600,000 community health centre—\$300,000 at Charters Towers where there will be a laundry and other facilities—and finally, the little town of Glendon, which often gets forgotten. In conjunction with the Mackay Hospital, the coalition has been able to assist the community of Glendon—particularly through the good work of Mr Ted Malone, the member for Mirani—in helping it to obtain a general practitioner. Again, the coalition is delivering in north Queensland.

Liberal Party; Pauline Hanson

Mr ROBERTSON: I refer the Treasurer and Deputy Premier to the fact that in the Runcorn ward during the recent Brisbane City Council elections, the Liberal Party handed out how-to-vote cards on behalf of independent candidate and declared Pauline Hanson supporter Arthur Hickman, and I ask: as the Leader of the Liberal Party in this State and Deputy Premier, does she condone her party's close association with and assistance to political candidates who publicly declare themselves as Pauline Hanson supporters, or what steps will she take to ensure that the Liberal Party distances itself from Pauline Hanson, her supporters and the poisonous policies of prejudice that she promotes?

Mrs SHELDON: I thank the honourable member for his multipronged question. I think the former Speaker made a ruling on such multipronged questions. My understanding is that that particular candidate stood for a number of parties, including the Labor Party and that in fact it was the Labor Party which was handing out such information and literature.

Department of Environment Hotline

Mr HEGARTY: I refer the Honourable Minister for Environment to the fact that last week in the House the member for Bulimba made allegations regarding the Department of Environment's after-hours so-called hotline, suggesting that it had been cut back since the coalition came into Government, and I ask: can he advise the House if there is any truth in the member's accusations?

Mr LITTLEPROUD: I thank the member for Redlands for the question because, after the allegations were made, I made inquiries from the department. I can now inform the member for Bulimba of two things: firstly, the after-hours service that he referred to still continues so there has been no

change since the days of the Goss Government; and, secondly, he has only upset those people who work in the department and put his own people further off side with them.

It is worth while talking about the performance of the Department of Environment over the past six years, because there was an inference in the statement by the member for Bulimba that things were not as good as they used to be. During the first three years of the Labor Government, Mr Comben was the Minister for Environment. Of course, he came in all wild and enthusiastic and went out there and acquired a lot of land, but did not give the department the money to make sure that it could look after these national parks.

Then the previous Government embarked on a complete rewrite of the environmental legislation. That was all very academic and something one would accept in principle, but Mr Comben did not stay long enough to turn that into reality. Because things were not going well in the Education Department, he was drafted into Education to try to fix up the mess and Mrs Robson came into Environment. Mrs Robson was more about saving herself with things like mahogany gliders, the Koala Coast and SPP 1/95 and did not really get on with the job. Then for the first six months after the last general election, we had as Minister the member for Waterford, who was probably starting to realise just how tough things were because there was a lot of unfinished business out there which I have inherited. I take delight in saying that those EPPs that hang off the environmental protection policy that were in the process of formulation are almost completed. If honourable members takes account of what was discovered when they brought out the licensing provisions under the Environmental Protection Act and the committee made 103 recommendations for alterations to the work that they had been putting together, they might understand why I have some nervousness and why I have had to work them over again.

There was an inference by the member for Bulimba that the department is not as good as it used to be. I can tell the members of the House it is certainly starting to get its act together and we are starting to deliver. With regard to the specific instance about which the member is talking—

Mr Purcell: Try ringing them yourself and see how you go. Don't tell them who you are.

Mr SPEAKER: Order! I warn the honourable member for Bulimba under Standing Order 123A.

Mr LITTLEPROUD: I can tell the good-natured member for Bulimba that the service still acts on a roster basis. When calls come in, people who make complaints are asked to put them in writing so that we can get rid of those people who are making frivolous and vexatious complaints. Perhaps the member for Bulimba would fall into that category. Also, a written statement is required in case prosecutions eventuate from those complaints. We also need something in writing later so that we can go to the complainants and formally advise them of the outcome. In this particular instance, we also prioritised things.

Mr Purcell: Six weeks later.

Mr LITTLEPROUD: If it is a fish kill or water pollution, we have an immediate response after hours. If the complaints relate to dust or noise, they are referred to our department or any other department or agency that is involved. With incidents such as chemical spills and fires, which are also referred to my department, we obviously refer them to the Honourable Mick Veivers and his Department of Emergency Services, where they take great care of those sorts of things. In this instance, I believe that the member for Bulimba is aware that his complaint related mainly to a Brisbane City Council matter in that it was about—

Mr Purcell: No, it wasn't.

Mr LITTLEPROUD: Yes, it was. It was about a town planning consent by the Brisbane City Council and the burning off of vegetation, which came under the Fire Service Act. The member made a demand that he get a report back from an officer of mine the next working day. He has no power to make demands. He can make a request to me, and I will make sure that he gets the information he needs, but he does not have the right to demand something from a staff member of my department.

Suncorp/Metway/QIDC Merger

Mr HAMILL: I refer the Treasurer to the announcement by the Suncorp Metway Group that 250 Queenslanders are to lose their jobs in the first stage of the group's rationalisation and that, as a result of the merger, an additional 10 jobs have been lost through the recent closure of the Queensland Stock Registry and the movement of its business to Victoria, and I ask: how many more

Queenslanders will lose their jobs through the Suncorp/Metway merger? How can the Treasurer reconcile these savage job losses with her assurance on 28 May 1996 that "no-one would be losing their jobs" because of the bank merger?

Mrs SHELDON: As the honourable member would know, the Suncorp Metway Group is now a publicly floated company. It has its own independent board, and it has to speak to the shareholders of the State. All decisions it makes of any nature—financial or commercial—are made on that basis and at total arm's length from this Government. If the member has any questions, I suggest that he refers them to the board and to the CEO of that board.

Helens Hill State School

Mr ROWELL: I refer the Minister for Education to the media release issued last week by the member for Cook stating that the Helens Hill State School in my electorate was to be closed, and I ask: can the Minister please advise if this is true?

Mr QUINN: I thank the honourable member for his question and place on record the appreciation of all the people in his electorate for the work that he has done in representing his constituents with regard to the Helens Hill State School. Some concern has been expressed about the future of the Helens Hill State School, which is a very small school in the member's electorate. Unfortunately, it was burnt down, and we have taken some time to reach a decision about what the future of the school would be. The students at the Helens Hill State School have been attending another school in the interim.

We have been at pains to ensure that we make the right decision. There are many issues to be considered. We were concerned to make the decision in the best interests of all the kids who attend that school and the neighbouring schools. Of course, the press release put out by the member for Cook jumped the gun. No decision had been made.

Mr Bredhauer interjected.

Mr SPEAKER: Order! I warn the member for Cook under Standing Order 123A.

Mr QUINN: This is just another example of how the member for Cook travels around the countryside spreading misinformation and causing concern in communities. It is regrettable that the parents of students at that particular school were under the impression that we were going to close the school, whereas no decision had been made. The

member for Cook would have been better advised to wait until a decision had been made—

Mr Bredhauer interjected.

Mr SPEAKER: Order! The member for Cook! This is the member's final warning.

Mr QUINN: The member for Cook would have been better advised to wait until a decision had been made before making comment on the matter. This is just another example of how the member's credibility comes into question. He has been going around causing concern when, in fact, there is no basis for concern because the decision had not been made.

Job Creation Programs; Youth Unemployment

Mr BRADY: I have a question for the Treasurer.

Mr BORBIDGE: Mr Speaker, I apologise to the honourable member. The Treasurer was just called urgently from the Chamber.

Mr BRADY: In that case I will direct my question to the Premier. I refer to weekend comments by the Minister for Families, Youth and Community Care—

Honourable members: She's back.

Mr SPEAKER: Order! The question will be redirected to the Deputy Premier.

Mr BRADY: I refer the Treasurer to weekend comments made to the Young National Party Conference by the Minister for Families, Youth and Community Care in which he called on Governments to take greater responsibility for the employment of young people. I also refer the Treasurer to her comments in Monday's Courier-Mail, in response to Mr Lingard, in which she said, "No number of phoney make-work schemes and empty training programs can match the benefits of genuine economic growth." I also refer to her Government's slashing of job creation and training programs for young people, and I ask: does the Treasurer finally accept that Labor's approach of meaningful job creation programs is the right policy, and will she now join the Minister for Families, Youth and Community Care in supporting Labor Party policy?

Mrs SHELDON: This coalition Government is totally focused on job creation. That is a major theme of our Budget. Of course, I share with the Minister his concerns about youth unemployment. The phoney make-work schemes to which I was referring

were those of Labor, State and Federal. We know how successful they were! They were used as a political ploy to get people off the unemployment list, supposedly training under a scheme that never eventuated in jobs. A number of young people in particular came to us and said, "This is the fifth or sixth training scheme I have been on. We have to go on them or we lose our welfare benefits, and they never, ever result in a sustainable job or, indeed, often any job." Those young people came to my office—and I know they went to the Minister's office—and explained to us that the Labor Federal Government was wasting money in a hypocritical move to take people off the unemployment list.

Our policies are working, as has been very clearly indicated. Further, our emphasis on making small businesses effective and helping them means that they can create long-term, sustainable jobs. That is exactly what our Government is focused on doing.

Natural Heritage Trust

Mr ELLIOTT: I ask the Minister for Natural Resources: what is the Government doing to expand the current Landcare assessment panels that will be required for the Natural Heritage Trust?

Mr HOBBS: The Natural Heritage Trust has a much wider scope than the former national Landcare program.

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

FRIENDLY SOCIETIES (QUEENSLAND) BILL

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11.30 a.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill for an Act to provide for a uniform scheme for friendly societies and for other purposes."

Motion agreed to.

Mr SPEAKER read a message from Her Excellency the Governor recommending the necessary appropriation.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mrs Sheldon, read a first time.

Second Reading

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11.31 a.m.): I move—

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

The objective of this Bill is to facilitate the integration of friendly societies into the Financial Institutions Scheme by application of the Friendly Societies (Victoria) Code and Regulations as the law of Queensland. A similar mechanism will be adopted by other States and Territories to provide a uniform approach to the supervision of friendly societies throughout Australia.

In 1994, Ministers representing each State and Territory of Australia agreed to develop and establish a uniform program for the supervision of friendly societies. This strategy was designed to replace the fragmented and disparate approach to regulation that currently exists throughout Australia. Victoria was chosen as the seat for the template friendly society legislation. After approval by all jurisdictions, the template legislation will be adopted, through an "application of laws mechanism" in each State and Territory that is a party to the scheme.

The principal statute of the proposed legislative package, the Friendly Societies (Victoria) Act and Code, has been introduced into the Parliament of Victoria and was passed in the Legislative Assembly on 21 November 1996 and by the Victorian Legislative Council on Thursday, 5 December 1996. A copy of this Victorian legislation has been circulated with the Bill. Certain amendments to this legislation which have been supported by all jurisdictions are currently being processed through the Victorian Parliament. This amending legislation will also be circulated as soon as it becomes available.

The proposed friendly societies legislation will form part of the Financial Institutions Scheme, which was introduced in 1992 to supervise building societies and credit unions on a nationally uniform basis. Under the scheme, the Queensland based Australian Financial Institutions Commission (AFIC) will be the national coordinating and standard-setting body for these institutions. Day-to-day supervision is to be undertaken by State supervisory authorities in each State and Territory. A ministerial council, consisting of the relevant Minister from each jurisdiction, maintains oversight of the scheme.

The success of the FI Scheme—now well into its fifth year of operation—has been

recognised, particularly the scheme's modern legislation and the accompanying system of prudential and other standards. It is, therefore, both reasonable and appropriate to utilise this scheme to provide a similar approach to the supervision of friendly societies. There are no costs for Government arising from this Bill. The Bill deals with supervision by established supervisory authorities. AFIC and QOFS are completely funded by levies on the various societies which operate under the FI Scheme. I commend the Bill to the House.

Debate on, motion of Mr Hamill, adjourned.

FINANCIAL INSTITUTIONS LEGISLATION AMENDMENT BILL

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11.34 a.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill for an Act to amend the AFIC Code, the Australian Financial Institutions Commission Act 1992, the Financial Institutions Code and the Financial Institutions (Queensland) Act 1992 and for another purpose."

Motion agreed to.

Mr DEPUTY SPEAKER (Mr Laming) read a message from Her Excellency the Governor recommending the necessary appropriation.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mrs Sheldon, read a first time.

Second Reading

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11.35 a.m.): I move—

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

This Bill is designed to make improvements to, and address deficiencies which have arisen in, the financial institutions legislation, and to facilitate the integration of the friendly society industry into the Financial Institutions Scheme. The Financial Institutions Scheme commenced on 1 July 1992, underpinned by the Financial Institutions Agreement, which was signed by the Premiers and Chief Ministers of the Australian States and Territories in November 1991.

The scheme's legislation flows from template legislation passed by the Queensland's Legislative Assembly, which has been adopted as the law of all other Australian States and Territories. Because of this, it is necessary for Queensland to make amendments which have been supported by the Ministerial Council for Financial Institutions (MINFIN) in order to ensure that the template legislation remains relevant, up to date and effective.

The arrangements for the scheme are such that, unless Queensland's legislation is suitably amended, industry participants in other jurisdictions are not in a position to benefit from proposals properly promoted within their respective jurisdictions. There are a substantial number of amendments being made to the financial institutions legislation in order to have that legislation retain its relevance in regulating the activities of State-based financial institutions, including building societies and credit unions—pending future action which might be undertaken in this arena by the Commonwealth Government following the release by the Federal Treasurer of the final report into the financial system by the Wallis inquiry committee.

In so far as amendments to the Australian Financial Institutions Commission (AFIC) Code are concerned, the objectives of the Bill are refining the Emergency Liquidity Support Schemes administered by AFIC in relation to building societies and credit unions, and ensuring that AFIC is given responsibility for the approval of the use of all names by financial institutions by extending its coverage to include the approval of the use of names, other than registered names, by financial institutions.

With regard to the Financial Institutions Code, the objectives of the Bill are to provide for the formation and registration of wholly owned building societies as subsidiaries of approved financial conglomerates, abolish the doctrine of ultra vires in its application to societies, reform the provisions dealing with mergers and transfers of engagements involving foreign societies and reshape the requirements concerning the initial registration as well as ongoing compliance with the legislation by foreign societies.

In so far as the integration of friendly societies into the Financial Institutions Scheme is concerned, in April 1994 MINFIN agreed to develop and establish a uniform scheme of supervision for friendly societies. This new scheme will replace the fragmented and disparate approach to regulation of friendly

societies that currently exists throughout Australia.

The legislation for this scheme will form part of the Financial Institutions Scheme legislation, which was introduced in 1992 to supervise building societies and credit unions on a nationally uniform basis. In order that this package of legislation can be integrated into the Financial Institutions Scheme, complementary amendments are necessary to the AFIC Code and the Financial Institutions (FI) Code. As the host State for the template legislation enshrining the abovementioned codes, it is necessary for these complementary amendments to be passed by Queensland's Legislative Assembly. I commend the Bill to the House.

Debate, on motion of Mr Hamill, adjourned.

SUPERANNUATION AND OTHER LEGISLATION AMENDMENT BILL

Second Reading

Resumed from 30 April (see p. 1130).

Hon. D. J. HAMILL (Ipswich) (11.39 a.m.): The Opposition supports the measure which is before the House in this superannuation Bill. It seeks to bring together the administration of five existing State superannuation funds, namely those that deal with the Police and Fire Services, the State service fund, Gosuper and, of course, Q Super, which is administered through the State public sector fund. The arrangements will mean that there will be benefits in the administration of the funds. The Opposition understands the urgency in having this legislation passed because there are certain potential liabilities for capital gains tax should it not be enacted by 30 June this year.

The Opposition also supports the enhancement to those measures that can be brought into play to recover the employer's contributions with respect to corrupt public officials. In turn, this legislation supersedes legislation that was passed in this Parliament in 1989 to deal with the very disturbing case of the former Commissioner of Police in this State, Terry Lewis, who brought great dishonour to his high office and who was a key figure in the corruption that was then seen to be endemic in the Governments of Queensland. It is only fit and proper that such corrupt officials forfeit the benefits that they would have derived from their service to the Crown. It is just a shame that those officials became rather more self-serving than servants of the public.

I want to take this opportunity to make a number of comments about superannuation, which has become not only a very important part of the lives of ordinary Queenslanders and ordinary Australians but also an increasingly important aspect of the financial affairs of our nation. It is not that many years ago that superannuation was largely unavailable to the majority of working men and women in this country. In fact, even as recently as in 1986, a minority of working people in Australia had access to superannuation funds where there was any employer contribution.

Mr Purcell: It was only through the efforts of the building unions in this country that got workers in the large schemes.

Mr HAMILL: I take that interjection from the honourable member for Bulimba, whose commitment to the building industry is well known and well respected. Through his union, the member played an important part in broadening the opportunity for ordinary Australians to avail themselves of what is a very important part of retirement benefits.

Mr Purcell: Industry schemes.

Mr HAMILL: Industry schemes led the way. In the intervening years, we saw a number of important advances, particularly by the former Federal Labor Government, in extending the access to superannuation to all workers. In the period between 1989 and 1994, we actually saw coverage of superannuation schemes rise from around two-thirds of the Australian work force to over 90% of the Australian work force. That increase coincided with the superannuation guarantee. For the vast majority of Australian families, superannuation has become the principal part of household savings other than perhaps the family home. Such is the significance that superannuation has today for ordinary working families.

Not only is superannuation providing a source of future retirement income for ordinary Australians but also the enormous increase in superannuation has meant that major changes are taking place in Australia's financial markets. The flow into superannuation managed funds is very substantial indeed—in excess of some \$15 billion a year—and it is projected that over the next 10 years that figure will rise to the order of some \$25 billion per annum flowing into them. Those figures relate to net contributions, that is, contributions plus earnings but less the costs, the taxes and the payouts from those funds. So these are very, very substantial sums of money, very substantial financial

assets, being amassed through the popularising of superannuation. In fact, as we speak, superannuation funds in this nation can command in excess of \$A300 billion and have become one of the most important sources of finance in the nation.

The spread of superannuation benefits has actually made individual and ordinary Australians indirect shareholders in many of our major businesses both at home and abroad. In fact, it is worth considering for a moment the range of investments that those superannuation funds are making on behalf of their members. In terms of the funds invested in our superannuation funds, almost 30% are going into Australian equities, that is, home-grown companies, which provides a very important source of equity finance for Australian firms. About another one-quarter of those funds go into Australian fixed interest investments. Obviously, from time to time those figures fluctuate as the returns from those investments fluctuate. The fund managers have to make very important decisions to preserve the future benefits for those workers whose funds are with those superannuation schemes.

About 13% of the investments are in property. Also of significance is the fact that over one-tenth of the funds invested in superannuation funds in Australia is finding its way into overseas equities. It is making ordinary Australians indirectly part-owners of large international companies as well. For Australia as a nation that is important because it is securing for it a flow of funds, a flow of interest payments and dividend payments, into the country. Australia has tended to be a country that has had to import capital. We are now seeing in some areas Australian capital being exported overseas and Australians benefiting from the income that that capital can generate in those other markets. In fact, when one looks at the entirety of the investment of those funds, around about 15% of them are being invested in overseas assets and equities by the Australian superannuation industry.

It is in that context that a consideration of this Bill is important. We are dealing with the retirement expectations of ordinary Queenslanders in the public sector. Given the age profile of our community and the fact that the baby boomers among us are getting a little bit older, we will find ourselves in a situation that, with the retirement of the baby booming generation, a significant number of Australians will move from earning income into relying upon retirement benefits. It is in that

context that the expansion of superannuation in this nation is so very important.

That is why I am very concerned indeed about some of the policy directions that are coming from Canberra at present, which serve only to undermine superannuation as a sensible investment option for Australians with a view to securing a comfortable retirement for them in the future. The Federal Government is looking to imposing surcharges on contributions to the funds, which will affect the moneys that can be derived by the members of those funds in the future. We are seeing policies that are undermining the commitments that were given to the expansion of superannuation under the former Federal Labor Government. Those policies that are being pursued will undermine superannuation and are very near-sighted indeed. One of the greatest problems this nation has had to face, and must continue to face, is the level of savings in its society. As I said before, one's own residence and now one's superannuation represent the two most significant areas of household savings in the nation. We should not allow a Government that seems to be focused on the immediate and short term to undermine what I consider to be one of the greatest enterprises that Australia has embarked upon in the post-war period.

Mr Hegarty: Who started that?

Mr HAMILL: I think the member for Redlands asked who started superannuation. If the honourable member had been a little more attentive earlier, he would have heard me make the point that 10 years ago only about 4% of Australians had access to superannuation. We have seen a revolution in superannuation over the last decade.

Mr Purcell interjected.

Mr HAMILL: The member for Bulimba is very timely in his interjection, pointing out that industry-based schemes led the way. We have seen a substantial expansion of superannuation coverage over the last decade. Let us ensure that, regardless of the side of the House on which we sit, we do not allow the tremendous advances that have taken place over the last 10 years to be eroded. Let us be clear that we are not talking about Australia in 1997, 1998 or the year 2000; we are talking about Australia 20 or 30 years into the future. If we continue to make provision as we have over the last 10 years, we will be able to address some of the fundamental structural problems that the Australian economy has had over the last 100 years.

Superannuation provides a mechanism to achieve important savings goals for our nation. At the same time, it provides a source of important equity investment for Australian industry and a secure retirement income for ordinary Australians. The Opposition supports this measure, as indeed it supports the concept of superannuation, and advocates very strongly for it.

Hon. K. E. De LACY (Cairns) (11.52 a.m.): I endorse the remarks of the Opposition spokesman. The Opposition does support the legislation. Superannuation is, indeed, important to all Australians. It is an industry which has grown exponentially, as the member for Ipswich has pointed out, over the last decade and I think that everybody must agree that that has been good for Australia.

Many politicians, including Federal politicians, lament the lack of private savings in this country. They identify that as one of the causes of our chronic problems with the current account, interest rates and inflation. Long have they looked at ways of encouraging Australians to save more. I believe that during the 1980s and the early part of the 1990s, Australians did more to address that problem than has ever been done in the past. However, that is not to say that the superannuation industry is devoid of massive insecurity and great anxiety. In fact, most participants, be they fund managers, contributors or beneficiaries, are punch drunk with all the changes that have occurred over the last decade. I think that every change that occurs does great damage to the industry, the perception of the industry by the general public and the perception of superannuation as an investment medium.

Mr Hegarty: Who introduced those extra changes?

Mr De LACY: I am coming to that. The previous Labor Government was responsible for many changes, but I say this: at least it was trying to encourage people to invest in superannuation and it had the objective of using superannuation as a means to increase national savings. The Labor Government was really working in uncharted waters and most of the changes that it introduced were introduced for the right reasons—in other words, to improve or increase the security of superannuation funds and superannuation as an investment medium.

In what I believe is one of the most courageous initiatives that has occurred in this country since World War II, the Labor Government introduced compulsory superannuation. We all know that if this kind of

initiative had been introduced decades ago, as a nation we would be very much better off today. Under the great Ming dynasty of the 1960s when Australia knew eternal growth, if the Federal Government of the day had had the courage, foresight and vision to introduce compulsory superannuation, Australia would not have the savings problems that everybody identifies and there would not be the great drain on Federal revenue to meet ever-increasing social security payments to the aged in this country. However, that opportunity was not taken.

The Federal Labor Government—and I know that the member for Redlands is very quick to criticise it—took up the challenge and introduced the superannuation guarantee charge. That move has been opposed by conservative Governments and businesses all around Australia. However, at the end of the day, Australians are going to be a lot better off because of the initiative and the courage of the Federal Labor Government

Mr Purcell: That's if Costello can keep his fingers out of it.

Mr Hegarty interjected.

Mr De LACY: I will take the interjections one by one. The interjection of the member for Bulimba was very intelligent, because he said, "That's if Costello can keep his sticky fingers off it." It is true that that is the problem.

Despite all of its bluster in Opposition about the need to increase private savings, the biggest tax or revenue initiative of the Budget of the present Federal coalition Government was to tax superannuation to the extent of \$1.5 billion over three years. In my view, that is a retrograde step. It is not done for the benefit of superannuation; it is done for the short-term expedient of increasing revenue.

Mr Hamill: The annual Budget.

Mr De LACY: Yes, it has been done for the short-term expedient of the annual Budget. It sees superannuation as a milking cow. It has endeavoured to sell it as some kind of an equity measure. What utter nonsense! It is nothing more than a naked tax on individuals and savers and, I might say, it is a tax on State Governments. The Queensland Government has rolled over. Why would the Queensland Government roll over to ensure that the Commonwealth can increase its taxes when the State will have to be involved in legislation? In addition to that, I am not sure how it will work with public sector schemes, but it seems that, particularly with defined benefit schemes, unless the State Government

reduces the defined benefit to public servants, politicians, judges and everybody else, it will be nothing more than a straight tax by the Federal Government on the State Government. Yet before going to Canberra for the Premiers Conference, Mr Borbidge and Mrs Sheldon were beating their breasts about all the things that they were going to do and how macho and tough they were going to be, and they came back with their tails between their legs agreeing—and I cannot believe it—to the contribution surcharge on superannuation; in other words, they agreed to a tax by the Federal Government on the State Government.

As I said, the Government has dressed it up as some kind of equity measure. What nonsense! It is nothing more than a blatant tax grab. If the Government genuinely wanted to deal with equity issues in superannuation, it would look at the tax on benefits rather than the tax on contributions. There are major flaws in taxing contributions. For instance, some people have come late into superannuation and are therefore paying larger contributions to get the same benefit at the end. However, they will pay a higher level of tax. That also affects women who have been out of the work force for some time and have returned to work. If they want to make up for the contributions that they have missed, they will pay a larger contribution and therefore will pay a larger tax.

If the Federal Government is concerned about equity issues, it ought to be looking at taxing the benefit rather than the contributions. Why did it decide to tax the contributions? It did that for no other reason than that it wants the money up front. It wants the money in the Budget now, because it has to get its hands on it very quickly. So it will have a short-term budgetary gain—about \$500m in every Budget—if this proves to be constitutionally valid. That is the short-term benefit.

However, what is the cost? The Federal Government has done further grave damage to the image of superannuation. People are losing faith in superannuation as an investment medium. The Federal Government has done great damage to the objective of increasing private savings and to its long-term Budget position. So it is seeking a short-term benefit at the expense of a long-term cost. As I said earlier, it is reversing one of the great reforms of this century: the need for everybody to be involved in superannuation and to prepare for their retirement by way of their own contributions.

The Federal Government has also created an administrative nightmare for individuals and certainly for the funds. A couple of weeks ago, the member for Ipswich and I spoke with some of the managers of the largest funds in Australia. They said that this is horribly complicated—a nightmare. One of them even expressed the sentiment that, if the Government really wanted this money from superannuation funds, the funds would have been a lot happier if it had said, "Let's bring in a 5% wealth tax"; that it should have taken the money and allowed the funds to get on with business. Taxing individual contributions into a fund is an absolute nightmare.

When I asked how the Government would impose its surcharge on individuals who are contributing to a defined benefits scheme in the public sector which is not fully funded by Governments, I was told that it would set up a notional surcharge debit account on which it would calculate the notional surcharge actuarially assessed annually which it would escalate by the long-term bond rate, and then it would collect this as a tax when the benefit was paid but before it got into the hand of the employee. If the payout is in the form of a pension, the tax is actuarially commuted to an annual deduction from the pension. One can imagine what impact that will have on superannuation funds with tens of thousands of contributors. I will let honourable members make their own speculations about that.

This is one of those dreadful taxes that has no social benefit at all but which imposes many costs in a whole range of areas. This is a Peter Costello tax grab. It is poorly thought through, costly, inefficient, constitutionally doubtful, inequitable and it will have long-term impacts on national savings and Commonwealth Government expenditure.

I wish to speak about superannuation in Queensland. The present Queensland coalition Government is also contributing to the insecurity being felt in the public sector in respect of superannuation. It is contributing to the insecurity and anxiety of two groups: those involved in administering superannuation—the Government Superannuation Office and the Queensland Investment Corporation—and public servants who are concerned about the future of superannuation in this State.

Those in the public sector are feeling anxious largely because of the Commission of Audit, which recommended that the Government evaluate the costs, benefits, risks and other implications of privatising the Queensland Investment Corporation. Perhaps

we ought to have a look at privatising it. I do not know about that.

The Queensland Government has done nothing about those recommendations. The report of the Commission of Audit, which is one of the most dreadful documents that I have ever seen, achieved nothing worth while and created a great deal of insecurity. The Treasurer has been running around the State lauding the benefits of the Commission of Audit, but she mentions only the part that purports to criticise the financial position of Queensland. However, the Government seems to be running away from all of the recommendations in respect of privatisation.

The Queensland Investment Corporation has about \$13 billion in funds under investment. It is a very professional operation which has outperformed the market over the past six or seven years, and it continues to outperform similar funds. Yet the people there do not know whether the Government will pull the rug out from underneath them next week, next year or the year after. Who knows? That type of insecurity does not lead to good performance.

Many professionals in the Queensland Investment Corporation who could conceivably make more money in Sydney or Melbourne, where the industry is largely established, are remaining in Queensland because of loyalty to the QIC and, very often, Queensland. If this insecurity is allowed to develop and grow, they will take the option of entering the bigger pools of opportunity that exist in Sydney and Melbourne. The Government is not fostering a climate for good performance. The Government ought to be clear about what proposals it has for the Queensland Investment Corporation in the future.

A whole range of other factors will impact on the QIC's viability over time, quite a few of which are associated with the National Competition Policy, the way in which it will impact on the management of superannuation funds and the way in which Governments in Queensland have mandated funds to the QIC. That provides it with a large pool of funds, enabling it to exercise the economies of scale and investment clout necessary to compete in this industry.

In respect of the future of superannuation for public sector employees in Queensland, I am aware of the fact that Treasury already has a proposal on its books to stop the defined benefits scheme and to revert, as most of the other States have done or are doing, to a simple accumulation scheme based on the superannuation guarantee charge, which is

currently 6% and will rise to 9% by the year 2000. That would be a dreadfully retrograde step for the future of superannuation, given the progress made in the past decade in this State.

Accumulation schemes will ultimately attract only 9% as contributions, a figure generally considered to be insufficient to provide a satisfactory retirement income. The industry used to say that one needs to contribute about 15% of one's salary into a super fund for a lifetime to ensure that one can retire on a salary that is about 60% of preretirement income. If we go back to adopting accumulation schemes in the public sector, we will go backwards.

The message which I am receiving is that nothing will be done until after the next election, if the Government is re-elected. I call on the Treasurer to outline the Government's policy with respect to defined benefit schemes. Are they secure under a coalition Government or is the Government proposing to revert to accumulation schemes? If that is proposed, the Government should tell the people of Queensland and the public servants that that is what it is proposing to do.

I want to conclude with a few comments about the person who has been in charge of public sector superannuation in this State for a long period, Dale Hennessy. I understand that Dale is retiring shortly. I think that there are few public servants in this State who have made greater contributions to the fabric of Queensland public sector society than Dale Hennessy. Dale is a vintage Westminster-style public servant: loyal, conscientious, hardworking and very, very competent. He is the sort of person whom we respect as a public servant and is a model public servant for everybody else. Queensland will be a lot poorer when he retires. With so many changes occurring in superannuation, I wonder whether we can afford to do without the services of people of his calibre.

Dale has contributed greatly to the public sector, to the welfare of the State, to the State finances and to the future of public sector employees. The Queensland public sector superannuation schemes are the envy of the whole wide world. I do not know anywhere else in the world which fully funds very generous defined benefit schemes. Of course, Dale would not take—and would not want to take, I suppose—responsibility entirely for the good state of our superannuation schemes, but nevertheless he has been the public servant in charge of the schemes for a long period and he is entitled to take a good deal of the credit.

On behalf of the Opposition, I wish Dale all the best in his retirement and say that his contribution has been greatly recognised by all people.

Mr PURCELL (Bulimba) (12.12 p.m.): It gives me pleasure to rise to talk on the Superannuation and Other Legislation Amendment Bill. As the two previous speakers have said, the Opposition is in favour of this Bill and in favour of superannuation. People on the other side, though, have not always been great supporters of superannuation. One does not have to go back too many years to see evidence of that. I want to outline what the workers and the labour movement have done and are continuing to do for superannuation in this State.

It was not too many years ago that legislation was put through this place at midnight to stop the building unions from establishing their own super scheme. Fourteen years ago, the Bjelke-Petersen Government tried to stop the setting up of a superannuation scheme for building workers in this State. It did everything it possibly could to stop those workers from forgoing a wage rise and putting it into super. I do not know whether it was because they were blue-collar workers or what the problem was, but the then Government did everything it possibly could to stop those moves.

Mr FitzGerald: Read the Hansard. That was quite different.

Mr PURCELL: I know what it was. At the time, the Government was in all sorts of trouble politically and was looking for a blue. We sidestepped and let it go through to the keeper, but one other particular union did not, and then we had all sorts of problems in regards to power stations and so forth. I can remember it quite well because I was involved in it up to my armpits. The Government of the day was trying to deny superannuation to building workers in this State.

Mr FitzGerald: That's not true.

Mr PURCELL: That is exactly what happened. Through the employer organisations the employers had the money on the table, but the then Government would not allow that scheme to be set up in this State. But as hard as the then Government tried to prevent that scheme from being set up, it was set up. We got legal advice that the then Government was acting illegally. It was trying to restrain trade across borders and was claiming that the money had to be kept in Queensland and invested in this State. I cannot imagine anybody in this day and age claiming that money sought to be invested in

super schemes is not allowed to flow across borders and that it has to be invested in a particular place. That was the most ridiculous and ludicrous thing that the Queensland Parliament has ever had before it.

Putting that aside, I think everybody now agrees that superannuation has been very good for this country and for this State, because this State has benefited from blue-collar workers investing in superannuation. It was the building unions that forgoed a wage rise 14 to 15 years ago—

Mr Woolmer: "Forwent", not "forgoed".

Mr PURCELL: Forwent, forgo—we did not get it; it went into super. The building unions took that step so that workers in the industry could put some money aside for their retirement. Until that point in time, itinerant workers never had the opportunity to be part of a superannuation scheme. No employer and no Government—nobody—cared about those who worked with their hands and their backs and had to move from job to job to keep this economy and this State going. The people who worked for members opposite on their farms and their pastoral properties never got a shilling in super and would never have got it—and still would not have it—without the unions. Members opposite did not care about the people who worked for them who had to cut cane in the north and probably ended up down around Victoria picking fruit over a 12-month period. Such workers never had a chance to invest a shilling in super.

Mrs Sheldon: Shilling!

Mr PURCELL: I will up it from a shilling to a dollar for the Treasurer! My point is that unions and workers had to lot to do with helping the economy of this country in regard to superannuation. When members opposite start running off at the mouth and indulging in union bashing, they forget what this country is built on. It is built on the backs of the unions.

I want to refer to some of the schemes that used to be around that the unions found out about once they became involved in superannuation and once money was flowing into workers' schemes. In the past many employees were part of what were known as cherry picker schemes. In some cases employers would not even tell their employees that they were part of a super scheme. We discovered such schemes in the building industry under which certain employers made contributions to benefit from tax deductions. The employees never learned anything about it. Of course, the employees were itinerant and did not stay with the one employer for a long stretch—they were never going to be there

until they retired at 65—so after a period of years the money in the super scheme would build up and the company directors, who were the trustees of the super scheme, would send that company broke and pocket the super money and walk away with it. That was a quite common occurrence under certain super schemes operating in the building industry. Unscrupulous employers would take advantage of workers and obtain tax deductions for not giving them any brass.

Mr Stoneman: Norm Gallagher had a pretty interesting super scheme working down there, didn't he? That was a super one—super-duper!

Mr PURCELL: I do not know what the member is talking about!

I want to mention a couple of the large institutions which are household names in and around Australia in terms of superannuation and retirement benefits—and I refer to AMP, Suncorp and those sorts of companies—and the rip-offs that they perpetrated on people until the unions and industry schemes entered the superannuation scene. The amount that those institutions charged for looking after people's super and the commission that they paid their agents—sometimes for 5 to 10 years for doing nothing but recruiting someone into a scheme—was and is absolutely scandalous.

It was only about two years ago that Suncorp sold a superannuation scheme over a fence to one of my constituents who worked as a groundsman. After two years of being in the scheme he had only about \$800 in there even though he had contributed something like \$1,500. They did not tell him what the scheme was about. I was able to make representations on his behalf and have his money refunded to him in full because they never gave him the full text on what he was buying, how much commission he would be paying to the agent and what the charges were. There are still a lot of people out there ripping off workers in regard to super schemes. People ought to be aware of that. The safest schemes to be in and the ones that levy the minimum charges are the industry schemes. They are run in conjunction with industry, the employees and the unions. They are the schemes that have set the pattern and the standards that the others have to follow if they want to attract business. What the banks are going to do when they enter the industry, the good Lord only knows, because they are going in there for one reason only: to get their sticky fingers in there and put as much as they can into their own pockets.

I would like to just finish with a word of caution for people with regard to super schemes. People should be very wary of the conditions imposed on them when they sign up for a particular superannuation scheme. They should read the fine print. Regardless of the industry people are in, they should find out about the industry scheme first to see if it is a scheme that would suit them. They may find that the charges and the costs associated with that scheme are less than those charged by any other company.

Before I sit down, I should give Costello a little bit of a belt, because I do not care what a person's politics are, but politicians who start putting their fingers into workers' funds—and that is what superannuation funds are; they are workers' funds that are being set aside so that they might be able to live in some sort of comfort when they retire—should be caned and caned very hard at the ballot box.

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (12.21 p.m.), in reply: I wish to thank all honourable members for their contributions today. As I have said, the Bill will provide for the merger of the Queensland public sector employee superannuation schemes and the trustee boards of such funds. This Bill is a machinery mechanism and will result in the superannuation of public sector employees being catered for under one superannuation fund. Members' entitlements will not be altered in any way as a result of the Bill.

The merger will result in a thorough and more simplified operating structure of the trustee boards, a more efficient taxation structure and administrative savings in costs. In addition, the various amendments to the Public Officers' Superannuation Benefits Recovery Act 1988 clarifies that the Crown can access the preserved superannuation benefits of a corrupt public official—and that is very important. It also confirms that recovery can occur despite anti-assignment provisions contained in other superannuation Acts.

I will just briefly touch on a number of issues that were raised that really have nothing to do with this Bill. But seeing certain assertions were made, particularly by the member for Cairns, I think they need to be clarified. The first related to the honourable member's comments about the Federal super surcharge and, as he would know if he has listened to my statements or watched the media at all, at this point the Queensland Government has not agreed to cooperate with the Federal Government. That was clearly said by me and that is the current situation. I just

thought I would bring him up to date on what the facts really are. I have expressed grave concern about this situation and the problems with the surcharge. There are a number of issues, one of which is the administration costs. I brought this up at the Premiers Conference when we were in Canberra. In fact, all State Treasurers held a press conference about this and said very clearly to Peter Costello that some States had a grave concern about it, that there may be constitutional doubts over some of our funds and that indeed we cannot do what the Federal Government is saying, even if it enacts Commonwealth legislation. Certainly, I think we need to look at the inequitable application to lower income earners.

I would like to just emphasise that current situation for the member for Cairns. He should know that the Government operates a number of Government superannuation and pension schemes such as Q Super, Gosuper, the parliamentary scheme and the scheme for judges. We have to look at the individual legal position of each scheme. My understanding is that, while the legislation has gone to the lower House in the Federal Parliament, it has not gone to the Senate and, therefore, has not been passed by it. I still maintain my position. If the Federal Government wishes to impose a surcharge on State institutions, which is what it is currently doing, it does not have my agreement and if, under the Constitution, we can maintain the current scheme as it is, it will be so maintained. I also said to the Federal Treasurer that if he expected the cooperation of our State on a surcharge or a tax the Government was putting on some of our institutions, I wanted to see some quid pro quo for our State. So far, I have not seen any. I think my position on this is very clear.

The member for Cairns also mentioned—I am amazed that he endeavoured to try to spread concern and misinformation—the continuing position of employees of QIC. The Commission of Audit report was an excellent report and the reason that the member for Cairns does not like it is that it showed up that in the end he was prepared to practise financial mismanagement in order to buy votes.

Mr Hamill: It doesn't say that at all.

Mrs SHELDON: That is what came about. The member opposite is the one who brought it up, so let us have a few clear facts. The fact of matter is, as the member would know, that the graph on the front of that book very clearly showed that the State was in a

downward financial slide unless we did something dramatic to stop it—and we did. Neither the member opposite nor his former Treasurer had the intestinal fortitude to do that.

The fact that the Commission of Audit listed a number of Government-owned institutions, authorities or corporations that could be considered for privatisation does not mean to say that this Government has any plan to do that. We commissioned the Commission of Audit to give us a balance sheet for the State, something which had never been done previously, including by the previous Government. We are now in a position where we know the balance sheet of the State and we know that our assets over our liabilities are worth \$51 billion, so we do not have to have any fire sale.

I have repeatedly said that anything that is privatised in this State will be done only if it is shown to be in the interests and to the benefit of Queenslanders, the people for whom we act as trustees for their money. I think that is incumbent on any Government regardless of its political persuasion. I have told the chairman of the QIC, Jim Kennedy, in whom I have a lot of faith—and I think he is a very able man—that the Government has no intention and that there are no plans to privatise the QIC. I also said this—

Mr De Lacy: What about the QSO?

Mrs SHELDON: The member opposite should listen for a moment. He has had his go. I also said that at the presentation of the annual report of the QIC to a roomful of people at one of Brisbane's leading hotels. I am a little concerned that the member for Cairns would try to stir up concern among the employees of QIC, who I think have been proven and shown to do a very good job for our State. The QIC is well run; the return to the public superannuation funds which are run by the QIC is a very good return indeed. Let it be very clearly said that that is certainly in the interest of the people whose funds are invested with the QIC. It is true that under National Competition Policy all Government businesses will be looked at, and that includes the QIC. It is well aware of that and the chairman said to me in a meeting I had with him a couple of weeks ago that QIC realised that this may affect it. We as a Government will work through with the QIC on anything that may arise in that situation.

I am also concerned that the previous Treasurer, the member for Cairns, tried to run interference on the current status of the public sector superannuation funds and, particularly,

the defined benefits scheme. It is common knowledge that Cabinet authorised a review of Queensland's public sector superannuation. That is being done in a cooperative manner and with the involvement of employers, trustees, unions and employees. The need for this review, which has come about because of changes that have been brought particularly by the Federal Government, is very clear and all persons involved realise that. However, let me say very clearly that there is no plan or decision to close defined benefits schemes. Again, this is misinformation that I think does not become the member for Cairns at all.

May I clearly say that there are no funding problems in this State, as in other States and, indeed, we are one of the only States in the world that fully funds its superannuation funds. Recently when I was overseas speaking to bankers and financiers, I found out that we are one of the few Governments that fully fund our pension schemes. Indeed, a lot of the European countries are having difficulties with just this issue when considering their position on the EMU. I think it needs to be clearly said how important it is that our State has fully funded schemes.

The member for Cairns mentioned Dale Hennessy. I will be very sorry to lose Dale Hennessy. I wish he would stay on in that position. He and the other people involved with him in the State's superannuation schemes have done a great job. However, he has decided to retire. His loss will be felt. We will look for the very best person to put in his place. But certainly I, as the Treasurer, would like to thank him for his input into the work that he has done over a large number of years. There is no doubt that that, together with some other contributing factors, has added to the sound financial position that our State superannuation schemes are in.

Motion agreed to.

Committee

Clauses 1 to 39, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mrs Sheldon, by leave, read a third time.

BANK OF NEW ZEALAND (TRANSFER OF UNDERTAKING) BILL

Second Reading

Resumed from 30 April (see p. 1130).

Hon. D. J. HAMILL (Ipswich) (12.32 p.m.): This is about the third time that

members have debated a Bill like this in the past 12 months. I believe that says something about what is happening in the financial world at this time. We have seen a number of changes in relation to ownership of major banks and, of course, provincial banks in the country. This Bill is a measure designed to facilitate the takeover of the Bank of New Zealand by the National Australia Bank to better facilitate the movement of the assets of the Bank of New Zealand as part of that takeover. In fact, the Bank of New Zealand is now a wholly owned subsidiary of the National Australia Bank.

In common with the other legislation that has already been enacted dealing with the affairs of Challenge Bank, the Bank of South Australia and Advance Bank, we again have a scheme whereby the Treasury will negotiate with, in this case, the National Australia Bank for the payment of a certain quantum of stamp duty which would otherwise be attached to various instruments which would need to be presented if we were going to deal with each individual asset one by one in relation to the transfer of the assets.

There is nothing extraordinary in this legislation. As I said, it is in keeping with the other two Acts with which we have dealt in this House in recent times. Consequently, the Opposition would support it. However, the amount of change that is taking place in the banking industry is causing a number of concerns in the wider community. We have seen, firstly, the big banks—the big four—withdrawing their branch services and structures from many of our provincial towns in rural areas. In their place—to the extent to which there has been anything replacing them—there has been something of an expansion of agencies and outlets for credit unions and some building societies. Nevertheless, there is a profound sense of abandonment on the part of many in rural Queensland as they see the banking institutions which have served their families for generations—whether it be the National Australia Bank, Westpac, the Commonwealth Bank or the ANZ Bank—reducing their branch structures. I am absolutely certain that that process is going to continue.

During question time earlier today, I asked a question of the Treasurer regarding the creation by the State Government of the Suncorp/Metway entity. Despite the hyperbole which has surrounded comment by the Treasurer and the Premier in relation to Suncorp/Metway, we do not really have here a mega bank; we have a middling-sized financial institution in this nation.

Mrs Sheldon interjected.

Mr HAMILL: The Treasurer will sneer, as she is wont to do, and she will interject and make comment which is far from the truth, but the facts are that the creation of Suncorp/Metway/QIDC does not make a mega financial institution in this nation; it makes another middling-sized regional bank with all the potential that middling-sized regional banks have and, indeed, all the hazards that middling-sized regional banks must face.

Mrs Sheldon interjected.

Mr HAMILL: The Treasurer is now interjecting about the Wallis report. I was going to come to the Wallis report, because it does say a considerable amount about the future of Australian banking and what may or may not happen to our regional banks. What the Wallis report says in part is that it foresees maybe the big four remaining, or there might be a foreign takeover perhaps of one or other of the big four, or there might be a merger among the big four. The trouble is, of course, that if we had a merger between one and any other of the big four banks, we would have a very imbalanced situation prevailing in this nation which would undermine competition among the major banks in this nation.

If, as has been touted at times, the National Australia Bank wants the consumed and swallowed Bank of New Zealand—which is what we are dealing with in this Bill—turning its attentions to having Westpac for breakfast, then we would have a very large banking conglomerate which would be far and away the largest single bank, and it would dictate the banking marketplace in this country. It would be far larger than the ANZ Bank or the Commonwealth Bank, and it would certainly be larger if there was to be any merger between the ANZ Bank and the Commonwealth Bank. Wallis or no Wallis, if we are going to have real competition in banking, we either have four big banks or two big banks, but we cannot get away with three big banks. Contrary perhaps to the aspirations of this Government, the Suncorp/Metway merger does not create a fifth big bank in the nation.

The other point that arises from the Wallis report is the future of regional banks. Queensland has a very important regional bank—a niche bank, if one likes—in the Bank of Queensland. I know that the Treasurer would love to get her hands on the Bank of Queensland. I know that the Treasurer has continued to rebuff attempts by the Bank of Queensland to take control of its own destiny and to buy back the very substantial stake in

the Bank of Queensland which was held previously by Suncorp and, indirectly, by the Queensland Government. The bank of Queensland is almost half owned by the Queensland Government.

Mrs Sheldon: By the taxpayers.

Mr HAMILL: The Queensland Government is actually acting as the Queensland Government, not necessarily as the taxpayers would have it act. The Bank of Queensland is vulnerable as the State Government may perhaps want to sell.

Mr Campbell: It's a good little bank.

Mr HAMILL: It is a good little bank, but it knows that it is vulnerable with the State Government having such a very large stake in its ownership.

Mr Campbell: All they want is its name.

Mr HAMILL: I take the interjection of the member for Bundaberg because I think that is abundantly clear. The real attraction of the Bank of Queensland for the Queensland Government in its endeavour to fuse QIDC, Metway and Suncorp was to take the name of the Bank of Queensland and trade under that name. It has been demonstrated through the activities of some of the other major banks that being able to hide behind or trade under a regional name offers some attractions. We have seen that now with the Westpac takeover of the Bank of Melbourne. We will see changed the delivery of all the Westpac branches in Victoria; they will all appear to be branches of the Bank of Melbourne. The Bank of Melbourne will trade across Victoria under that name. That is exactly the strategy that this State Government had for its own bank merger. I have no doubt whatsoever that, in the case of Suncorp/Metway, the design was to trade under the name of Bank of Queensland; but, of course, the niche bank characteristics of Bank of Queensland would be absorbed as the two larger institutions swallowed up the smaller two. That was the plan.

The smaller regional banks—and in this I include Suncorp/Metway—are not out of the woods yet. Under Wallis there is the prospect of their being picked off, as the Bank of Melbourne has been picked off, by one of the majors. I give the example of Westpac's takeover of the Bank of Melbourne. We see interest in Queensland from, for example, the Hongkong and Shanghai Banking Corp, a very large international banking corporation with which a number of our Queensland financial institutions are establishing closer relations. I do not share the confidence that has been

exhibited by the Treasurer that Suncorp/Metway, because of its size, would be indigestible by a predatory banking major either from within this country or overseas. I believe that that is the real prospect for the future, particularly as the Queensland Government sells down its very substantial stake in the Suncorp/Metway entity.

In that context, we see across the banking sector a significant reduction in employment opportunities. We have seen in the majors a reduction in their branch structure—and, as I said, more of that will come—and we are now seeing that in the Suncorp/Metway merger. I well remember this Treasurer hectoring members of this House as to how the Queensland Government's plan for the creation of the merged financial institution would not be at the expense of jobs. At the time, the Treasurer waved around documents stating that they contained a guarantee that no job losses would occur and that that was in accordance with the heads of agreement that had been entered into between the Queensland Government and the directors of Metway.

At that time, I and others member of the Opposition held up that agreement and read out the other clauses, which said basically that, notwithstanding any of the aforementioned, the merged bank would do as it liked to achieve what it saw as its commercial interest, its commercial advantage. We have seen the first round of the job losses of which the Opposition warned at that time. We have seen it in Townsville with the closure of the old QIDC office. We have seen it in the announcement of the 250 job losses. The first tranche of job losses are now out there for all the world to see. What is more intriguing is that the second tranche, I hear, will not take place until the second half of next year.

Pontius Pilate, our beloved Treasurer, washed her hands of the job losses of the Suncorp/Metway merger when she stated in the House that that was a private banking institution that had nothing to do with the Queensland Government. It is a creature of the Queensland Government's making, an entity in which the Queensland Government holds a very substantial stake indeed, a creature the board of which the Queensland Government appoints directors; yet the Queensland Government now claims that it has no interest and no decision-making power over the bank. Is it not interesting that the second tranche of job losses are not scheduled to occur until the second half of next year? Is it just pure coincidence that the

Suncorp/Metway merger does not want to embark upon the second round of savage job cuts until after the next State election is due? I find passing strange such a coincidence in the timing of that very important issue—one that is exercising the minds of a great many Queenslanders and not only those who actually work in Suncorp/Metway/QIDC.

It was important in the context of those changes in the banking industry to bring the issues down to the level of ordinary Queenslanders. It is all very well that we approve mergers and takeovers, but they have a human face. The human face to those mergers and takeovers is the loss of jobs, particularly in rural and regional Queensland in provincial cities. I have already seen it in my own electorate. Suncorp has closed down one of its branches at the local suburban shopping centre in my electorate. That will not be the first and it will not be the last. Plenty of honourable members sitting on both sides of the House will be able to report over the next 12 to 18 months that they too will have seen the closure not only of banking branches of the majors in their electorates but also of what were previously some of the State's finest public assets, that is, of course, the branches of Suncorp, which are now being merged into the Suncorp/Metway new financial institution.

As to the affairs of the National Australia Bank and the Bank of New Zealand, we support this Bill. It facilitates their activities. I understand similar legislation is being enacted around the country and Queensland will not be any exception to that.

Mr CAMPBELL (Bundaberg) (12.48 p.m.): In joining this debate on the Bank of New Zealand (Transfer of Undertaking) Bill, I point out that every couple of years a bank merger Bill comes before the House. That is basically what this is. We will support it because we will not be different from the other States and Territories. However, what we are supporting is a hell of a lot of job losses. I am concerned that that has been going on for a long time.

In the Australian Financial Review of 23 March 1993, Glenda Korporaal examined the events that were occurring—

"Employment in the banking industry has been slashed back from a high point of as much as 200,000 in the late '80s and 160,000 three years ago, and is now down to levels of about \$125,000 and falling."

Mr Hamill: People!

Mr CAMPBELL: What did I say?

Mr Hamill: "Dollars".

Mr CAMPBELL: No; many, many, more dollars than that.

We have seen the changes that occurred up to 1993 when that article was written. Since then, further rationalisation of mergers has occurred. At that time, an announcement was made of 2,000 jobs going from Westpac, with \$1,000 from their head office.

Mr FitzGerald: People!

Mr CAMPBELL: Yes, people. The article stated—

"The ANZ Bank is in the process of shedding more than 2,000 staff as part of its . . . programme . . ."

That is going on all the time. That occurs through our process of accepting those changes. The article continued—

"In its assessment of the future of the banking industry, released earlier this year, Syntec predicts further wholesale restructuring in the banking industry as 20 or so corporations owned by the big banks are absorbed into their parents and banks undertake large-scale reductions in their branch networks. 'Banks are finding it increasingly difficult to justify the real-estate and staffing expenses of operating the present number of branches' . . ."

The Opposition spokesman raised the concern that many of those branches are going from regional areas and we are losing out. That is happening again and again. As to regionalisation—and we have all talked about that and what we are going to do for the regions—we have had plenty of reports, plans and ideas. I have seen those again and again and again. However, we do not have a financial sector for regions. The missing link for any development that we seek in regions, such as investment, always seems to be obtaining finance.

We can always get people together to formulate plans to facilitate regionalisation. However, because we do not have the capital, those areas miss out. We can talk about what we want for regional areas; we can talk about allowing for that to happen; but I now realise that our development plans are not going to succeed if we do not have a very viable financial sector to invest in those regions. I do not know how we are going to attract that investment; it is very difficult. However, I regard that as being the one thing that is lacking. Whenever we want to get something done—we can plan it; we can do everything else—we do not have the finance.

There has been a proposal for pooled development funds. Perhaps that is one way we can look at getting investment. Banks and superannuation funds are located in the capital cities. We have to make them consider investing in these pooled development funds to make capital and funds available in the provincial areas.

I predict that we will have another merger this year and we will be debating another one of these Bills. Again, as a result of such a Bill, we will see further job losses, especially in areas that can ill afford job losses, such as Bundaberg, which has a 19% unemployment rate. I think that we really have to look at doing something about that situation.

Mr HARPER (Mount Ommaney) (12.52 p.m.): In rising to speak to this Bill, and given some of the comments that have been made by Opposition members, I think that it is well worth looking at the history of this legislation and the reasons for it. The member for Bundaberg stated that there may well be further mergers next year or the year after. I take it that he has concerns about that. He is saying that perhaps Governments should not introduce legislation to facilitate those mergers. I would like to address that issue, and address it particularly by looking at the history behind the requirement for the Bank of New Zealand.

In February 1993, the Bank of New Zealand became a wholly owned subsidiary of the National Australia Bank Limited. Part of the business of the Bank of New Zealand is a banking business in Australia, which operates with relative autonomy as a division of BNZ under the name of BNZ Australia. BNZ has an authority as a licensed foreign bank under the Commonwealth Banking Act 1959 to carry on banking business in Australia. That is one of the key elements of the reason for this legislation. As a result of the acquisition that I mentioned, the Bank of New Zealand is required by the Reserve Bank to surrender its authority, and as such it is necessary to transfer BNZ's Australian undertaking to the National Australia Bank. If we consider the work that is usually required to facilitate the transfer of undertakings, we would realise the advantage of passing a Bill such as this.

The National Australia Bank has requested assistance from all Australian jurisdictions to pass complementary legislation to facilitate the transfer of specific assets and liabilities within each State and Territory. I note that all of those jurisdictions are cooperating. The objective of the Bill is to transfer BNZ's

Australian undertaking to the National Australia Bank.

We might ponder for a minute why we should enter into that undertaking. The transfer could be achieved without legislation. However, if that were to happen, there would be a lot more work involved both for the banking entities and for the Government agencies. Legislation such as this Bill overcomes the need for identification and transfer of individual assets on an item-by-item basis. If one thinks of the number of customers, the number of accounts, the number of mortgages, the number of individual assets of a bank of any size—even a small one, let alone a medium-sized one—one could imagine the amount of identification and paperwork that would be required to be undertaken by the bank and the Government agencies. This legislation allows for the avoidance of substantial administrative effort. Therefore, a benefit is derived for both the National Australia Bank and the Bank of New Zealand and also, importantly, in our case, for the relevant Government agencies. It avoids that excessive work without any loss not only to the Government but also to the banks and, therefore, their shareholders and ostensibly the people who make deposits with those banks.

Additionally, the legislation achieves continuity in customer relationships and provides protection for persons dealing with either bank in respect of transfer of assets and liabilities. I think that is something that is important to consider—the protection and the continuity of those customers to ensure that their rights are protected, to ensure that the things that may slip past an individual customer are well and truly covered and that they do not have to worry.

The Bill will exempt the transfer transactions from State stamp duty which would normally be payable on the condition that a lump sum in lieu of the duty is paid to the Consolidated Fund by the National Australia Bank. I think that is the other key point of this legislation for our State. While both the banks and our own Government agencies are avoiding the administrative work, we are not losing out financially on the duty that would have been payable because it will be paid to the Government in a lump sum. Therefore, the State Government and the people of Queensland will still benefit. With those few words, I have outlined the history and the reasons why we should pass this sort of legislation. I commend the Bill to the House.

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (12.57), in reply: I thank all members for their contributions. A number of similar Bills have been introduced into this House, and I think the reason for them is fairly obvious. I thank the Opposition for its support for this legislation.

Motion agreed to.

Committee

Hon. J. M. Sheldon (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) in charge of the Bill.

Clauses 1 to 17, as read, agreed to.

Clause 18—

Mr HAMILL (12.59 p.m.): Clause 18 is the mechanism by which the State will be able to collect stamp duty in a lump sum in lieu of that which would otherwise attach to the various instruments which would need to be presented to effect the transfer of assets. In that regard, although I know that negotiation is to take place, perhaps the Treasurer could enlighten us as to the magnitude or quantum of stamp duty which it is expected that the State would receive as a result of effecting the merger or the takeover of the Bank of New Zealand by the National Australia Bank.

Mrs SHELDON: Consultation is continuing with the Office of State Revenue and NAB, but our understanding is that the figure will be around \$168,000.

Clause 18, as read, agreed to.

Clauses 19 to 33 and Preamble, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mrs Sheldon, by leave, read a third time.

Sitting suspended from 1 to 2.30 p.m.

GAMING MACHINE AMENDMENT BILL

Second Reading

Resumed from 30 April (see p. 1129).

Hon. D. J. HAMILL (Ipswich) (2.30 p.m.): The legislation before the House is very important because it touches on something which has been very contentious in Queensland public life for the last 15 to 20 years and which certainly has very significant ramifications for the future. I refer to the

regime which is applied to the operation of gaming machines in the State.

Since gaming machines were introduced by the Goss Labor Government in 1992, over 20,000 machines have been introduced into hotels and clubs in Queensland. According to the most recent figures published by the commission, 653 clubs operate over 15,776 machines. Some 465 hotels operate 4,666 machines. Provisions are in place which limit the number of machines per club to 250 and the number of machines per hotel to 20.

Legislation enacted in the House in 1991 implemented a regulatory regime to ensure that organised crime was kept well away from the State's gaming machines. I remember only too well the debate that took place here in March 1991, when Opposition speaker after Opposition speaker rose, pointed the finger at the Goss Government and said that we were opening the floodgates to organised crime in Queensland.

At that time the Liberal and National Parties vociferously opposed the introduction of gaming machines into the State. In fact, the person who now sits in this House as the Premier actually equated poker machines with organised crime. We were told by Mr Veivers and Mr Borbidge and Mr Lester and Mr Littleproud and Mr Springborg and Mr Stephan, not to mention Mr Santoro for the Liberal Party, and Mr Johnson and Mr Connor and Mrs McCauley and Mr Rowell that introducing gaming machines into the State was tantamount to the end of civilisation as we knew it. They said that the Labor Party was up to its ears or, dare I say, filling its pockets with the proceeds of organised crime and that we would rue the day that we allowed gaming machines to operate in Queensland.

Is it not ironic that six years later the coalition Government, which is made up of many of the very people who railed against the introduction of gaming machines, is putting in place a new regulatory regime which takes away the most significant bulwark against the activities of organised crime infiltrating the gaming machine industry through pubs and clubs? The bulwark that was put in place in 1991 was simply that the State Government would own the gaming machines and lease them to the various hotels and licensed clubs in the State; the licensed clubs and the hotels would not be able to deal with the manufacturers of gaming machines. That was done for a very good purpose: there had been a number of investigations into the operations of the machine gaming industry and the activities of some manufacturers, particularly in New South Wales.

As a result, the Queensland Labor Government was very concerned about some of the people involved in the industry and the inducements and kickbacks that had become a part and parcel of the operation of machine gaming in other States at the time, particularly in New South Wales. As a Government we determined that we would not go down that path, but we would ensure that any introduction of gaming machines into the State would be done in a way that would keep organised crime not only at bay but also well and truly out of the picture. Therefore, it is ironic that the people who thundered their opposition to the introduction of gaming machines in 1991 are the very people who today want to rip away the safeguard that was put in place to prevent organised crime getting its hands on the supply of gaming machines to the State's hotels and clubs.

A provision was placed in the Act to enable the Machine Gaming Commission to supply machines to clubs and hotels. Clubs and hotels could not pick and choose the machines that they would be acquiring. That was also done for a very good reason. It was well documented that one of the ways that organised crime managed to infiltrate hotels and licensed clubs was through suppliers and manufacturers offering various kickbacks and inducements to club managers and the licensees of hotels, granting them the machines of their choice. For that very good reason, we legislated to ensure that that could not occur in Queensland and that the State, through the Office of Gaming Regulation, as it is now, would supply machines to clubs and pubs effectively at random. Hotels and clubs have no direct control over the machines that they receive.

That system has operated very well indeed. In fact, the Treasurer, who is not known for delivering praise to the many achievements of the Labor Government, actually stated in her second-reading speech—

"While the current regulatory regime has served a new and relatively mature industry well and has ensured that it meets the highest standards of integrity, it is timely that the regulatory structure be reviewed . . ."

We should all think very clearly about the Treasurer's words. In introducing the Bill the Treasurer has said that the regulatory regime that was put in place in 1991 has served the industry very well. Indeed, it has kept the industry in Queensland clean and has kept organised crime out of it. However, today we

are being asked to strip away the very safeguard that was put in place to ensure that the introduction of machine gaming in the State was in fact kept clean and away from the attentions of organised crime. It is a very sad thing that we are having to debate and justify the retention of a regulatory regime which has served the State so very well.

The question of the ownership of machines was addressed in some part in the Commission of Audit report commissioned by the Government last year. The Commission of Audit came to a very interesting conclusion. In Volume II of its report, in justifying the passing of the purchase of machines away from Government and allowing private operators to hire them out, the commission stated—

"The Government took on this role originally to relieve clubs and hotels of the initial capital cost of purchasing machines."

With respect to the worthy commissioners of audit, that was not the case. The reason why the former Labor Government insisted that the State Government fulfil the role of owner and lease the machines was to keep out organised crime. It was incidental that that also enabled hotels and clubs to obtain machines more cheaply than they otherwise could through the imposition of sales tax and so on, because the aim was to keep organised crime out of the industry in this State. That is the worthy objective being stripped away by this legislation this afternoon.

The regime put in place in 1991 has been varied a little over intervening years. Certainly, the level of taxation applied to the gaming machine industry is still more severe in its impact on hotels than on licensed clubs. Prior to this legislation being presented to the Parliament, the hotel industry argued very strongly that it should be relieved of the discrimination against the hotel industry in favour of the clubs. The Opposition does not believe that that should be the case. Opposition members believe that there are fundamental differences between hotels and licensed clubs. Hotels represent a small-business enterprise from which personal profit can be derived. Licensed clubs are a community facility. There is no single ownership or a partnership/ownership of a club facility. Membership can be drawn from the wider community. Principally, clubs exist to support a fundamental cultural, sporting or other interest, but they can plough back the profits to the benefit of their members. We believe that there still needs to be recognition that hotels and clubs serve different purposes

in the community. We believe that the introduction of gaming machines was not principally designed to enhance someone's private business interests.

The regulatory and monitoring arrangements for the industry are important issues. Those arrangements have evolved into the Queensland Office of Gaming Regulation, which advises the Machine Gaming Commission as to the granting of licences. Again, that framework has worked particularly well.

Another issue of concern to the Opposition is the Government's desire that, over time, the Office of Gaming Regulation will be taken out of the equation in terms of monitoring the operation of the industry in this State. We believe that the Office of Gaming Regulation has undertaken its responsibilities in a conscientious fashion and has acted in a manner which is beyond reproach.

As I said before, the industry has grown. In the space of four or five years, we have gone from having zero to around 20,000 machines operating in the State's licensed clubs and hotels. It was appropriate for there to be a review of the operation of the industry. That review process commenced when Labor still held the Treasury benches. My colleague the honourable member for Cairns started the process of re-examining the Act and ascertaining whether it was continuing to serve the best interests of the people of Queensland and the operation of machine gaming in the State.

I will give credit where it is due. My colleague the honourable member for Moggill, who was recently placed in the exalted position of Minister for Public Works and Housing, was handed the chalice by the Treasurer to pursue the reform agenda desired by the incoming coalition Government. That was not an easy task, and no doubt the Honourable Minister would attest to that. He was not the flavour of the month at some of the meetings he attended in November and December of last year. However, he applied himself to the task.

A White Paper emerged from that process. However, that paper could more accurately be described as a buff-coloured document because it did not contain a definitive statement of the Government's intention—something that a White Paper normally contains. It was more like a discussion paper; it had little more authority than a discussion paper.

In that paper, the Government proposed a range of changes to the operation of the

gaming machine industry in the State. I will seek to summarise those changes, because that will give some insight into the nature of the debate. In dealing with this process, I trust I will convey to honourable members the strength of feeling that exists. I say "exists", because the emotion in relation to the issue of the operation of machine gaming has not altogether abated among the licensed clubs and hoteliers of the State.

One issue canvassed in the White Paper was the number of machines. It was proposed in that paper that the maximum number of machines that could operate in any particular licensed club should be increased from 250 to 280. It was further suggested that the maximum number of machines in a hotel be increased from 20 to 40. When gaming machines were first introduced, the maximum number of machines that any hotel could obtain was 10. After the regime had been operating for a couple of years, that number was increased to 20 under Treasurer De Lacy.

Another major issue canvassed in the White Paper was the taxation regime which applied to the operation of machine gaming. The fundamental issue is this: hoteliers in the State were arguing that not only were they being discriminated against in terms of the number machines that they could have on their licensed premises but also the existing taxation regime further discriminated against hotels. They argued that licensed clubs were able to operate more effectively and were, in fact, cornering the market because the proceeds of machine gaming which flowed back to licensed clubs had enabled clubs to invest substantially in their facilities. In turn, that represented competition to hotels which was often described to me as unfair competition.

The then Parliamentary Secretary to the Treasurer put forward a proposed taxation regime which purported to address these concerns. However, I suggest that the regime canvassed in the White Paper was more successful in pouring more oil onto the fire than it was in causing the fire to abate. Both the hotel industry and the club industry felt that the taxation concerns of both sides were not addressed adequately in the White Paper. No doubt that was something that the Government heard loudly and clearly.

The proposals which will form the basis of regulation and legislation are significantly changed from those first canvassed in the White Paper. Apart from the taxation regime now being canvassed, the move to change the basis on which taxation is levied is one

change which has the Opposition's wholehearted support. Under the original propositions, there was a 3% tax on turnover, which was actually the gaming machine tax. This legislation proposes that gaming machine tax no longer be based on turnover but on the concept of metered wins. Another way of describing metered wins, I suppose, is "profit". We in the Opposition wholeheartedly support that. It is timely that that change be made, because it is a fairer measure upon which to levy any taxation impost. What we note from the process that has ensued since the White Paper is that there are a number of taxation reforms which will deliver benefits not only to the hotel industry but also to a number of the licensed clubs. Again, we support those measures.

It is noteworthy to consider for a moment the contribution that the gaming industry in this State has made not only to the public revenue—and, in turn, to the services which Government can provide from its revenues—but also through the specialist funds that were established by Labor during the process of introducing gaming machines to the State. Originally there were two funds: there was a sport and recreation levy and there was a charities and rehabilitation levy. Over the period to the end of the last financial year, the sport and recreation levy had actually collected in excess of \$126m, which in anyone's estimation is a substantial sum of money. Those funds have been expended through the Office of Sport in the Emergency Services Department, as it is now. Those funds went back to the development of sporting facilities and organised sport in the State. A very great number of local area sporting organisations have benefited from that fund and the disbursement of moneys that have flowed into that fund over the last four to five years.

The other important fund was the charities and rehabilitation levy. Again it is worth while understanding the rationale behind that levy. It was argued at the time that the introduction of machine gaming in this State may well cut the ground from under the activities of a range of charities which in the past have relied upon activities such as bingo, and to some extent I think those fears were realised. The charities and rehabilitation levy—which was originally 4.5% on the turnover of machines in hotels, later reduced to 4%—has generated over \$81m over the past five years. Those funds were distributed and continue to be distributed through the Department of Families, Youth and Community Care, formerly the Family Services Department, and are very worthy programs indeed.

In 1994, the former Government took a decision to reduce the charities and rehabilitation levy—which, as I said, applied only to the hotel industry—and established a new levy, the gaming machine community benefit levy. The community benefit fund was in receipt of moneys that had been contributed by a 0.5% levy on the turnover of machines in hotels and, at the time through a controversial measure, a 1% levy on the turnover in clubs where the turnover was more than a half a million dollars a month. It was really only the largest and perhaps the most affluent clubs that actually found themselves contributing to the gaming machine community benefit levy.

Even in the relatively short period since the introduction of that levy, over \$27m has flowed through the fund and then been disbursed to a wide range of community organisations. Hardly a week goes by that I do not receive some approach from a community organisation looking for funds for a worthwhile community purpose, whether it be renovations to the local band hall or whether it be some activity at the local P & C—the list goes on and on and on. It was through the establishment of that gaming machine community benefit levy fund that money has been able to be made available to a wide range of worthwhile community organisations. I suspect that there would not be a member in the House who would argue against that levy fund and the way in which it has conducted its business over the period since 1994, when it first came into existence.

The other part of the financial equation here, of course, is the contribution that gaming machines have made to the State revenue. If anyone thinks that this is only a minor part of the State's revenue, then think again, because over the last five years gaming machines have actually contributed over half a billion dollars to Queensland's State revenue. We are looking here at a very substantial industry. In keeping with the predictions that were made back in 1991 by the then Treasurer, Mr De Lacy, and the then Premier, Wayne Goss, the introduction of gaming machines has brought many benefits to Queensland. We have seen enormous building programs undertaken by a number of the licensed clubs which, prior to 1991, could only dream of providing facilities and services to their members like those that had been provided across the border in New South Wales.

It was commonplace prior to 1991 to see bus loads of Queenslanders going down to Terranora and to the RSL clubs at Tweed

Heads for a flutter on the pokies. We saw all of those dollars flowing out of the State providing jobs in northern New South Wales—jobs which could have been had in our towns and our cities here in Queensland. Since 1991 the picture has changed quite a deal and many millions of dollars have been invested by clubs in their facilities, and a number of licensed clubs—and of course we are dealing with a wide range of clubs of all shapes and sizes here—have substantially improved the range and quality of services to their members and in so doing have provided worthwhile employment in Queensland. After all, our No. 3 industry—I believe it is still No. 3—tourism, is a great leisure industry, one that has been complemented by the significant enhancements to the club industry that have come through the introduction of machine gaming in this State.

It really has been a success story. But I might say that I do harbour some real concerns about the future. I know that a number of the reforms that are being proposed here, particularly some of the reforms in relation to taxation as it applies to licensed premises—hotels—is predicated upon a belief that there will be further growth in the industry. One of the proposals relating to further tax relief, which I believe is effective from 12 months' time, will be delivered only if the proceeds of machine gaming tax from hotels is more than \$68m, from memory. The Government is literally taking a punt here that some of the proposals for reform will deliver a new surge of growth in the industry.

I happen to believe that the spread of gaming machines over the last five years has taken the industry fairly close to saturation point in this State. I think there are many people in the community who share my concern that we should not necessarily be opening the floodgates for further significant increases in the number of machines in any particular site. I know that some clubs would like to see 300 or 400 machines operating. I hold the view that those clubs that are aiming at that sort of level are perhaps losing sight of their role as a club and, rather, are seeing themselves more as a mini-casino. I think we should be careful not to lose sight of what the club and hotel industries are all about and we should not lose sight of the purpose of the introduction of machine gaming into this State. It was not all about turning licensed clubs, which had very worthwhile community objectives, into mini-casinos around the State.

What of the White Paper proposals? I said before that there was a lot of concern among clubs about the implications of the

proposals. The views of big clubs were often very different from the views of the smaller clubs, and they still are. I went to a number of the provincial centres of the State and sat down with representatives of clubs and pubs of all sizes. The small clubs are very concerned indeed about changes that will allow the payout figures on machines to be increased. I am talking about the fact that only 85% of the machines' turnover was, in fact, the fixed figure for the payouts on machines both in hotels and clubs. It is now being proposed that that figure be brought up to around 92%. I know that there is an argument that some of the new generation machines cannot really operate effectively on the lower payout figure. But small clubs are very concerned that larger clubs will further exploit their position by advertising payouts of up to 92% when most of the machines will still be paying out a lower figure. Small clubs are concerned about whether they will be able to compete effectively.

Hoteliers are concerned about the position that applies in the industry. Many hoteliers talk about how clubs, particularly the larger clubs, are effectively buying their memberships, how they offer such attractive packages to people to come and join. In fact, the joining fee is virtually incidental because, upon joining, some members actually receive more than they paid for in terms of free taxi rides, bus rides, food vouchers and so on. The hoteliers argue their case on the basis of fair competition.

There are many aspects of the reform package which deserve the support of all members of the House. After that process of consultation occurred between the presentation of the White Paper in November and February, we saw the key organisations of clubs and hotels basically sign up for a range of measures which the Government was proposing. Those measures are many and varied. As I have mentioned already, the Government drew back from its taxation proposals, as set out in the White Paper, and is seeking to provide some tax benefits which will be felt particularly by the hotel industry and some of the smaller clubs.

Of some concern to many in the community is the Government's decision to raise the maximum number of machines that would be made available to both hotels and clubs. In fact, from an original proposition of a maximum number of 280 machines per club, the Government is now proposing to raise the maximum to 300 machines per club. That figure is to be reached by 1 July 2001 by a series of incremental increases to that ceiling.

Hotels would see the maximum number of machines rise to 45 by 1 July 2001. I do not know how other members feel, but I can tell them that I hold serious misgivings about those ceilings, particularly the ceiling for clubs being raised to 300. If that happened, I think we would be looking more at a gaming house than a club that is truly there principally to serve the particular community interest of its members.

The Government is proposing that the payout figures or the return to players rise from 85% to 92%. As I said, some concern is still coming from those places that have relatively few machines. As of 1 July 1998, for 50% of a site's machines, that higher figure would then be applicable, and by 1 July 1999 up to 100% of the machines at any particular site could have the higher payout figure.

It is about the issue of machine ownership that the Opposition has real issue with the Government. As I said, in the White Paper it was actually being canvassed that clubs might well be able to deal directly with suppliers. That proposal was withdrawn by the Government before we came to the proposition that is before the House today. In keeping with its privatisation agenda, the Government is determined to move out of the ownership of machines and, by virtue of the legislation that we have before us, allow machine ownership to vest either with clubs directly or with licensed operators—a new genus which this legislation seeks to establish or by virtue of the financiers who would come into the picture now that the Government sees clubs actually owning machines. I guess as something of a sop to the concerns of clubs, there is now a proposal that would allow the sites or the clubs and pubs where machines have been operating to purchase existing machines at a value based on the depreciated value of the machines. All new machines have to be purchased through this new creature called the "licensed operator".

The White Paper highlighted a particular point and that was that the rentals that had been charged by Government have not been increased since the scheme was first established with the introduction of machines back in 1992. That is true. As the rentals had not been increased, the ability of the Government to turn over those machines became more limited. I noted that a new regulation had been gazetted by the Government in March setting out a new schedule of rentals for gaming machines. While the figure of roughly \$270 a month has been retained, I see that there is a new rental there for the you-beaut enhanced machines of

\$330 a month. That, too, is going to change under the Government's proposals because we will see that, certainly in relation to new machines, rentals will reflect the market value.

We are going into something of a freer market in the supply of machines. That will affect the ability of particularly the small clubs to be able to afford to obtain new machines. The White Paper talks of the value of new machines in figures of thousands of dollars. Those market prices will be reflected in the market rents that will be levied on clubs. The big difference for clubs is going to be that, under the existing regime—the regime which we hold to and support—the clubs do not have to meet sales tax because the Government purchases the machines. Under the new regime, there is going to be a bit of a gift for Peter Costello and the Federal Government because sales tax will be applied and clubs and hotels will have to pay extra for their rents—they will be paying market rents where they are leasing machines from those financiers or those licensed operators.

Associated with that is the fact that, under the new arrangements that are being proposed, the clubs are also going to be paying market rates in relation to the repair and monitoring of machines. Initially, while there may be some Government regulation of that, I am sure it is not going to stay around for all that much longer. A number of small clubs are very concerned about what that may mean for their operating costs if they have to meet those extra charges as well.

In keeping with the Government's desire to privatise, members are seeing the removal of one of those other bulwarks that were put in place to protect the integrity of the industry, that is, the provision to leave the choice of machines with the monitoring authorities. This legislation will change that so that the hotel or club concerned will be able to choose the brand, the game, the denomination and the types of machines that it wants. However, there is, of course, a transitional provision in this Bill which will take us from the existing situation into that brave new world which the Treasurer would have us enter.

The other issue about which the Opposition is very concerned is the Government's plans for the Queensland Office of Gaming Regulation. We see a very strong office there as being in the best interests not only of the industry but also of the public. We are very concerned indeed that the Government proposes to take the Office of Gaming Regulation out of the monitoring of machine gaming in this State and put it into the hands of the licensed operators.

As I said at the outset, for a group of people who came in here in 1991 and railed against the introduction of machine gaming and told us how the Labor Government's proposals were going to open the floodgates to organised crime, I find it extraordinary in the extreme that we now have this coalition Government wanting to strip away those safeguards that were put in place in 1991—those safeguards which have stood the test of time and have served the industry well over the intervening period. It makes no good sense for the Government to seek to strip away the very provisions which gave the public confidence in the operation of machine gaming in this State. The Government's determination to weaken the safeguards in this way brings it no credit and is flashing the amber light to those very interests which we were determined would be allowed not even a foothold or even a toehold in the operation of gaming machines in Queensland.

As I said, this is a very important industry. It is one that is making a very positive contribution to the State. But the people of Queensland need to be assured not just that the industry is clean but that it remains clean; that they can have confidence in the industry and its operations. This provision that is being put forward in the Parliament today is sending a very, very bad message indeed. The Government's determination to pursue its ideological objectives in privatisation brings nothing but discredit upon it or, alternatively, it demonstrates what a pack of hypocrites Government members really were in 1991 when they opposed the introduction of machine gaming in the terms in which they did.

Consequently, the Opposition will be opposing key elements of this legislation. We are disappointed that the Government is pursuing this agenda. Whereas we certainly endorse the changes in the taxation regime, we cannot abide the stripping away of the safeguards which were put in place to protect the industry against the predatory elements of organised crime. Furthermore, we will be seeking guarantees from the Government that, with the change in the taxation arrangements, the integrity of those funds—funds which were established to support sport and recreation, charities and rehabilitation and community benefit—will be maintained and that community organisations will not be the losers because of the Government's changes to taxation. However, we cannot abide a proposal which opens even a little the door to the potential for corruption to make its way into the operation of gaming machines in this State.

Hon. D. J. H. WATSON (Moggill—Minister for Public Works and Housing) (3.15 p.m.): It gives me a great deal of pleasure to enter the debate today. Obviously, I have had a bit to do with this process over the past year. The member for Ipswich said that I had been passed the chalice. I suspect that he was saying I was passed a poisoned chalice in June last year. I must admit that I do not recall it precisely like that at all. I recall being involved with the Metway/Suncorp/QIDC reorganisation and integration. In fact, the work that I was doing on that was coming to an end and, one day, I was discussing with the Deputy Premier and Treasurer that issue and other issues that had been raised with me by a number of people. I recall our discussing it and coming to an agreement that the issue of gaming machines needed to be addressed, that the issue of how they fit into the hotel and club industry needed to be addressed, and that the aspect of the hotel industry which was pertinent to Treasury ought to be addressed. Together we decided that I would pursue that issue. We started in July.

Before getting into some of the specific issues raised by the shadow Treasurer, I believe that I should mention some of the people who were instrumental in the development of this White Paper and the subsequent legislation, because I believe that they deserve some of the credit for the success of the process. First of all, let me recommend to members and congratulate David Ford, the Executive Director of the Office of Gaming Regulation. Perhaps more than anyone else over the past 10 months, he has lived and died with me on this issue. I have destroyed much of his family life and much of his private life with—

Mr Fouras: You also survived.

Dr WATSON: I also survived—despite some of the things that occurred in November last year. David was an integral part of this, and I do not think it could have been done without his intellectual and moral support. To all the officers in the Office of Gaming Regulation, I pass on my warm thanks for their help: Denise Henry, David's executive secretary; Mike Sarquis; Leesa Jordan, Mark Farrah, Bruce Ames, John Riley, Linda Woo, Gavin Jackson, Rod Grimes, Ron King and Barry Grimes. Most of them are around here somewhere, either in the gallery or down here in the advisers section. Quite a number of Office of Gaming Regulation officers out in the regions, particularly David Chaffey, provided tremendous input at the right time for me. They were very instrumental in the final output.

They contributed wholeheartedly their ideas, their criticism and their support.

I should also mention briefly the people with whom we went through the negotiation process. Before the release of the White Paper there was extensive consultation with the industry—the clubs and the hotels—as well as many, many people and organisations that were involved in some aspect of the gaming industry—not necessarily gaming machines, but the whole sector of gambling in this State and elsewhere. A number of those contributed ideas to me and to the team.

Once we released the White Paper there was very extensive consultation. Some of it hit the media. But we took the White Paper and its recommendations to the people who were being affected. We had public meetings here in Brisbane—three of them: two with the clubs and one with the hotels. We held public meetings throughout Queensland. They were attended by hundreds of representatives of clubs and hotels. In addition, I spoke to every club president or secretary and every hotelier who wanted to speak to me. My colleagues on both sides of the House contributed their ideas. Of course, a number of them did not want to be identified publicly, particularly those sitting on the Opposition benches. They should also be thanked for their input.

After that process was complete, for four intense weeks from 23 January to 14 February, we held in-depth discussions with executives of the clubs and hotel associations: from the RLCA—Paul O'Brien, chairman, and Penny Wilson, executive director, and Colin Lamont; from the Club Managers Association—Wally Day, Pam Shelton, Gary Gibson and Ken Mogg; from the RSL Clubs Association—particularly Tony Stokes; from the Confraternity of Brothers Leagues Clubs—and I spoke to them in November and earlier this year—their executive director, Barry Larcen; from the QHA—Jim Stewart, president, and Michael Hudson, Michael White, Tom Maguire and their consultant Michael Wilson. I should also say that the reports of KPMG and Ernst and Young and the submissions by the clubs associations were extremely helpful. I thank all those people. The Treasurer and I had many discussions. She provided significant support as did other people in Treasury such as Doug McTaggart, Mark Gray and Patricia Clive.

Having identified all those people, I should talk about what the White Paper achieved and the legislation. On page 50 of the White Paper, I set out some of the issues that are affecting the gaming machine industry

in Queensland. In that paper and elsewhere, I indicated that it was my belief that factors in our society needed to be addressed and the industry as a whole needed to take those factors into account in its future planning. I referred to the change in the demography and the trend towards smaller family units, the increase in leisure time in the community, a large and strengthening tourist industry and, most importantly, two aspects that I believe are fundamental to considering how the gaming machine industry is changing.

The first aspect is that gaming machines in clubs and hotels have to be considered as part of a very broad leisure and entertainment industry. Competition for the dollars of those industries is increasing. If clubs and hotels are not in a position to adequately compete for their share of the leisure and entertainment industry, they will simply lose out to other forms of entertainment and leisure. A lot of the good work in the society that clubs and hotels do—to which the shadow Treasurer referred—will suffer if the entertainment and leisure dollar goes to other industries that do not contribute to our society in as broad a way as club and hotels. The final aspect to be taken into account is the rapid change in technology. After travelling around Queensland and visiting clubs and hotels, I found that that is the point that they have to address.

One cannot ignore the fact that technology, through the Internet and through television, will provide direct competition to clubs and hotels for the gaming dollar. If they want to survive, they have to be able to offer products to their patrons and customers equivalent to what can be obtained in the home or at other places through the television or the Internet. That is what they face. They have to be able to adapt over the next couple of years. They cannot wait for three or four years until home entertainment is coming down Optus and Telstra cables into homes. They will not be able to wait until home gaming products are coming out of good jurisdictions with secure means of transmitting financial details. Clubs and hotels cannot wait until those competitors are a reality before they react. If they do not start reacting now to allow themselves to be in a position in which they can compete, it will be too late. Those clubs and hotels will suffer.

That was the reason that led me to the conclusion that we needed to have somebody else involved to ensure that clubs and hotels were in a position to compete. The reason for the introduction of operators was not some ideological commitment as the member for

Ipswich tried to portray; it was a recognition that, if we did not address that reality of technology, clubs and hotels would be in an abysmal competitive situation two or three years down the track. We have to start preparing now. That is the reality.

The member for Ipswich, the shadow Treasurer, raised a number of issues. They ought to be addressed right now. He indicated—and I am not quite sure why—that, as the Government may be moving away from controlling the machines towards control by private enterprise, somehow the possibility of organised crime entering the industry will be open. That assumes—and this remark does not reflect upon any member of the Queensland Office of Gaming Regulation—that it is not possible to do that now. Of course, logically, that simply is not true. However, I have no reason to believe that that is the case. That is the first fallacy in the statements of the member for Ipswich.

Of particular importance is the fact that we have put in place a licensing program for operators that is based upon the very legislation that the Opposition has supported in the past. The licensing regime for operators is based upon the Keno legislation and the regulations for that, and the casino legislation. The member for Ipswich was quite willing to be part of a Government that allowed a casino in Brisbane and a casino in Cairns. In those cases private enterprise is running gaming machines, regulated by regulation that was the parentage of this gaming machine legislation. He was quite willing to accept that. He had no question about whether or not organised crime would enter those organisations. The regulations for Keno and the casinos in Brisbane and Cairns were quite acceptable, but somehow they are not acceptable in relation to gaming machines. He cannot have it both ways. It was either good enough then and, therefore, good enough now; if it is not good enough now, it was not good enough previously.

Mr Milliner interjected.

Dr WATSON: They are up to date with this and there is no question that they are strong supporters of what is going on and that they understand completely.

As to the issue of machine ownership—when I was talking to representatives of the clubs and hotels, one point that came through quite clearly is that they wanted more flexibility. They wanted to be able to run their club or hotel to maximise the benefits for their patrons. They wanted to be freed from the inflexibility of having to wait for the Office of

Gaming Regulation to do everything, to decide what machines they would receive and what games they would play.

If we want clubs and hotels to be able to compete, if we want them to be able to serve their members, then we have to give them some flexibility. The best way of doing that is by allowing them to choose the machines—to own them—to allow them to choose the games they want, and to allow them to make sure that the profile of their patrons and their customers matches the profile of the machines and the games in their establishments.

Mr T. B. Sullivan: You can do that and still retain Government ownership and control. You know that.

Dr WATSON: We cannot do that. Despite all the probity issues—and I think the member for Cairns deserves credit for the way in which he introduced poker machines—five years down the track, there is inflexibility. If we want our clubs and hotels to be able to survive in a competitive environment, we have to give them some more flexibility. The way to do that is to give them more say in what they do in their organisations. Those clubs and hotels accept that.

Mr T. B. Sullivan: And if it goes the way of the New South Wales industry, they won't have that flexibility, and you know it.

Dr WATSON: If we used the New South Wales industry as an example, we would not do anything. New South Wales has an inefficient industry and, of course, originally it was a very corrupt industry. So we do not use the New South Wales industry as a model. I do not think that we ought to go down that track. If we want our clubs to be in a position to be able to offer choice to their patrons and their customers, we have to provide more flexibility.

The other issue that the member for Ipswich raised was the social concerns. It is very nice for the member, at this stage of his life, to be suddenly concerned about the social consequences of gaming. I did not hear him mentioning those concerns previously. I will tell the member what we did in the process. The social concerns were utmost in our minds when we negotiated with the clubs and the hotels. Certainly in the White Paper there was the suggestion that clubs go to 280 machines and hotels to 40 machines, and over a period we have gone to 300 and 45. What we did, partly to take account of the social consequences, was to make sure that the increase in machine numbers was phased in over time so that there was not a significant

difference in the proportion of the number of machines to the population. In addition, in conjunction with the Minister for Families, we have set up a program to help people to overcome gambling problems. We have made that commitment to the clubs and hotels. The Minister for Families has the program in place, and we will be funding it. We addressed the issues directly. I actually spoke to Break Even and to other people who are involved in looking after the social consequences of problem gambling. The social issue was very much a part of our consciousness when we dealt with those issues.

So for the member for Ipswich to say that somehow there has been a new-found social morality on this issue is fanciful. The Government took social issues into account. The member can talk to the clubs and the hotels and they can tell him how important it was to the Government, and to me, during our negotiation processes. It was utmost in our minds and it is reflected in the agreement that was reached.

This legislation is a package that has arisen out of a very public process. A White Paper was released, public discussions took place and submissions were received. There was a change in the Government's viewpoint and the making of a slightly different offer to the Clubs and Hotels Association, and there was a public process of consultation from 23 January to 14 February. At the end of that process, with information going backwards and forwards, we reached agreement.

I am not saying that every club and every hotel would agree totally or be totally convinced about every aspect of the process. However, the legislation is a package, and it rises and falls as a package. At this stage of the game, we cannot start fiddling with that package without jeopardising the whole lot. The Government has put forward a package; the Government has met the commitments that it gave to the clubs, the hotels and everyone else. It has delivered the reforms that are necessary to enable the measures contained in this legislation to take place on 1 July. That is the agreement that was reached; that is the agreement that the clubs and hotels in the community expect to have in the legislation; and, hopefully, that is what will be passed by this Parliament.

Mr CAMPBELL (Bundaberg) (3.36 p.m.): It is interesting to follow the Minister for Public Works and Housing because I say to him that the Labor Government also gave a commitment—not just to the industry but also, and more

importantly, to the people of Queensland. The undertaking that the Labor Government gave was that it would keep corruption out of the poker machine industry. The Labor Government gave that undertaking and introduced very stringent legislation. An important part of that legislation was that the ownership of the machines stayed with the Government, because when clubs are allowed to negotiate the purchase of poker machines from the manufacturers, that is when the corruption starts.

During the debate on the original legislation, one after another the members opposite called the manufacturers crooks. They called them crooks. Years later, all of a sudden those same members are prepared to stand up in this place and say, "Those people who looked after poker machines when the Labor Party was in power and whom we were prepared to call crooks can now deal directly with the clubs in this State."

Dr Watson: That's not true.

Mr CAMPBELL: Not true? I will read to the House what members opposite called the manufacturers back then. Time and time again, Mr Veivers said that they were crooks. However, I think it is very important to read what the CJC said in its Report on Gaming Machine Concerns and Regulations. Under the heading, "Government acting as purchasing agent", it stated—

"Manufacturers, suppliers and individual machines required to be licensed in normal way.

Manufacturers to explicitly state machine prices, including any financing packages, discount scales, maintenance scales etc. Manufacturers to prepare brochures including all required information in a standard format.

Manufacturers restricted to dealing only with the government purchasing agency. Manufacturers not permitted to conduct any promotional activity in Queensland licensed establishments or offer any inducement or make payment for any purpose to any person connected with any Queensland licensed establishment.

Licensed establishments restricted only to dealing with government purchasing agent. Approved establishments make orders from range of approved machines, those orders transmitted to manufacturer by government agency.

The installation of gaming machines and removal of any trade-in machines to be supervised/certified by the purchasing agency.

Licensed establishments to make payments to government agency for transmission to manufacturer/supplier.

Licensed establishments to be responsible for arranging finance and notifying all details of same to purchasing authority. Licensed establishments be not permitted to accept any finance packages arranged by, on behalf of or in association with any gaming machine manufacturer or supplier.

The government purchasing agency to be independent of but fully accountable to the gaming regulatory authority."

At the time, that was what was recommended and that was what was brought in. When the Labor Government introduced poker machines, at that time the National Party, through its spokesman Mr Veivers, said—

"Any crook in the world can be involved for as long as it takes the new commission to get around to checking on him. It means that a person will be able to have a provisional licence until a check is made on him to determine how much of a crook he is."

I would say that, up to this time, we have probably had the cleanest poker machine industry one could have. That is despite the then Opposition spokesman, Mr Veivers saying, "You can guarantee that there are going to be crooks in there and we are going to allow them in there." He goes on to state further—

"The plain, hard truth is that poker machines go hand in hand with corruption . . . if one lets in the pokies, one lets in the crooks."

Perhaps by going down this track the Government is letting in the crooks, if that is what members opposite want to call them. There is no need to reduce the surveillance to make it any easier for criminals. The coalition was very paranoid at that time. They talked a great deal about the Casino Control Division, which did nothing while members of the Yakuza, covered in tattoos and with fingers missing, laundered money obtained from drugs and prostitution. That does not happen under the current legislation, and we should stick to it.

There will be less control if we allow corrupt relationships to develop in the industry. In New South Wales and other States, who gets free tickets to the football finals?

Mr Purcell: I hope it's me.

Mr CAMPBELL: No, one has to be the manager of a club to get such tickets from people who provide different services. In Queensland, the Labor Government kept that out.

When speaking to the Labor Bill, Mr Santoro said—

"The Liberal Party will oppose this Bill in total

. . .

The Liberal Party will oppose this Bill for the following reasons—

(1) the Bill leaves the door open for corrupt influences to infiltrate the gaming industry.

(2) It fails to implement anti-corruption standards essential to prevent corruption, for example, the establishment of an independent gaming commission."

At that time, the member expressed such concerns but now does not mind opening the door to corruption. Mr Santoro continued—

"The Bill leaves Queensland wide open to the spectre of corruption."

So many speakers in that debate said that the legislation would lead to corruption, but I believe that we showed that there was a good, clean way of bringing gaming machines into the State, and we did it.

In speaking on the Bill, Mr Borbidge stated—

"I say to the Government back bench that every inquiry that has been held into the operations of the poker machine industry in Australia has said that poker machines equal organised crime."

To date, that has not happened. The Labor Government introduced a system which has ensured that it would not happen, despite Mr Borbidge claiming in that debate—

"The bottom line is that poker machines will not be tamper-proof and they most certainly will not be free of corruption."

Those predictions may certainly come true if the Government does not retain the controls that we introduced into the industry. It is very important that the industry remains squeaky clean.

Members from both sides of the House have raised social concerns. We were aware that such concerns were a part of this industry. The Gaming Machine Community Benefit Fund and other organisations have been granted funding to help alleviate social problems associated with gaming machines.

We must preserve the undertaking given by the Labor Government that corruption would not be a part of the industry in this State. I am very concerned that this Government has not given a similar undertaking. Even Mr Littleproud said that the manufacturers have to supply the machines. I am concerned that there are no real safeguards to ensure that there is no favoured treatment and no kickbacks. By going down the path presented by the Government's Bill, we are opening up that door. I join our spokesman in saying that it will be a mistake to give ownership of gaming machines to the clubs and pubs.

If flexibility is needed, we can come back and get more flexibility. However, we must not remove control from the central purchasing agency. The Minister for Public Works and Housing has suggested that the current legislation allows no flexibility, but that can be overcome if we work through it. However, we cannot overcome that problem by throwing the baby out with the bathwater. Such problems can easily be fixed by making changes through the central purchasing agency. The introduction of the private ownership of poker machines is a mistake and we will oppose it. We have kept corruption out of the industry, but we cannot guarantee to keep it out if we go down the road proposed by the Government.

Mr SCHWARTEN (Rockhampton) (3.45 p.m.): I had a sense of déjà vu while listening to the turgid speeches that we were forced to endure when we sat on the other side of the House.

Mr Lingard: It certainly sounds a lot better when you're over here though.

Mr SCHWARTEN: It did not sound too good at that time, either. It was a lot of rot, basically.

Mrs Sheldon: Like what you're saying now, I guess.

Mr SCHWARTEN: The member does not know what I am going to say yet, but I assure her that I have not been reading from the same book of rot that she has been slavishly following recently and which has got her into more strife than the first settlers.

This issue has been shrouded in a great deal of witchcraft-like and bizarre predictions. Basically, what the Labor Government did turned out pretty well. By and large, the clubs have benefited greatly from the legislation. In Rockhampton, the Brothers Leagues Club and a couple of the bowls clubs have done very well out of the legislation. However, smaller clubs such as the old football team of the Minister for Families, Fitzroy, is not doing too well at all. It was always going to happen that the bigger clubs who got in first did better, as I said at the time. By and large, the club industry in Queensland has thrived as a result of the introduction of gaming machines, which was one of our main aims in introducing them into Queensland.

I well remember the parlous state of clubs, especially in Rockhampton, prior to the introduction of gaming machines. The Brothers Leagues Club was washed out by floods and could not afford to pay its bills. I do not know whether many honourable members opposite have visited the club recently, but they would not know that it was the same place. The net effect has been very good for the club industry, although there have been downsides. Obviously, the club industry has taken off at the expense of the hotel industry to some extent. Where I come from, there are over 40 pubs and it could be argued that there are too many of them. In recent times, the clubs have grabbed a niche in the market. I believe that over a period the hotels will create a different atmosphere and will also cater for a different clientele. Many of them will survive as, indeed, they have in New South Wales and are starting to do in this State.

The changes to give hotels a fairer go are to be welcomed. I have long said that pubs do provide a great social outlet for people and, indeed, keep a lot of little clubs buoyant in places like Rockhampton. For example, the Ascot Hotel doles out money regularly and allows the smaller sporting clubs in. The clubs need to take cognisance of that because, by an large, if they bite one of the bigger clubs to try to help a smaller club, they say, "We have a core group of people whom we support." It is always the little ones like Little Athletics that seem to miss out. Therefore, I am very happy that something has been done to address the inequity in the funding. The changes do not make it equal, and I would like to see that happen in time. However, it is certainly a step in the right direction.

I cannot help but return to the original report compiled by the CJC. I was a member of the PCJC that oversaw the document. One would have to say that it was one of the

greatest disasters ever produced. It ended up in the High Court of Australia, which found that Ainsworth had been treated with no procedural fairness whatsoever by this report. The report was to the eternal discredit of Sir Max Bingham, who persisted in taking that line as far as he did. I remember the hearings where we afforded Ainsworth and others the opportunity to put their credibility on record. I remember the anguish that created for those people. There is no doubt that at the time natural justice was denied to those people. Unfortunately, for the rest of the time that Max Bingham was involved with the CJC, it did not get much better. The report was a cut and paste of gossip and a lot of outdated material. It contained stories about people tinkering around with machines. The machines at which we looked at the time certainly did not lend themselves to being tinkered with in the manner of the old stories about people using belts and goodness knows what else to scoop the pool.

No system in Australia rivalled the system we brought in in Queensland. Bringing all the machines on line was a task almost too complex to comprehend, but that is what we did. As a result, we created a pretty squeaky clean organisation. I did not notice any hardened criminals from down south moving in on the poker machine industry in Queensland.

Mr Hamill: Even the Treasurer praised it in her second-reading speech.

Mr SCHWARTEN: That the Treasurer praised the former Government for anything it did suggests that she must have eaten something that day which caused her to do so.

Mrs Sheldon interjected.

Mr SCHWARTEN: As far as I can recall, that is the first thing for which the Treasurer has ever praised our Government. The Treasurer should get out a bit more, wear her nice smile and speak about Labor's great legacies. At least the Treasurer has been big enough to accept the fact that we did provide a very credible, worthy and clean industry.

I have grave misgivings about the privatisation of poker machines, which basically goes to the core of the Bill. That is the area with which I disagree the most. If Bingham did manage to get one thing right in this report, it was to alert us to the sorts of rorts that can occur if one allows the sharks back into the pond. I think the sharks will find their way back into the pond unless some very stringent measures are put in place about the licensing of these providers. If that cannot be done, the hand of corruption will claw back

onto the handle of poker machines in Queensland.

I happen to believe that upon the privatisation of poker machines clubs, in particular the smaller ones that have not done very well out of poker machines, will basically shut their doors. Publicans and people tied up with the clubs in Rockhampton tell me that, aside from the checks and balances of the centralised regulation of poker machines, one of the great benefits of State control is that when a club gets a dud machine—in other words, one that is not paying particularly well or one that is not favoured by gamblers—there is an opportunity to send it back. That will not be the case in the future. If someone gets a dud machine, it is that person's dud machine. In response to what the Minister for Public Works and Housing said earlier, I do not think this Bill will provide the sort of variety that a lot of people think it will. There is a lot of variety in the system now in that clubs can return any dud machines.

In addition, how does the Government think publicans or clubs will be able to rake together the money to buy these machines? The Government says that each establishment will be allowed 300 machines. I think the average cost of a machine is \$10,000. We are talking about a lot of money.

Mr Hamill: Fifteen.

Mr SCHWARTEN: Whatever the figure is, it is over \$10,000. We are talking about a hell of a lot of money.

Mr Fouras: Four and a half million dollars.

Mr SCHWARTEN: The economist tells me that the figure is \$4.5m. That is a lot of money for a club to try to find or borrow to provide poker machines. Obviously, these people would not have that amount of money lying around. This is a little like the Q-Fleet deal: it is far better to lease the vehicle from a central source and let the lessor worry about it than it is to outlay the cash in the first place. I honestly believe this Bill will set back the club industry somewhat, especially the smaller ones which will be forced to close their doors. They simply will not be able to afford to buy the machines.

As to hotels—I do not know of one publican in Rockhampton who could afford to lash out \$10,000 to \$15,000 for a single poker machine. Generally, the pub industry in Queensland is doing it pretty tough. If publicans were forced to meet that sort of impost, that would be even more the case. I am aware that the Government is proposing to

offer a mates rate or a special deal to holders of those machines at the moment so that they will be able to buy them for a depreciated and perhaps even nominal cost.

The fact is that poker machines' use-by dates are a lot shorter than people think. My information is that a machine arrives at its use-by date within two years. So those people who buy in on the bottom floor, as it were, and take up the offer from the Government to purchase the machines they already have will find themselves with something that is obsolete within two years. The financial impost that will create may well defeat the whole purpose.

I do not wish to prolong the debate. This Bill is like the curate's egg: it is good in parts. However, the bad part of it is the privatisation bid, on the basis that corruption cannot be ruled out. I doubt that the Treasurer is game enough to stand up here today and say unequivocally that no corruption will result from this Bill. I doubt that she is game or silly enough to say that.

I also believe that the Bill will not advantage the smaller clubs. In fact, I think the Bill has some inherent disadvantages. Although I believe the hotel industry will be assisted by the changes to the rules in terms of what is returned to hotels and the method by which that is calculated, if the industry is forced into trying to purchase poker machines, I do not believe that it will be able to do so.

Dr Watson interjected.

Mr SCHWARTEN: The trouble with the member is that he is just a dry economist.

Dr Watson: No, you don't understand business, that's your trouble.

Mr SCHWARTEN: If the member was able to run a business, he would not be sitting opposite making a clown of himself, he would be out there making a million bucks. If the member was any good, he would not be wasting his time earning \$80,000, \$100,000 or whatever he gets paid now, he would be out there making more money.

Mrs Sheldon interjected.

Mr SCHWARTEN: I do not pretend to be a great expert on business. I have never purported to be one. I am just a poor, old, humble schoolteacher and former carpenter made good, who has served his fellow human beings. That is not the case with Government members, who attempt to tell business what to do from a distance and, in my view, from a position of ignorance. I stand by what I have said. The Government thinks that privatisation is best. Ultimately, the Government will rue that decision.

Mr T. B. SULLIVAN (Chermside) (4 p.m.): Like every coin or token that passes through a poker machine, the gaming machine industry itself has two sides. The benefits are fairly obvious and have been quite extensive, but the concerns are also fairly obvious, and it amazes me that the Treasurer and Dr Watson have not realised that the concerns that we have will lead us to oppose the removal of Government ownership of machines.

In terms of benefits—we have seen that with the clubs particularly there have been improvements in the food, entertainment and facilities that they have been able to provide to their members and to the local community. We have seen where sporting, social and cultural activities have been enhanced by improved facilities, and these have been to the benefit of many people in the areas surrounding the clubs. Every member in this House would be aware of the community groups that have benefited from the Gaming Machine Community Benefit Fund. I pay tribute to the founding Chair of the fund, Elaine Darling, and her committee for the work they have done and look forward to working in a similarly productive way with Dr Lynagh, the new Chair, and his committee.

Those benefits are very obvious. What is not so obvious is what can go wrong if the industry is not controlled properly. We do know of some of the problems associated with gambling addiction, and these have been addressed. I applaud any moves that the Treasurer and the Government are making to support groups such as GamAnon or to help those who have a gambling addiction. But the major cause for concern is that the gaming industry can attract corruption and organised crime.

We can turn to the speeches of National Party members particularly but Liberal members also when the introduction of poker machines was proposed in this House. As members before me have said, we had to sit through about 18 months of constant criticism led by the current Premier on why there were going to be problems of corruption and organised crime if we introduced poker machines into Queensland. Over the last five years there have been no scandals. No examples of organised crime or of roting have hit the papers. There have been a couple of minor cases in which an individual employee has tickled the till, but because of the supervisory regulations introduced by Mr De Lacy, these have been picked up almost immediately and have been prosecuted successfully.

I remember a friend of mine who had a relative in Sydney—this is going back about 15 years now, maybe 20 years—who was the secretary of a club and was paid \$12,000 a year. This person had a very luxurious home on the harbour, two high-class automobiles and a significant yacht in the harbour—all on a \$12,000 salary. The money, of course, came from the kickbacks that this person got from dealing with the corrupt suppliers of machines and the corrupt suppliers of certain services to the clubs. That is what we wanted to avoid, and Government ownership was one of the key ways of doing so. Unfortunately, the words of members of the National and Liberal Parties five years ago are now coming back to haunt them in this particular decision they are making.

Mr Borbidge opposed the introduction of the machines. I remember him implying time after time in speeches and questions in this House that the security systems and the monitoring of the machines would be faulty. He criticised the delay because Mr De Lacy, as Treasurer at the time, was not totally happy with the system that had been set up and was not going to allow the machines until the security and monitoring systems were perfect. When the machines finally came in, I was privileged to be at the Kedron/Wavell Services Club in my electorate when the first coins were dropped into a poker machine in Queensland. In all that time we have seen no scandals.

Dr Watson: And where do Paul O'Brien and those people stand on this stuff?

Mr T. B. SULLIVAN: I will talk about the Kedron/Wavell club in a few minutes. I thank the Minister for that interjection.

It is in everybody's interests to have a clean industry—the QHA, the registered and licensed clubs and the members of the various clubs. Within the Chermside electorate there are a couple of bowls clubs that have a small number of poker machines and there is also the largest club in Queensland, the Kedron/Wavell Services Club. I want to congratulate the Kedron/Wavell Services Club on the excellent administration that it has provided, its contribution to the industry and its community involvement. I cannot think of any school or community group in the northside area that has not benefited from the generosity of that club. Whether it be a massive donation to the huge Kidspace playground project or the funding of sports ribbons for a local school, this club has had a community focus and has assisted a huge number of organisations. As well, the club is very aware of neighbouring residents, and it

not only consults with them but also keeps them informed on what is going on. I inform Dr Watson that I have had discussions not only with the Kedron/Wavell club but also with other clubs in the area and—

Mr DEPUTY SPEAKER (Mr J. N. Goss): Order! The member will refer to other members by their proper title.

Mr T. B. SULLIVAN: I say to the Minister: I have had dealings with the Kedron/Wavell club and other clubs. I believe that about 65% of the clubs in Queensland are RSL clubs—am I right? Of the total number of registered and licensed clubs, about 60% are RSLs.

Dr Watson: No, nowhere near it.

Mr T. B. SULLIVAN: Does the Minister know what is the percentage? Is it that 60% of the turnover comes from them?

Dr Watson: That might be it.

Mr T. B. SULLIVAN: Sixty per cent of the turnover might have been the correct statistic. They were the last to sign up because of reservations they held, and the Minister knows that, and he knows that basically they had very little option when it came to the end: they either had to accept the package or they would have been left out. I am not speaking on behalf of that club. They have had dealings with the Minister; they have had dealings with various people. I will let them speak for themselves. But I do know of the reservations that were held by the smaller sporting clubs and even some of the larger groups.

There was some discussion about the balance between the club and hotel sectors in the gaming machine industry. I support what my colleague the member for Ipswich said when he pointed out the basic difference between the two. Clubs are basically owned by their members, they are often based on a sporting, recreational or cultural activity, and most of the profit goes back to the members in terms of facilities or services. Hotels are there—as are all businesses—to make a profit. I do not see gaming machines as being solely another arm through which a private owner or a shareholder can make a profit for private gain. If we are to have gambling in our society, I want to see a more significant benefit come back to the general community. That is why I believe that the limits on hotels need to be in place and that clubs should definitely have an advantage because they are community-oriented rather than just profit-oriented.

As the shadow Treasurer has said, the Opposition supports the changes that are proposed in the form of the tax reforms. That

the tax is now to be based on the metered wins or profit rather than on turnover I believe is a good move, and the Opposition has given full support to that. However, we oppose the removal of Government ownership, especially the move to have a very limited number of licensed operators. The number of three licensed operators has been mooted for so long that it appears to be almost a fait accompli. If I am right that the QHA and the RLCA have indicated that they would like to be two of the licensed operators, that leaves the users of the machines and the operators and administrators of the machines very close to the manufacturers. I believe that it puts an unnecessary and unfair burden on the administrators of the clubs. I have had some of them say to me that when there was Government ownership there were never any questions raised about their propriety, about their honesty and about their dealings; but now they are going to have to be looking over their shoulders all the time and protecting their backs because they will be open to the same accusations that have been made in New South Wales and other States where the manufacturers were dealing directly with the clubs, where there is the opportunity for corruption.

Dr Watson: They're not dealing directly with the clubs. They have to deal through operators.

Mr T. B. SULLIVAN: Sorry, through the licensed operator. The propriety of the licensed operator is the factor. By not having the same Government control as we had before, the Government is making it easier for corruption to flourish.

Dr Watson: So you are saying that potential operators like Jupiters Casino are corrupt; is that what you are saying?

Mr T. B. SULLIVAN: What I am saying very clearly is that when there is direct Government control of the industry, there is much—

Dr Watson: No, no.

Mr T. B. SULLIVAN: If the Minister would let me finish, I will tell him. He is learning from his leader, who is only too apt to put words into people's mouths. What I am saying clearly is that with direct Government control there is much less chance of corruption flourishing. The reason is simply this: Government agencies have a much more direct and accountable control through the Auditor-General and through the Minister than does a private group. I say to the Minister that there will be less accountability and there will be less direct supervision. With less

supervision, there is a greater chance for corruption.

The small clubs are also going to face certain problems. Once the payouts are raised from 85% to 92%, the larger clubs will easily survive, but the smaller clubs are going to find it difficult. The smaller clubs are also going to find it difficult to purchase or lease machines. The Minister and the Treasurer would know that some of the smaller clubs are currently finding it very difficult to convert the low usage machines—and that conversion is a relatively minor cost—or to convert to tokenisation. If they cannot afford that moderately small amount to upgrade machines, they will certainly not be in a position to go into major leasing or purchasing programs of machines. One honourable member said, "They can go for the used machines." The reason why machines come onto the second-hand market is that they have not received high usage because they are not popular machines. So the smaller clubs will be getting a second or third class item to use.

Dr Watson: That is a nonsense argument—absolutely nonsense.

Mr T. B. SULLIVAN: It is interesting that the Minister keeps saying that that is nonsense, yet when he brought out his White Paper, he got whacked from both sides. I think he was served a hospital pass by the Treasurer, which he unfortunately accepted, and he got hit from both sides when he brought out his White Paper. So he should not start saying to the Opposition that it is nonsense when we are in contact with the local groups who are telling us what I have just said.

In terms of the maintenance and monitoring costs, we do not know what they will be because the benefits that will come from the improved taxation regime can very easily be eaten away by the monitoring and maintenance costs, which are unknown, not spelt out in any way and will leave the smaller clubs in particular very vulnerable.

There have been a number of changes in Queensland since the change of Government early last year. In a number of areas, we have seen where some of the old practices from the bad old days have come back into the coalition Government. I believe that with the best will in this world the member for Moggill has proposed something which is going to lead to significant problems. I hope that the member for Gladstone will support the Opposition in any steps we take to maintain Government ownership of the machines. We cannot afford to expose ourselves to the same

levels of corruption that have been exposed in other areas.

Dr Watson: You didn't listen to me. It's a package.

Mr T. B. SULLIVAN: I have had enough discussions and interruptions from the member for Moggill and I will not take any more from him.

I believe that the benefits which the gaming machines have brought to this State can be eroded simply by the passage of this legislation. That is why I will not be supporting the removal of Government ownership. It is passing strange that the backbenchers of the National Party have very short memories. They forget that it was their current leader, Mr Borbidge, and his shadow Ministers at that time, many of whom are now Ministers of the Government, who expounded quite clearly the possible problems in the gaming machine industry and how easy it was for corruption to flair. They wanted to criticise the Treasurer at the time, Mr De Lacy, and sound those sorts of warnings. Mr De Lacy, as Treasurer, brought in a regime that was controlled, was clean, is clean and should remain clean. This legislation will threaten that; this legislation will open us to more corruption. Maybe that is what the coalition is looking for.

Hon. M. J. FOLEY (Yeronga) (4.15 p.m.): Gaming machines have helped to breathe life into a number of community clubs. In my own electorate, bodies such as the Yeronga Services Club, the Moorooka Bowls Club and the Tarragindi Bowls Club have benefited from the introduction of gaming machines by the Labor Government. It is true to say that there have been concerns, particularly among the small clubs, about issues such as the impact of market rentals. I have conveyed those concerns to the member for Moggill during the course of the preparation of the policy and legislation which resulted in the Bill before the House.

I want to speak very briefly, though, on one positive spin-off from the introduction of gaming machines in that it has generated more opportunities for Queensland artists and musicians to provide live entertainment in the club industry. Anything which helps to stimulate opportunities for arts workers and musicians is to be greatly encouraged. Just on that point, it is significant to note that increased job opportunities in Queensland's art, craft and design industries can be achieved through greater exploitation of the \$200m market in art and craft purchased by overseas visitors to Australia each year. As the 2000 Olympics come closer, such spending is

likely to increase significantly. The big question is whether these funds will flow into the pockets of Australian art workers and artisans or into the coffers of overseas companies flogging mass-produced merchandise. This question is being tackled head on by the Queensland Art Workers Alliance and the Crafts Council of Queensland in a full day of workshops on Queensland Day, 6 June, at the Brisbane Exhibition and Convention Centre.

It is in the interests of Queensland business to sit up and take notice of this critical issue. Tourists visiting Queensland are looking for local flavour. Duty free operators should consider selling the product of local Queensland artists, not just foreign, mass-produced merchandise. Queensland Day provides an ideal opportunity to give a boost to the opportunity for Queensland art workers, artisans and designers. On Queensland Day, retailers and duty free operators have a golden opportunity to attend a full day of workshops and networking to showcase art, craft and design merchandise made in Queensland.

It has been one of the achievements of Labor's legacy that there has been an opportunity to stimulate live entertainment and to provide opportunities for Queensland artists and musicians through the introduction of gaming machines. It is a far cry, indeed, from the threats of gangsterism that we heard from the coalition and the delays that resulted from that in the introduction of these gaming machines. Those gaming machines have certainly helped to breathe life into a number of the clubs in my electorate and they have helped those clubs continue to be a vital part of community life.

Mr PURCELL (Bulimba) (4.18 p.m.): It gives me pleasure to talk on the Gaming Machine Amendment Bill 1997. When the White Paper first hit the deck, a lot of the smaller clubs in my area were very concerned about it. It took a little bit of digesting and needed looking into.

Mr Veivers interjected.

Mr PURCELL: As the member for Southport says, he has been over at Bulimba and I know he enjoyed his trip. Although he did not get a chance to get around to a lot of the clubs, he found it is a great place to come. Getting back to the Bill, I should say that I endeavoured to get around to all my clubs and speak to them. It was hard work, but someone had to do it. I would like to talk about those clubs if I could because they have had a very big impact on the community since poker machines were introduced into

Queensland. In my electorate is the Queensland Sporting Club, which is on Bulimba Point, and it has a 9-hole golf course. It has probably been one of the clubs that has benefited the most and probably more quickly than other clubs—

Mr Veivers: Considerably.

Mr PURCELL: Yes, it has benefited considerably from the introduction of poker machines. It has added a couple of extensions. It is certainly very well patronised by the people living in and around the area. It puts a lot back into the community and I am sure a lot of other people in Queensland would know of the club because of its golf course.

Just around the corner or down the river, as we say, is the 18-footers club, which also has taken the opportunity to install poker machines. It is currently adding an extension. It has benefited from the introduction of poker machines into Queensland.

I have five bowls clubs in my electorate: the Balmoral Heights Bowls Club, the Norman Park Bowls Club, the Balmoral Bowls Club, the Cannon Hill Bowls Club and the Camp Hill Bowls Club. All those bowls clubs have introduced poker machines and have been able to upgrade their facilities as a result. If members cast their minds back to what the club industry was like prior to the introduction of poker machines, they will remember that those clubs were run with volunteer labour. The provedore—a job for which not many people used to put up their hands—more or less used to run the club on a volunteer basis. He had to serve the beer, order the bits and pieces that needed to come into the club, along with food and beverages and so forth, and do up the till of a night. It was a huge job. At least clubs are now able to bring in paid staff. That has been an enormous employment benefit for the State and especially for my electorate.

I agree with what the member for Yeronga said about the arts and the benefits that have been achieved in that sector. Small bands play in the numerous clubs in my electorate on Fridays, Saturdays and sometimes Wednesday nights.

Mr Hollis: Any ballet dancers?

Mr PURCELL: No ballet dancers, I am afraid, but we are working on that.

It is very pleasant for families to have a meal out at a club, because the meals are reasonably priced and it is a pleasant night out. One of the leading clubs in my electorate is the RSL. Ernie Adsett is the president of the

RSL club at Colmslie. That club certainly puts a lot back into the community not only through its RSL members but through the schools and small sporting associations in the area to which it has made and continues to make donations. It also supports the local ambulance committee, the Balmoral Heights District Ambulance Committee. I am sure that the Minister for Emergency Services will correct me if I am wrong, but I think that is the only ambulance committee in the greater Brisbane area. It is well supported by clubs in my electorate. I know that the Balmoral Heights Bowls Club annually gives a cheque to the ambulance committee. Those sorts of associations and charities would not be able to benefit without the clubs having poker machines.

I turn now to hotels. I have three hotels in my electorate, including the Balmoral Hotel, which took up with me some issues in regard to tax early in the piece when the Bill hit the deck. The people at that hotel were quite concerned about that. After the Bulimba Festival, I had a quick talk with the owner of the Balmoral Hotel. We are going to have further talks in the future. I do know that the Balmoral Hotel does support the little football clubs and sporting clubs in its area. It is going to become part of the beautification of Bulimba, whereby the streetscape is being changed by the Brisbane City Council, which is doing an enormous job there. It is going to make that area very attractive, and the hotel and other businesses in the area are going to cooperate with the council and do their bit. The people at the Balmoral Hotel will certainly be putting up their hands. That will be of benefit to the local community and the people who live in the Bulimba area.

Another hotel in my area is the Colmslie Hotel, which would probably be known to most members in this place. It is a fairly well-known hotel. It is run by the McGuires. It had a community chest well before poker machines came into being. It continues to support charities and institutions in the area. It also has poker machines, and that assists it to continue doing the work it has been doing for years. The other hotel in my electorate is the Hemmant hotel at the other end of my electorate. I do not get to the Hemmant hotel very much. It is a bit of a drive from my place. I can just about walk to the other hotels in my electorate. I do go there occasionally to have breakfast with the Ports Rotary Club, a new Rotary club that has just been set up. They have a 7 a.m. breakfast there. I am an honorary member, and I get down there from

time to time. That hotel caters for Rotary and is therefore looking after people in that area.

When the White Paper was published, a lot of clubs and hotels contacted me with their concerns about it. One of those concerns, particularly among the clubs, was the relinquishment of Government control of the machines. Two of the people who expressed concerns are very experienced, long-term club people who have worked in the industry for over 30 years. They worked in New South Wales over many years and came to Queensland when the clubs took off, mainly because of the work opportunities and the more relaxed lifestyle here in Queensland. They were concerned about the way in which the Government was going to relinquish control over the machines.

At that time I took the opportunity to talk to the member for Moggill, who was driving these reforms. I made the thoughts and feelings of those clubs and hotels very well known to him. As all members would be aware, further talks were held, and the whole White Paper was rejigged. I thank the member for Moggill for making available to me information on the matters about which I had concerns, particularly the criminal element getting into the clubs. I have since been back to all those clubs. That takes a long time when one has as many clubs and pubs in their electorate as I do.

The concerns that the managers of those clubs had about criminals getting into the clubs through the suppliers of poker machines have dissipated. I was given assurances that the licensing of the suppliers of poker machines to the clubs will be thoroughly checked out by the same types of people as those who check out casinos. I used some fairly rough language to describe what the Government would be doing to them, and looking inside and outside of them, to make sure that no criminal elements will get through. I said that if the clubs—probably more so than the hotels—were having problems with their suppliers, I would want to know about it immediately; that they should put up their hands and I would make sure that it got through to the right authorities.

All in all, the clubs are very happy with the package in my electorate. In many cases they are going to buy the machines. In fact, one particular club member who is very involved with one of the clubs in my electorate said, "There has to be a catch here somewhere. This is too good to be true. This is coming from the Government." He went through the figures with me to work out how much better

off financially he will be because the payouts and not the turnover will be taxed.

As to the buyback of machines—a special meeting was held to consider the purchase of those machines, and the buying of those machines will reduce considerably the clubs' monthly lease payments, so they will have more money. One thing they did have concerns about is getting rid of dud machines. This is a bit of a problem, because the Government nominates the machine that is taken back. Because the Government does not want the dud machine back, it will probably take one of the better machines and try to place it in one of the other clubs. That does not go down too well. People in my electorate are very happy about the new arrangements for clubs.

As other members have done, I also thank Elaine Darling, the chairman of the inaugural Gaming Machine Community Benefit Fund. My electorate has benefited considerably from that fund. It is an area of battlers and very small organisations that look after amateur sporting, scouts and any other organisations in which people are looking after kids and working for the community. We have done very well out of the gaming machines, and I believe that this has been of great benefit to the community.

I have a question that I would like the Treasurer to answer in her reply or perhaps during the Committee stage. Will the same exemption for sales tax operate on the new machines when the new supplies arrive? If not, that should be considered seriously so that clubs and hotels will not be any worse off. All the clubs in my electorate are very small clubs. They do not have many machines. As one would gather from the number of clubs in my electorate, the competition is very fierce. They have to make every post a winner. They find it very tough to make ends meet. Any help that they can receive is needed and will be appreciated.

Mrs CUNNINGHAM (Gladstone) (4.33 p.m.): The Gaming Machine Amendment Bill is the result of a lot of hard work of the now Minister of Public Works and Housing. In his former life, he had many meetings with representatives of hotels and clubs. In common with the speaker who preceded me, I am sure that he patronised each one as he visited. Some of those were very heated discussions. I received feedback from those meetings. The member was not the most liked person in the State.

Dr Watson: That was in my former life.

Mrs CUNNINGHAM: It was the member's former life, yes.

The shadow Minister referred to recommendations made by the CJC in 1990 and the need to retain the Government as the conduit for the supply of machines in order to keep corruption out of the system. That is a concern. If I had to vote on a Bill that would introduce poker machines to Queensland, I would vote against it. I think that the social cost to the community has been horrendous, and that is not measured. We have never measured the social cost to families. The RAQ has said that, before the use of poker machines is expanded, a social impact study should be done. It has experienced a significant impact on its enterprise. It appears that it is sheeting part of that blame to poker machines.

The issue of equity between hotels and clubs has been a vexed one for a long time. I know that both the QHA and the Licensed Clubs Association made a number of representations to the now Minister for Public Works and Housing during the White Paper process. That was not an easy process. When the final position was achieved—when they signed off on the documentation—the same hoteliers who had come into my electorate office at a point of desperation in which I have not seen too many fellows in my electorate before were visibly relieved that they could see a light at the end of the tunnel, albeit, in their words, "a small light". Of course, they were going to say that, anyway.

I am concerned about the issue of ensuring that the whole process of receiving gaming machines is kept honest—that is, out of the hands of the criminals. I have just spent some time on the phone talking to a number of people about their perspectives on this legislation. One of the comments was "It's okay because all the crims have now been licensed." I think that is being a bit harsh.

Mr Hamill: It makes me feel really good.

Mrs CUNNINGHAM: Has the honourable member got a licence?

The fact is that it is my understanding—and I would like to have this clarified—that all the manufacturers of machines available within Australia have now been vetted and licensed by the Queensland Government.

Dr Watson: They will be.

Mrs CUNNINGHAM: They will be?

Dr Watson: They are not, no. They are all being vetted now, but they will be licensed.

Mrs CUNNINGHAM: I would like a formal answer as to whether the Government will continue to have the process to review and approve gaming machine manufactures.

Dr Watson: That is going to be in the next Bill that is coming. They are already vetted and they will be licensed.

Mrs CUNNINGHAM: I would like that answered formally so that it is recorded in Hansard. I would also like the Treasurer to state that she feels confident that sufficient safeguards are in place to ensure that criminal activity does not become part of the ethos of gaming machine suppliers. To date, they have been described in contributions to the second-reading debate as kickbacks and other incentives to buy a particular manufacturer's machines—both financial incentives and safety incentives. Perhaps I watch a bit too much television. I would like to know what assurances or protections are contained within the Bill or regulations to ensure adequate supervision, vetting and ongoing control of people who are supplying gaming machines.

The other point on which I would like some information—and I have to be honest; I would like to be a bit more familiar with the Bill—relates to whether provisions are in place to perform a review 12 months, 2 years or 3 years after having made this quantum shift in the process of obtaining machines. Currently the Government decides the mix of machines. The proposal is to give that discretion to licensed operators, who will supply machines to various clubs and hotels in the mix that the hotelier or club owner wants. That is fine. Normally one goes into a shop and purchases what one wants, so I do not have a problem with the principle. However, I refer to the foreshadowed problem that was discussed by the shadow Minister and by other speakers, that is, the potential for criminal activity such as kickbacks. That potential existed back in early 1990-91 and human nature has not changed now that it is 1997. I would like the Treasurer to address that concern formally so that it is recorded in Hansard. What protections and review mechanisms will exist in 12 months or 2 years to ensure that criminal activity is not introduced, albeit incrementally? I am sure some are provided, but I would like to know what they are.

Clause 11 relates to the omission of section 54, which provided for the director to provide gaming machines and, in his wisdom, to decide the number of machines and the type of machines that organisations received. That discretion is going over to the private sector. I do not have a problem with the

principle. I can understand the shadow Minister's concern about a perceived lack of appropriate constraints. I am sure that the Treasurer will address that in her reply.

As to the suitability of applicants for monitoring operators' licences—proposed new section 72E(2)(c), on page 18 of the Bill, states that, for the secretary and each executive officer of the involved body, the licensing authority has to check the person's character, current financial position and financial background. Checking those is one thing, but the Bill does not designate—and I am sure it is intended to so designate—that it has to be sound. It just says that it has to be checked. I know that that is a petty point, but the legislation does not state whether the findings have to be positive. Most qualifications usually specify whether or not a person is a bankrupt. I am sure that there is reason for that wording and that the Treasurer will outline it.

I would commend the drafter of the Bill—and that is probably the member for Moggill—for stating that the licences are not transferable. That is a very good control mechanism. Although the vetting process for the original licensee may have been sound, it is easy in the plethora of offices that is Government for an application for a licence transfer to be either dealt with quickly or to be overlooked. Perhaps the transfer could occur accidentally, for want of a better word, that is, for want of better scrutiny. So the fact that the licences are not transferable is a very safe protection.

That is really all I have had time to seek out. In common with the previous speaker, I believe that a lot of community groups will welcome this Bill. They use the club atmosphere as a major fundraising venue, rightly or wrongly, and they would regard the changes that are being proposed in the Bill as a significant respite for them. I know that the QHA and the Licensed Clubs Association have been through a lot of heartburn in reaching a point of agreement. However, it is vital that there be significant and sufficient safeguards within a change process. As I said, the concerns of 1990 and 1991 are still paramount in the minds of the decision makers. For that reason, the review process is essential. I would be interested in hearing comments on the mechanism for review.

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (4.42 p.m.), in reply: I thank the honourable members for their contributions. I am concerned that there still seems to be a lot

of misunderstanding by members of the Opposition about this situation, even though they have had detailed briefings from both the current Minister and Dr Watson, who was then my Parliamentary Secretary.

Mr HAMILL: I rise to a point of order. Mr Deputy Speaker, I draw your attention to the state of the House.

Mr DEPUTY SPEAKER (Mr J. N. Goss): There are sufficient numbers.

Mrs SHELDON: I can see that the shadow Minister is running interference. Members opposite also received briefings from members of the machine gaming regulatory system who were quite happy to speak with them.

This Bill is the second part of a three-part process to change the regulatory model for gaming machines in Queensland. It follows extensive consultation with industry participants and other involved parties. The process included publication of a White Paper in November 1996, which was the review of Queensland gaming machine regulatory arrangements. That process resulted in agreement on the fundamentals of the new model by the key players in the industry, the club and hotel industry bodies.

The new model includes a range of initiatives designed to ensure that the industry is well placed to meet the challenges of the next decade by providing it with the wherewithal to keep abreast of changes and to meet increasingly sophisticated player demands. The industry in Queensland is extremely well regarded for its high levels of probity and integrity and its very rapid maturation over the five years since machines were introduced. This package of reforms will allow the industry to move to a new plateau of performance without sacrificing the essential ingredients of unequalled probity and integrity.

The first part of the package was a set of significant tax cuts which came into effect from 1 March 1997. The benefits of these cuts are already being received by sites small and large throughout the State. In addition, since that date sites have been able to choose the machines that they wish to have installed within the constraints of existing purchasing contracts entered into by the Office of Gaming Regulation.

This Bill, as a second part of the package, does four essential things, each of which is integral to the overall package. Firstly, it provides for the licensing of monitoring operators to provide a range of services to sites, including monitoring the performance of

gaming machines, leasing or selling machines to sites, providing linked jackpots, marketing, training and other services. Sites are obliged to purchase a mandatory basic monitoring service from one of the licensed operators at a price to be set by regulation on the recommendation of the Machine Gaming Commission, but have the right to select other services as they wish.

Secondly, the Bill provides for the approval of a range of legitimate financiers to provide financial packages to operators and sites to assist with the purchase or lease of gaming machines. That will enable the Government to vacate this field in favour of professional financiers and operators. It allows sites, operators and financiers to own gaming machines. It changes the basis for the tax regime from a turnover base to a site-win base. That will ensure that the tax paid will reflect more accurately the site's capacity to pay and it will open the way for a broader range of games and player payback arrangements to apply. In accordance with undertakings given to the industry, it is planned to introduce these changes from 1 July 1997.

The third part of the package will be a further Bill to be introduced as soon as possible. That Bill will cover a wide variety of issues raised and resolved in the context of the review, but not of the same degree of critical importance for the 1 July commencement date. Those issues include the licensing of machine manufacturers—the existing provisions whereby manufacturers are incorporated in a roll of manufacturers after investigation will continue; changes in the arrangements for the issue of licences to individuals; the inclusion of competency requirements in the licensing process; the lengthening of terms for both site and individual licensees; the clarification of suspension arrangements when sites are in default to the QOGR; and the simplification of accounting and audit arrangements, especially for hotels.

As I have indicated, the combination of these three parts will provide a new and dynamic basis for the further development of the industry, building on the successes of the past five years without losing the strengths and the benefits of the initial model.

There has been a suggestion that the replacement of the Government as the owner and monitor of gaming machines in Queensland will in some way allow the introduction of organised crime into the gaming machine industry in this State. In fact,

nothing could be further from the truth. The key role that is currently performed by the Government will be taken on by licensed operators. Those operators will be subject to a very rigorous licensing process, which will include the probity of the organisation itself, the character of the key individuals involved in the organisation, the ownership of the organisation, the suitability of associates of the organisation and their capacity to adequately meet the very high standard of the technical requirements. All key employees of the organisation will be subject to the rigorous licensing process of the Office of Gaming Regulation. As the Minister, I know how rigorous those processes are. The technical monitoring systems to be used by operators will be evaluated fully by the Evaluation Laboratory of the Office of Gaming Regulation.

The legislation includes wide powers for the Office of Gaming Regulation to investigate the operations of any operator and a range of remedies ranging from a letter of censure to, in extreme cases, suspension or cancellation of licences. In addition, all purchases of machines by operators or financiers or via those sites are subject to the approval of the Chief Executive of Treasury, that is, the Under Secretary or his nominee.

Overall, it is untrue to state that the regime offers a lesser degree of protection against organised crime entering the industry. Certainly it is a different approach, but it is no less effective. It has drawn on the very successful regulatory regime that has applied for the last decade to casinos and which was recently approved in this place as the regime for keno.

Sites will not be allowed to purchase machines directly from manufacturers. Today, that matter has been raised, and I say that that is not part of the scene. The approval of the chief executive will be given only where an operator, financier, or, in the short term, QOGR, is involved in the transaction. There will also be an industry consultative committee to review the implementation and any issues that may arise so that there is input from the clubs and the pubs themselves.

I think the member for Gladstone raised some issues which I have covered. She also raised the matter of whether or not such a person would be a fit and proper person—the operator or their employees. I think I have explained that. However, I say again that under the Office of Gaming Regulation, one of the conditions for being a licensed operator is that that person is a fit and proper person. We

certainly will be going through that process. The Office of Gaming Regulation now goes through that process—and, I can assure the member, in some detail. For instance, for me to sign a licence for a new casino worker, although I have to go through the process of signing, I only ever do that on full advice after the Office of Gaming Regulation has given me its recommendation, and certainly I cancel licences as well. That process is rigorously followed. Often the people involved think that the process is too rigorous, but we are determined to see that there is no form of corruption in our system. The situation is changing as clubs and pubs rightly want more say in the sorts of machines that they can have. After detailed examination, we arrived at what is currently in the Bill.

I particularly thank the Minister for Public Works and Housing, formerly my Parliamentary Secretary, Dr David Watson, for the hard work he has put into the Bill. Early in the piece I realised that this was a very specific and contentious issue. A number of representations had been made to me and I thought that the innumerable negotiations that I know Dr Watson did with the hotels and clubs would be better managed under the focus of one person. Dr Watson then returned to me with his input. He has done a very good job and should be congratulated for it. The State will be a lot better off, as will the gaming industry in our State, by the passing of the Bill that is before the House.

Motion agreed to.

Committee

Hon. J. M. Sheldon (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) in charge of the Bill.

Clauses 1 to 3, as read, agreed to.

Clause 4—

Mr HAMILL (4.54 p.m.): Clause 4 of the Bill contains various amendments to definitions which are contained within the Act. Perhaps the most significant reform, which the Opposition strongly supports, is the removal of the definition of "gross monthly turnover" from section 3 of the principal Act. This is important because it concerns a principle change to the taxation regime which applies to hotels and clubs where gaming machines operate.

The definition clause of the Bill removes the notion of gross monthly turnover and, in its stead, new definitions are included for metered bets, metered payouts and metered win. I shall speak a little about the concept of a metered win, which is vital in terms of the

future taxation regime which will apply to the operation of gaming machines in the State. The definition of "metered win" states—

". . . for licensed premises for an assessment period, means the amount obtained by subtracting the metered payouts for the premises from the metered bets for the premises."

That facilitates the change of the taxation regime from one which is focused upon turnover to one which deals effectively with profit. The Opposition strongly supports that reform, because a taxation regime which is based on turnover is not as responsive as it ought to be to the relative financial circumstances of pubs and clubs. It is a little like the situation that prevailed in relation to shopping centre leases, where in many cases rents were linked to the turnover of small businesses and had no relationship whatsoever to the relative profitability or otherwise of those businesses.

By moving to a system whereby metered wins are the basis of the taxation system, obviously we will need to deal with a number of consequential amendments within the Bill. The principal Act not only levied gaming machine tax at a rate of 3% on turnover but, of course, the range of levies which were payable by hotels in most instances and clubs in some instances were also linked to turnover. I have already canvassed this point in my speech on the second-reading debate, when I stated that, whilst supporting the reform, we will seek certain assurances in relation to the integrity of the funding sources for the funds. The Opposition wants it to be on the record that we support this important reform and its implications elsewhere in the Bill as it affects the taxation regimes.

Mrs SHELDON: The clubs and hotels themselves—particularly the hotels—wanted a change to this taxation regime. That is one of the main reasons that it has been put in place.

Similarly, the Ministers involved have my guarantee that the percentages that have gone into the Gaming Machine Benefit Fund and the other funds that spin off that will be kept at the same rate. Obviously, with the change in the tax set-up, in the beginning there will not be as much tax coming into consolidated revenue. Nevertheless, the money which goes to these funds, which are particularly important for the community, will be kept at the same level as previously existed.

Clause 4, as read, agreed to.

Clauses 5 to 10, as read, agreed to.

Clause 11—

Hon. D. J. HAMILL (4.59 p.m.): In rising to speak to clause 11, I wish to express one element of the Opposition's severe reservations in relation to this measure. Clause 11 of the Bill looks quite innocuous. Clause 11 simply states—

"Section 54—

omit."

One wonders what this insignificant provision of the principal Act which the Government is seeking to omit was. All honourable members ought to know exactly what section 54 of the Gaming Machine Act 1991, as amended, provides. Under the heading, "Director to provide gaming machines etc.", the Act states—

"54.(1) Subject to subsections (3) and (4) and section 57, the Director must provide to a licensee the number or increased number of gaming machines determined under section 40(7) or 56(5).

(2) The gaming machine type, game, gaming token denomination and betting unit of a gaming machine provided under subsection (1) are to be as the Director determines.

(3) If at any time a sufficient number of gaming machines is not available to enable the Director to comply with subsection (1), the Director may provide to a licensee a less number than that determined.

(4) The Director must provide the balance of the gaming machines as soon as possible after a sufficient number of gaming machines becomes available."

That is the provision which the Government seeks to remove. Well may members ask why that is so. This afternoon, we have heard the Government say that clubs and pubs should have a power to select the sorts of machines that they want. In principle, I would agree with that concept. However, other interests have to be considered than just the legitimate desires of licensed clubs and hotels to select the denominations and types of machines they may want.

As the member for Gladstone stated in her contribution to the debate, it is not unusual for people to go to shopping centres and select brands from the shelves. That principle is all right if the circumstances in which one makes a selection are such that there is not some undue influence being brought to bear or that no good public policy issues need to be addressed in the person's exercise of choice.

In this case, I submit that some very good public policy issues need to be addressed. I am sorry to say to the Treasurer that I have not heard anything as yet which would cause me to change my view that the removal of section 54 would be contrary to the public interest. Section 54 of the principal Act is one of those bulwarks, which I discussed, against undue influence and against the activities of those involved in organised crime or those who would seek to gain unfair benefit for themselves out of the gaming machine industry.

Section 54 of the principal Act separates the suppliers and manufacturers of gaming machines from the clubs and the hotels. I remind honourable members that this was one of the critical issues in the debate in 1991 when gaming machines were first introduced into Queensland. The Treasurer might remember that debate. I well remember that the Treasurer was numbered among those who voted against the gaming machine legislation at that time. Although the Treasurer did not join that debate, the Liberal Party was led in it by none other than the present Minister for Training and Industrial Relations, Mr Santoro. He railed against the Government's legislation in similar terms to those used by a succession of National Party members, including the present Premier, when they railed against organised crime. They railed against the introduction of gaming machines in this State on the basis that it would open the floodgates to the activities of organised crime in Queensland. As I said before, the now Premier even went so far as to say that gaming machines equal organised crime.

Section 54 was placed in the original Act to make certain that the activities of organised crime could not impinge upon the supply of gaming machines to hotels and clubs. One might say, "Surely the hotels and clubs ought to make a decision as to what machines they want." In principle, I have to agree. However, that does seem deceptively reasonable. The removal of this section would allow all of the touts to gain a slice of the market for their particular manufacturer and focus their activities directly on the licensee of the hotel or the manager or operator of a club. That is the very issue which Liberal and National Party members of this Parliament, many of whom are still here today, criticised because they said it would open the floodgates to undue influence and pressure and that the touts and crims would beat a path to the doors of pubs and clubs. That will happen in future, because the Government is allowing those very

suppliers and manufacturers to have a real interest in going to the doors of the pubs and clubs to try to influence the licensee of the premises—and maybe the manager of the club—to make a decision in relation to machines in favour of one or other manufacturer or brand name.

By keeping this provision as it stands, the Queensland public can feel assured that that undue influence—that potential for criminal activity—cannot arise. I have great faith in the Office of Gaming Regulation. I believe the office, previously in the Machine Gaming Division, has conducted its activities in a manner which is beyond reproach. I, the Opposition and the Queensland public have faith that the standards will be maintained by that office and that the director of that office will continue to deal with the manufacturers and keep the clubs and pubs at more than an arm's length away from those elements that everybody in the House back in 1991 saw as undesirable.

Although the removal of section 54 may be favoured by significant numbers in the hotel and club industry, the removal is not in the public interest. After all, this Parliament exists to safeguard the public interest, not to pander to any particular section or interest. There is no higher public interest in relation to the operation of machine gaming in this State than the preservation of the squeaky clean industry which has been in this State since the Labor Government introduced machine gaming in 1991.

If the House supports the removal of section 54 from the Act, we will creak open the door to allow those influences which we all condemned a few years ago to make their way to the doors of the hotels and clubs. Clearly, that is not in the public interest. There have been no adequate safeguards, and the removal of that section would not be in the public interest.

Mr PURCELL: I wish to reiterate the concerns of some clubs in my area and to get the Minister to put on record the assurances that I received from the member for Moggill and from the Treasurer in regard to licensed operators. I do not think we have any regulations yet in relation to a licensed operator that are available for members to look at. This morning one club sent me a fax which states—

"We would like a lot more discussion on the Second Bill"—

and I think they are talking about the licensed operators—

"dealing with other issues to be introduced in the second half of Calender 1997.

Time prevents a detailed analysis of the facts—you might be able to keep the copy for further reading."

As I said earlier, I wish to speak about a long-term employee of a club who has been operating in clubs for over 30 years. He is now working for one of the small clubs in Brisbane. His concerns when the White Paper first came out were in respect of supplying the machines. I think everybody would agree that the way machines are supplied now has left no room for corruption or for anybody to get at them. From what I can gather, a few operators have tried to do so, and they have been sorted out. I think most people are quite happy with the way it operates. No criminal element has been able to get into the club industry at all.

I understand that clubs do want more variety of machines and to have the option to buy and change them much more frequently and that the 92% is obviously going to benefit patrons as well as clubs because they will get more turnover. But turning to the manner in which the criminal element may infiltrate our clubs—a dealer who is licensed by the Government would go to a manufacturer and buy machines in bulk. There may be a certain number of clubs that he has approached before he buys the machines, and he may purchase up to 1,000 machines or more. Due to buying in bulk, he may be able to purchase the machines for \$6,000 or \$7,000 each. He will need to achieve a margin between the price that he paid the manufacturer and the price for which he supplies them to the club. If he buys them for six grand and marks them up to 10 grand, he has four grand to play with. He will then approach the clubs and say, "I will renew all your machines. These machines are the latest ones on the market. They are working well in other clubs. They are what the players want. They have the latest technology and all the whiz-bang knobs and so forth on them. I will supply them to you for \$7,000 a machine"—or \$8,000 a machine, it does not matter; the quantum is immaterial, but he will have a certain amount of room to play with. He will then say to the person with whom he is dealing directly in the club—not to the club itself but to the purchaser or the club manager or whoever that person is—"I will supply these machines for X amount and I will give you a couple of hundred dollars for every machine you buy off me." That is how this long-term employee in the club industry explained it to me. He said that they got at the managers and then when other employees of the

club—for example, bar managers—found out they had to be bought off. Of course, that led to all sorts of problems with how the machines were emptied, etc.

The small clubs in my electorate ask: if a licensed operator is going to operate in that way and if they put their hand up, will the Government will get rid of that bloke and just bring in another one? We want to know how strong the regulations are going to be. Will there be a fairly stiff deterrent to those who may want to backhand people? We seek an assurance that if problems do occur in regard to graft and corruption in the gaming machine industry, the Government will revisit the legislation.

Mrs SHELDON: The deletion of section 54 from the existing Act is critical to the substance of the new legislation. I am sure the shadow Minister realises that. Section 54 as it currently stands provides the authority and the guidelines for the Director of the Machine Gaming Division, which is currently in place, to supply gaming machines to the sites. This also includes the requirement for the director and not the site to choose the types of machines and games, etc. Removal of this section is an essential precursor to the licensing of operators and the changed arrangements regarding the choice of machines and purchasing via the operators and financiers and allows the clubs and hotels to have some say in the sorts of machines they want. This directly reflects the desire of the sites to have the flexibility necessary for them to compete and grow.

I have already covered the issues raised by the member for Bulimba in my reply, but I will do so again. If he looks in the Bill at page 17, section 72E under "Division 2—Suitability of persons" very clearly sets out in some detail both at pages 17 and 18 right down to (j) the suitability of applicants for, and holders of, monitoring operators' licences. The suitability of associates is also covered, which I think the member mentioned. We do not have to wait for the regulations; this is provided for in the Bill, but the regulations will be extraordinarily strong. Page 30 outlines the grounds for suspension or cancellation, which are very clearly set out.

I can assure the member that we are fully determined to see that no corruption gets into this system. Indeed, all the provisions that we have put in place clearly make sure that that will not occur, so the small clubs need not have any concerns in this regard. The manufacturers, as I said before, cannot deal directly with the clubs. That is why we are

providing for licensed operators. The licensing provisions set out under proposed section 72E very clearly set that out. The member for Bulimba can assure those small club operators who have raised these matters with him that they should not have any concerns in this regard.

Mrs CUNNINGHAM: Currently, if a club or hotel wants to obtain a machine, they apply to the Government and it is the Government only which interfaces with the manufacturers. The Government buys a bank of machines, the director chooses by a formula how many machines a particular hotel or club will get and the mix of machines and they are leased to the hotels and clubs. I have been advised that the change is that the manufacturers will be negotiating with either the licensed operators or the financial institutions. They will be monitored in the same way that the casinos are currently monitored and then they will sell or lease to the hotel owners or the club owners and operators. That is my understanding. I have been advised that in the proposed new loop the Government must still approve every transaction. That is not a transitional provision; that is a permanent provision: the Government will approve every transaction. So they only have to notify them, not approve of it. That is what I want cleared up.

I also ask whether in the short term, associated with the licensed operators and the financiers, the Government will stand in that same strata, if you like, until the new process kicks fully into operation. There is some question now about what role the Government will play, because if it is still approving every transaction, that is the same as the current position. That is a tremendous protection, and I believe that it answers the concern of the shadow Minister. It certainly answers my concern. If they are only going to give tacit acknowledgment of the transaction, that still will not produce the protection that the community would be concerned about. That is the first question. The second question is: is there going to be a review process of this change, and at what time? The third question is: if as a result of that review process the system is seen to be flawed—that is, there is a hint of inappropriate activity or even criminal activity—can or will this whole program be wound back to the pre-amendment stage?

Mrs SHELDON: I draw the attention of the member for Gladstone to page 48 of the Bill and clause 28(1A), which states—

"A licensed operator, approved financier, licensee or a gaming trainer may, with the chief executive's written

approval, buy a gaming machine from the chief executive or a recognised manufacturer or supplier of gaming machines."

So that approval mechanism is still in place.

Mr HAMILL: I would like to comment further in relation to this matter. Firstly, I will deal with the point that the Minister has just mentioned. From my reading of clause 28 of the Bill—we can come to it a little later—it deals with purchases of machines. That is not wholly the matter which was raised by the member for Gladstone. The member for Gladstone was talking about any acquisition of machines whether by purchase, lease, hire, rental or what have you, and clause 28 talks about the actual purchase of machines requiring written approval. We are talking here about the club or the hotel.

I want to talk further on a couple of other aspects of the removal of section 54. As I said in my earlier comments, I see section 54 as one of those elements that protects the public interest. I might also say that section 54, as it stands, protects the interests of clubs and pubs as well, because it keeps the manufacturer at bay. Yes, I say to the Treasurer that it is a critical provision and, yes, I do understand the desire of sites to be able to select the machines that they may want. But all the Minister is doing by removing this provision, and by what she wants to do with respect to licensed operators, is creating a new class of middlemen who will facilitate the getting of the machines from the manufacturer into the hotel or into the club. While the middleman in this equation will be the person from whom the machine may be purchased or leased, nevertheless it will be the manufacturer who will send the sales rep around to the pub or the club to extol the virtues or otherwise of its particular machine.

As the member for Bulimba said—and as other members also stated—it is in that situation where there is the danger of the kickback, where there is the potential for corruption as the sales rep, as the tout, goes to the pub or the club says, "Buy my machine. It does not matter through whom you buy it: buy it through the licensed operators; buy it through the financier because you the pub or you the club will be able to select the machine, the denomination and so on." They will not be in the situation, as is currently provided for in the Act, that they will be able to perhaps make a suggestion to the director as to the sorts of machines they want, but the actual machines, the mix and so on is provided at the discretion

of the director. That is the important safeguard.

The other unsavoury aspect of this debate is the sort of coercion which the now Minister for Public Works and Housing has sought to bring to the debate. In his contribution we heard that this whole Bill has to be treated as a package and, without any particular element of it, it is not satisfactory. I reject that attitude totally and comprehensively. I do not believe that any member of the House should be stood over in that fashion. This Bill contains a number of very worthy provisions and we in the Opposition want to support them, but we do not want to creak open the door to open the way for corruption to creep into what has been to date a clean industry, one that has been able to hold its head up proudly across Australia as being a clean industry away from the taint of corruption.

If the Treasurer removes section 54, she will open up the way for unsavoury practices to creep into this industry because the touts, the sales reps, will be going to the door of the pub and the club saying, "Buy my machine. It does not matter from whom you buy it; buy my machine. We can reward you for exercising your choice in that way." They do not have to deal directly; they have to deal through a middleman, according to the framework in the Bill. But the Bill does not provide the protection which currently exists where the pubs and clubs have to deal with the Government agency and where they cannot specify which machine they will have because that is at the discretion of the Government agency, which is beyond reproach. That is the core issue here. It is about protection of the public interest and protection for the pubs and clubs.

Mrs SHELDON: I am amazed that the shadow Treasurer wants to deny the clubs and hotels the flexibility for which they have been asking for a long time. What he is saying is a nonsense. The member opposite besmirches the clubs by saying that some club is going to be got at by someone who wants to sell it one of their machines via one of the licensed operators for some kickback to the club; he is saying that they will be rotting themselves. Secondly, the licensed operator must go through any machine which a club is going to buy. The licensed operator can then either sell or lease it to the club, hotel or the financier. The provisions in this Bill set the safeguards so that, if the operators do not do the job or do not do it correctly, their licences will be cancelled. There is no doubt about that. That provision is very similar to what is in place for casinos and for keno—and I did not hear the

member opposite raising any concerns whatsoever about those two situations.

At the moment, all the member opposite is trying to do is filibuster and raise concerns that are not genuine to the hotels and the clubs. This Bill was put together through representations from the hotels and the clubs themselves with direct and considerable input from the Office of Gaming Regulation. I do not think anyone can question its ability and the way that it has adequately regulated and controlled gaming currently. There is no element of real truth in what he is saying and I am past the stage of thinking that his concerns are at all genuine. I think the concerns of the members for Gladstone and Bulimba are, but his are not. The member opposite is not looking after the real concerns of the pubs and clubs in any way at all. But he should not worry, we will tell them.

Mrs CUNNINGHAM: I understand the concern to ensure that criminality does not get into the gaming industry. I understand that clause 28(1A), 1(B) and so on requires that the chief executive gives written approval for the purchase of machines by that group of people—the operators, the financiers—so there is a form of tracking written into this Bill. The Minister has explained that to me.

The Minister has not yet answered this question: what review process will be put in place to ensure that the objectives of this Bill and the concerns of the shadow Minister are addressed, that is, that inadvertently, in spite of all the consultation that has occurred, that element of corruption does not come into the gaming industry whether it is through the example that the shadow Minister gave or through some other opportunity? What review process is in place to ensure that gambling in the State remains isolated from criminal intent, and will this be wound back if it is shown or can be proven that criminal activity is creeping in?

Mrs SHELDON: In answer to the member for Gladstone: there will be the ongoing audit program that is currently in place. Also, there will be an industry consultative group which will constantly review the process and feed that information back to us. We feel that we have covered every base that could possibly allow any form of corruption to come in, because the process that is in place at the moment and the process we are putting in place with the regulations supervised by the Office of Gaming Regulation are extremely stringent and will be so in this case.

As I mentioned to the shadow Minister: indeed, full provisions are there, so if any

question is raised about the licensing operator, that licence will be cancelled. The people who will be taken in as licensing operators will be given incredible scrutiny, and no-one about whom anyone should have any query whatsoever will be put in that position. We are not leaving that to chance; that is why we put this scrutiny provision in this Bill.

Mr LUCAS: Earlier, the Treasurer indicated that the shadow Treasurer was besmirching the reputation of clubs and hotels when he advocated this amendment. That is clearly ludicrous. There is no suggestion whatsoever that clubs and hotels would carry on in an unethical fashion. That is not the problem. However, we have a protective role for the members of clubs and for the people of Queensland to ensure that gaming is conducted in a fashion that is not only conducted with the highest standards of integrity but also has the public confidence that it is conducted with the highest standards of integrity. We want the public to feel that when they go to a club and play a machine or when they join a club its profits are used to provide services to that club and that the members' moneys are being used responsibly. That is the protection that we have to be giving here, and that is the protection provided by a Government-sanctioned scheme such as the shadow Treasurer is advocating.

One needs only to tempt one person if that person is in a position to control the purchasing affairs of a particular organisation. Some of these clubs have huge turnovers. Therefore, the potential gains by unscrupulous suppliers are very large and, therefore, the money that can be put up can be very tempting. The Treasurer cannot besmirch people and say that this is not a problem when, in the last couple of days, amendments were made to the Associations Incorporation Act to give clubs—the very organisations with which we are dealing here—adequate protection from involvement on their management committees of people with a criminal history. We do recognise that this is an issue of which we have to take very strong cognisance. It is an issue with which we have to deal. I respectfully suggest that we deal with it in a way that errs on the side of conservatism.

There have been no financial problems with the current Government-conducted scheme, which has functioned well. There have been no scandals or problems. I say, "Don't let the genie out of the bottle now. Let's stick with the system that has delivered integrity." It is not like prohibition. Once you let the genie out of the bottle, you cannot call it

back. Therefore, I suggest that reassurances from the Treasurer that she will look back into it later if it goes wrong are not the sort of assurances we need. There are two points that I want to highlight: the system works very adequately at the moment, and we do not want to let the genie out of the bottle in the interests of the people of Queensland, who are the ones we were elected to protect.

Mr T. B. SULLIVAN: I was interested in the second part of the question from the member for Gladstone. If I heard her correctly, she asked that if criminal activity was seen to be coming into this sector, would the Treasurer wind back that process. I heard the Treasurer say that the licence of the particular operator would be revoked. However, my thoughts are similar to those of the member for Gladstone. If this activity becomes an entrenched part of the industry, is the Treasurer going to keep revoking licences and giving someone else a chance at the crime, or is she going to wind back this step to get back Government control?

Mrs SHELDON: Firstly, there will not be many licensed operators. As I have said, they will go through a very rigorous process. I would think that the cancellation of a licence is a fairly clear-cut method of dealing with any form of corruption, if it should occur, by a licensed operator. We have put in place a full and complete regime, and this will be strictly adhered to. I do not believe that the member need have any concern that any form of institutionalised corruption will enter the system.

Mr HAMILL: I object very strongly to the accusation by the Treasurer that I somehow do not have a legitimate interest.

Mrs Sheldon: You're the one who made the inference, not me.

Mr HAMILL: I am sorry, I thought my hearing was a little more acute than that. I distinctly heard the Treasurer suggest that my interest in this matter was somehow illegitimate; that I was not representing pubs and clubs in this debate. I make no bones of the fact that, on the second count, the Treasurer is right. I am not here to represent pubs and clubs. I am here to represent my constituents in Ipswich, and I am here to represent the public interest. I thought that the Treasurer was supposed to be here to represent the public interest, too. That is the very issue that is at stake here: the public interest.

The Treasurer said that the Government was determined to see that no corruption gets into the system. I would be very surprised if

the Treasurer was here allegedly to do anything else. Even I did not think that the Treasurer would be saying that she was determined to see corruption into the system. What we are concerned about is that, through her own misunderstanding, her own lack of attention to detail and her own ideological bent—

Mr Lucas: Hilmer fetish.

Mr HAMILL: The member says, "Hilmer fetish." Whatever it is, the Treasurer is missing a fundamental point. I am not trying to besmirch the reputation of any prospective licensed operator either, although I believe that many members would be very curious to know just who might become a licensed operator.

Let me go back to the fundamental issue. I will try to keep it as simple as possible so that the Treasurer might grasp the point. The existing Act, by virtue of section 54, does not allow the sites, that is the pubs or the clubs, to actually select the machines, their denominations, their brands, etc. They make their application and, as the member for Gladstone correctly stated earlier when she outlined the arrangement, the director of the Government agency, in responding to the request, makes the decision as to the mix of machines. Therefore, the unscrupulous manufacturer or his or her representative really cannot achieve anything by trying to go to the hotelier or the club manager offering inducements to those people for the club or the pub to purchase or lease a particular brand of machine. The club or pub cannot determine which brand it will actually get. It is a bit of a lottery, if one likes. What better agency to manage this little lottery than the Office of Gaming Regulation? It is a very appropriate little lottery which the office is managing.

If we take away that protection, what we will have is the club manager or the licensee dealing with the licensed operator, or certainly the financier, saying, "This is my shopping list. This is the one I want." What we are concerned about is what actually happens—what pressure can be brought to bear on that licensee and on that club manager by the representative of a manufacturer which would cause the licensee or the club manager to say, "I want that brand and no other." It could be a little inducement. It could be a little kickback. After all, we are dealing here with an industry in which various manufacturers are vying for market share. That is what it is about. If one gets big enough and can force the others out, fine, that is what competition is all about. The competition here will be the

competition of the sales representatives to line up the prospective sales with the pubs and the clubs. It does not matter from whom they buy as the intermediary, it will be the sales representative who will do well with the manufacturer—his or her employer. It may well be the club manager or the licensee who gets a little inducement on the way to make sure that they buy the particular machine. That is why we had the original provision in there, to stop that sort of practice, because it is that very practice that gave the industry in New South Wales an absolutely filthy name and brought the crooks into the clubs. We included that safeguard to make sure that that did not happen. If we remove the safeguard, it will be on the Treasurer's head, because members opposite were the people who, six years ago, railed against corruption and the machines that brought corruption. If they remove that protection, they will bring down corruption on the pubs and clubs.

Mrs CUNNINGHAM: It sounds as if I am just being pedantic, and I do not intend to be, but there is still a real reticence on the part of the Treasurer to give an undertaking that, if it could be demonstrated that this new regime has introduced problems, there is not a possibility of winding back the clock, of reviewing it—

Mr Lucas: It will be too late.

Mrs CUNNINGHAM: The member says that it will be too late. It will not be too late. We can still put the Government back into the determining process.

The other option that perhaps the Committee needs to consider—and I did not prepare any amendments—is amending section 54 to allow clubs to still have choice and to designate the mix of machines that they want, but providing that they still have to channel that request through the Government. That would achieve the same result. There would still be the checks and balances in relation to the Government approving sales to licensed operators, etc. If it can be shown that there is corruption or inappropriate activities occurring as a result of the change in this process, it must be possible—and it must be something that the Government has considered—to reinstate the Government as the gatehouse to the whole process.

Mrs SHELDON: I think that the member for Gladstone must have misunderstood me. Certainly, if for some reason this did not work, we would review the process and bring back—

Mr Hamill: It would be too late.

Mrs SHELDON: No, it would not be too late, because the safeguards would already exist. I am answering the member for Gladstone.

If that seemed to be occurring and what we put in place could not control it, we would immediately bring legislation into this place to review that process. If the former one was shown to be the only one that would work, that would be put back in place. I can assure the honourable member that we have every intention of monitoring and ensuring that no corruption enters the system. The Queensland Office of Gaming Regulation, which is controlled by Treasury, is in a position to be able to monitor that and come to me very quickly about it. The changes are necessary. They are a progression from what was put in place before. They are being made for very good reasons, as has been spelt out. There is no sinister motive. If legislation was necessary, it would be introduced; I can assure the member for Gladstone of that.

Mr LUCAS: I believe it is important that we have a think about when Government involvement in industry and enterprise is appropriate: firstly, when public confidence is needed; secondly, when Government involvement can be done efficiently; and, thirdly, when market failure is a real risk. In these circumstances, the Opposition suggestions satisfy all three of those criteria very, very well. This is not the place and time—and I implore the member for Gladstone to listen—for us to be playing Hilmer ping-pong. I know that the Treasurer gives her undertaking to consider it in good faith. I am not suggesting by any stretch of the imagination that she wants to have a corrupt industry. Of course she does not. However, she is dead wrong. It will be too late once the genie is out of the bottle. We have had a corruption-free industry in Queensland. We have a track record in this State of which other States are envious. We do not want to go down the New South Wales track. We have done it efficiently, effectively and without the heat of scandal. I do not want to have my name on the books as being responsible for letting the genie out of the bottle, and I do not think that anyone else here should, either.

Question—That clause 11, as read, stand part of the Bill—put; and the Committee divided—

AYES, 41—Beanland, Borbidge, Connor, Cooper, Cunningham, Davidson, Elliott, FitzGerald, Gamin, Gilmore, Goss J. N., Grice, Harper, Healy, Hegarty, Hobbs, Horan, Lester, Lingard, Littleproud, McCauley, Malone, Mitchell, Perrett, Quinn, Radke, Rowell, Santoro, Sheldon, Simpson, Slack, Stephan, Tanti, Turner, Veivers, Warwick, Watson, Wilson, Woolmer. Tellers: Springborg, Carroll

NOES, 40—Ardill, Barton, Beattie, Bird, Bligh, Braddy, Bredhauer, Briskey, Campbell, D'Arcy, De Lacy, Edmond, Elder, Foley, Fouras, Gibbs, Hamill, Hayward, Hollis, Lucas, McGrady, Mackenroth, Milliner, Mulherin, Nunn, Nuttall, Palaszczuk, Pearce, Purcell, Roberts, Robertson, Rose, Schwarten, Smith, Spence, Sullivan J. H., Welford, Wells. Tellers: Livingstone, Sullivan T. B.

Pairs: Baumann, Goss W. K.; Johnson, Dollin; Stoneman, McElligott

Resolved in the **affirmative**.

Clause 12, as read, agreed to.

Clause 13—

Mr HAMILL (5.50 p.m.): This clause is an attempt to remove the other bulwark for the protection of the Queensland public and the gaming industry. This very substantial clause seeks to insert a whole new Part into the gaming machine legislation, a Part that provides for the new middle men, the new wheelers and dealers, the so-called licensed operators of whom we have heard so much already this afternoon. I do not want to go on at length about this matter because I have already canvassed a number of the issues in the debate that preceded this one in relation to the removal of section 54 from the principal Act.

The issues here are nevertheless important ones. What the Government has been saying in the debate thus far is: take us on trust; we will make sure that the new middle men, the new wheelers, are fine, upstanding citizens in whom we can all have comfort and trust. What we do not know is with whom are we dealing. In the consultation process to date it has been intimated by the honourable member for Moggill that there might be three licensed operators. Some have speculated as to the identity of those licensed operators. Perhaps one will be the corporatised or privatised TAB; perhaps one will be the corporatised or privatised Golden Casket Office. It has also been suggested in some quarters that perhaps the Clubs and Hotels Association might themselves become licensed operators.

The issue that was at the heart of the Opposition's concern in relation to the impact of clause 11 is equally valid in relation to clause 13, that is, that the protections that were built into the Gaming Machine Act 1991 were protections that were designed to keep the manufacturers and their representatives well away from the decision making that was taking place in hotels and clubs as to the machines that would find their way into those hotels and clubs. The Government has removed one element of the protection; it is

now zeroing in on the other. The other protection is the fact that the Government was the honest broker—the agency that was sitting between the pubs and clubs and the manufacturers. The Government now wants to take itself out of the equation, too.

As well, part of the provisions of clause 13 will effectively erode the position of the Queensland Office of Gaming Regulation. The licensed operators will be charged with the monitoring of the system. I ask the member for Moggill to confirm that.

Dr Watson: They will be monitored by the QOGR. That's more important.

Mr Hamill: "Yes" says the member for Moggill. The licensed operators will be monitoring the system and the Queensland Office of Gaming Regulation will be pushed slightly to one side. In fact, the Government wants to phase the Queensland Office of Gaming Regulation out of the scene altogether. That is of real concern. In the Government's time lines, it envisages that this monitoring role will be taken over by licensed operators.

I have no particular axe to grind against any of the bodies that have been canvassed as being potential licensed operators. However, I have a very strong view that the people can have their utmost confidence in the integrity of the Queensland Office of Gaming Regulation and anything less than that is, in fact, a lesser solution to the problem, a lesser solution to the important task of monitoring the industry and maintaining the integrity of the industry. I think it is a very sad thing that members of this Government, who in the debate on the original Bill in 1991 expressed so much concern about the integrity of the industry, are now the very vandals who are tearing down the protections that were placed in the Act in 1991 to protect not only the Queensland public but also Queensland hotels and Queensland licensed clubs.

If the Government thinks for one moment that the club industry and the hotel industry feels really good about what it is proposing, then it should think again. By no means are the pubs and clubs of this State thinking that the introduction of these new middlemen, which the Government is proposing, is a great idea.

I know and the Government knows that it is trying to bring in a range of different measures—some sort of negotiated compromise. However, in so many aspects the Government's negotiated compromise is tacit approval of second and third-best solutions to

what is surely a very important issue, that is, the integrity of machine gaming as it is practised in this State of Queensland. Indeed, many of the Government's constituents will be very disappointed to learn what the Government is doing with this legislation if, as I suspect it will, it successfully removes this last level of protection from the operation of the industry in this State.

It is truly a very sad day when the Government tears down the very set of safeguards and regulations which even the Treasurer herself acknowledged in introducing this Bill had served the State so very well for the last six years despite the fact that, when gaming machines were first introduced in 1991, members opposite hand over heart bewailed those regulations and bewailed that framework of protection.

I would like to elicit the Treasurer's views as to whether she believes that representatives of the sites—representatives of the pubs and clubs—ought to be charged with the responsibility of dealing face to face with the manufacturers. I would like the Treasurer to address that particular point and explain to the Chamber how that is a better system than what we have currently where impartial officers of the Queensland Office of Gaming Regulation provide that interface and, in turn, guarantee the integrity of the industry in Queensland.

Mrs Sheldon: On a number of occasions already during the debate on this Bill I have covered these issues. However, I say again that the clubs and pubs cannot of themselves deal with the manufacturers. That is why we have licensed operators—licensed operators who have been scrutinised according to the protocols as set down. That will be their function. That has been agreed to by the clubs and hotels. That is what they want. Indeed, that is why the Government has put these stringent provisions in the legislation.

Clause 13, which refers to the licensing of monitoring operators, sets out very clearly without any difficulty at all exactly what is going to happen in relation to licensed operators. The Office of Gaming Regulation will not be sidelined; it will have the same regulatory position and powers that it has currently.

May I add, as I said before, that I cannot understand why the Opposition continues to go on in this vein knowing that it supported very similar propositions for the casinos and for keno. What is the difference in this instance? Under this Bill, the Government has set in place very strict protocols to make sure that corruption does not come into this industry. I

know that the clubs and hotels themselves want to make sure of that. It is a clean industry; it will stay a clean industry. For the last few hours, this Government has set out chapter and verse exactly how that has been put in place.

Progress reported.

HEALTH CAPITAL WORKS PROGRAM

Mrs EDMOND (Mount Coot-tha)
(6.01 p.m.): I move—

"That this House condemns the Health Minister for his incompetent handling of the health capital works program."

I do not move this motion lightly, but it is high time that this Minister was exposed for his continued fraudulent claims, his contemptuous misleading of Parliament and his total mismanagement of the Capital Works Program in Health. The document tabled in the House today titled "New Initiatives—Budget 1997" exposes once and for all the fraud and hypocrisy that make up the Minister's total contribution to the Health portfolio. It exposes his desperate bid for publicity, for photos in the paper, in exchange for tens of millions of nonexistent health dollars that now will have to be stolen from hospital budgets. It exposes his paucity of new ideas or commitment to the health of Queenslanders.

The speech he gives every question Time is the same repetitive, nonsense, day in, day out. Obviously, that is the only speech he knows and he believes that by repeating it ad nauseam someone, somewhere will be silly enough to believe some of it. I am told that today they took him away to attempt to reprogram him. I am also told that he had to have a sedative after he ranted and raved so much in his office, demanding heads to roll and black snakes to be driven from the wilderness. However, decent people who value the truth are tired of the dishonesty and duplicity of the Minister. Increasingly, citizens across Queensland have seen the writing on the wall. They know—and they are telling us—that we will have to deal with the mess that the Minister is creating: the unfunded promises, the interference and mismanagement. They want us—they want me—to have a truthful understanding of what is going on and they are speaking out increasingly.

Even without the Sheldon and Horan hospital tax, the Capital Works Program is in trouble. Builders from several sites have told me of the difficulties they have because of the

Minister's continuing personal intervention. He keeps promising more, but without more funds. He seems to be determined to send architects, planners and builders broke as they have to constantly redraw detailed hospital plans.

A case in point is the Cairns Hospital, which is now over a year behind schedule. While the Minister makes wild promises, planners are going over the plans with a ruler trying to cut down sizes to hold it within budget. At one stage, they were trying to cut the intensive care unit's space down so far that some wag suggested that maybe they would treat only critically ill midgets. Now those same wags in Cairns are saying that the Government's priorities are a bit obvious, as the car park is the best building on site while the hospital—you know, where they actually treat patients—still flounders in a sea of indecision. Some are suggesting that they move the patients to the car park, where the facilities are better, as the hospital looks less and less a reality in the foreseeable future.

What has happened? The planning had been done and the bed numbers were agreed before the Minister went near the place and started to meddle. Every time a builder re-issues a master plan, the Minister changes it. The vanity of this Minister knows no bounds! Or is it that he just cannot take criticism and is desperately trying to buy popularity at any price? Every time someone gets in his ear about another service getting more area or a better colour scheme or a different carpet, off he goes again and costly changes have to be made to the plan.

The Minister simply has no idea how to put a Capital Works Program together. He has only mimicked the Labor Party's program, but he has attached to it some wild and unfunded schemes without understanding the rationale or planning that has to go into the expending of valuable Health resources. One of his first actions was to abolish the policy unit in his department, a purely vindictive move, and claim that it has to be project-oriented instead. Now there is no correlation between the demands of the recurrent hospital budget and the Capital Works Program.

When the Minister ordered something more for Cairns, under pressure from us, the plan had to be redrawn yet again, the budget blew out again and so it continues. The Minister then ordered that the project stay in budget. I think it was at that point that doctors in Cairns started publicly questioning whether they would be better off without a new hospital if they had to be squeezed into it with a

shoehorn to try to work. And that was before they had heard of Horan's new health tax, which will whip out \$4m from the Cairns Hospital's recurrent budget each and every year! As Cairns residents know already, the Cairns Hospital is stretched to the limit of its current budget. Some notional efficiency some time in the future means little compared to a \$4m slug each and every year out of that budget.

Builders have to negotiate across the State with hospital stakeholders to try to resolve the conflicts between departments. Surely it is the builder's job to build, not to negotiate with doctors, nurses, community groups and other stakeholders. This is just typical of the whole shemuzzle of the flawed process that has frozen the Capital Works Program—last year by a deliberate instrument of Government policy and this year by sheer ministerial incompetence. As a result, the projects will come on stream with maximum demand coinciding with the peak labour and supply demands for the Sydney Olympic construction, which was something that our Government understood and planned to avoid. Building estimates suggest that the increased pricing of concrete alone will add about \$20m to major projects such as the Royal Brisbane Hospital and the Princess Alexandra Hospital rebuilding projects.

The Opposition agrees with the Minister that the hospitals of Queensland are way overdue for rebuilding as a consequence of 32 years of neglect by the National Party. For 32 years the Queensland National Party Government—the Minister's Government—dodged the responsibility of major rebuilding, refurbishment and renovation. That is why, in 1992, we went honestly and openly to the people of Queensland to increase tobacco taxes to pay for the rebuilding of the hospitals and, at the same time, create jobs in Queensland. We did not sneak it in; we did not go and say, "We are not going to increase taxes", and then sneak it in. We did not sneak in a new tax on hospitals that would, as the Minister's own department says, "compromise Queensland Health's efforts to accelerate the Capital Works Program". That is what this Government has done.

We did not plan to penalise hospitals that were the worst affected by 32 years of neglect—and by gum, I worked in some of those hospitals—and needing the most capital works causing this, and again I quote from the Minister's advice: "to suffer direct budget cuts with subsequent flow-on effects to service delivery". Now the Minister is keen on saying,

"Oh yes, but there will be efficiencies." However, the advice from his department is that this charge will come into effect well before many of these facilities are commissioned and the projected recurrent savings from more efficiently designed and functioning facilities are realised. Treasury has said that it can defer its taxes, but it also says that they will be charged extra taxes.

The advice to the Minister is to (a) remove this iniquitous tax; (b) slow down the capital program; or (c) look for other debt financing means. According to the Minister, he is ignoring all of this advice. However, we know that Treasury is proceeding with the tax. The Treasurer has confirmed that one way or another Treasury is to get \$144.4m over 31 years out of the Health Department in the form of this capital charge, this Horan health tax. While the Minister denies it, it is quite apparent that the silly meddling in capital works is simply a method of slowing down capital works. The Minister will do anything. He will promise some gullible, rookie politician a new hospital. He will not mention the capital charges involved, but he will say, "If I put it on a greenfield site, it will be even better." However, the Minister will not explain that he has gone on record as saying that all greenfield sites will be private ventures, despite the warnings from the US and other States about the huge extra costs involved in build, own and operate systems.

At last year's Estimates committee, we dragged out some of the truth regarding this capital charge. It was obvious that the Minister had been gulled. He had no understanding of what he had agreed to. The Health Department's advice states—

"Imposing this charge on access to capital funds which are normally provided free of charge in the public sector will severely compromise the Department's ability to provide services and meet the needs of Queensland's rapidly growing population."

How true! However, the Minister does not give a fig for the advice of his department, as long as he gets his publicity. His only answer, as always, is to list all of the projects planned and funded by Labor that he could not stop, such as the community health centres in Cape York, although he has managed to delay the ones on Badu and Boigu Islands for over a year. He has tried to cut hospital rebuilding in Cairns, Caboolture, Bundaberg, Ipswich, Thursday Island—and I could go on. He has managed, or mismanaged, to such an extent that the desperately needed major hospital rebuilding in the metropolitan area is way

behind schedule and is going more and more over budget.

The Minister tries to claim some glory for the building that had already been done. He has claimed the accident and emergency unit at the PA Hospital and the CAT scanners which were bought and planned months before he became Minister. They just happened to arrive a few weeks after he walked in the door. The Minister's attempts to claim these are signs of pathetic desperation and are a point of ridicule in the relevant hospitals. They know how long it takes to get a CAT scanner! The Minister is attempting to cover the fact that Health now has no planning, no clear objectives and no management.

Time expired.

Mr BEATTIE (Brisbane Central—Leader of the Opposition) (6.11 p.m.): This debate tonight is all about the Horan health tax. This Minister will go down in the State's history as the man who introduced taxes on hospitals. Under Minister Mike Horan, the Health Department is in crisis. A record number of beds have been closed for a record length of time by a Minister who when in Opposition complained if a few beds were closed for a couple of days over Christmas. Under this Minister, 97% of patients needing an operation are waiting longer than ever.

Treasurer Sheldon tells us that, with two-thirds of the financial year gone, the Health Minister had spent only just over one-third of his capital works budget. What level of incompetence is that? That is about as bad as one could get. Under this Minister, no hospital will be finished. We learned today that the crisis is going to get even worse. Our source is impeccable—a briefing to the Minister from his own department, and which I tabled in the Parliament earlier today. When we produced it today, we landed a right hook to his glass jaw.

The Minister went back to his department ranting in an even more demented way than he does in question time and demanding heads. Then he attended a function with me for the Australian Resuscitation Council. However, it is his department and his Ministry that need resuscitation after what he has done to Health in this State.

The briefing paper that I tabled today shows that the Minister has accepted a 5% tax on the Health budget for major hospital construction work, which will mean millions of dollars less for doctors, nurses and operations. This Horan tax will be highlighted between now and the next election by the Opposition unless the Government is prepared to remove this

unfair tax on Queensland hospitals. The Horan tax will suck money out of the budget that provides doctors, nurses and operations.

Mr FitzGerald interjected.

Mr BEATTIE: The Leader of Government Business had better get used to it. He will be hearing a lot about the Horan health tax. The Minister will go down in history for the Horan tax that bled the budget designed to cut waiting lists for operations.

It is a simple fact that with this tax, as more money is spent by the Government on building hospitals, more money will have to be handed back from the Health budget to the Treasurer. How unfair can one get? For every \$1m spent on hospital construction, \$50,000 will be snatched by the Horan tax from the budget for nurses, doctors and operations. The department has warned the Minister that it will have \$26m snatched from its budget for doctors, nurses and operations next year alone as part of the Horan tax.

The Minister was warned in February by senior officers in his department that the Horan tax on major hospital construction work—

"Will severely compromise the Department's ability to provide services and meet the needs of Queensland's rapidly growing population."

That is the end of the Minister's credibility. He supports a tax which is destroying our hospital system. The Minister was also warned—

"The capacity of the Department to take forward the Government policy agenda, meet the needs of a growing and ageing population and improve provincial and rural access to services is severely limited."

That is another impact of the Horan tax.

On tonight's Channel 10 news, the Minister told another untruth. He said that the tax would not have any effect because the new hospitals will provide efficiencies and savings. But the briefing clearly exposes this as untrue. It states—

"This charge comes into effect well before many of these facilities are commissioned and the projected recurrent savings from more efficiently designed and functioning facilities are realised."

This Minister cannot tell the truth. The department says that Treasury should admit—

". . . there are genuine and significant challenges facing both the health system and the Government in providing health

services adequately and efficiently in an environment of decreasing resources."

That is what this Government is doing—decreasing resources. Who is the source for that? The Health Department! What does this bureaucratic language mean in layman's terms? It means that Treasurer Sheldon should admit that it is impossible to provide a decent health service if it is not funded properly. That is what the department is saying. It is a cry for help from the health professionals, and that is the truth of it.

We have heard a lot of nonsense from this Minister. However, this Horan health tax puts to rest forever the nonsense we hear about his capital works program. All we will get in the Budget is a reannouncement of money that was not spent. I will tell the House more about the health tax a little later on.

Time expired.

Mrs WILSON (Mulgrave) (6.16 p.m.): When the now Leader of the Opposition finally took the reins as the Health Minister from the previous two Ministers, a few people said to me, "What a breath of fresh air. Maybe something will happen." I really believe they thought that that would be the case. In fact, the honourable member also had me fooled at that time. However, after he delivered only rhetoric, glossy brochures and posters and after touring the State and talking to people, they soon saw that only hot air was forthcoming and that, when it came to the basics of health service provision, there was nothing there for people in the dying days of the former Labor Government.

The Labor Government saw to the demise of a well-funded health system, which was second to none in the days of the caring conservative Government. It left a budget blow-out and a string of empty promises, which obviously were vote catchers and which Labor had no intention of keeping. So badly off and desperate was the former Government that it tried to transfer \$34m from the Health capital works budget to prop up its general budget and recurrent funds. What a scandal for the people of Queensland! Labor hijacked the necessary funds so badly needed for Health merely to fix up its problems and to cover the unfunded promises. They were not worried about the patients; they were merely about point scoring.

That will not happen under the current coalition Government. The Health Minister, Mike Horan, has set up a capital works task force to keep an eye on the scene. On attaining Government, the coalition immediately set about altering the dreadful

mess that Labor left behind. The people of Queensland, who of course suffered as the then Government members tried to boost their sagging fortunes—

Mr T. B. Sullivan: You've been sniffing that ether again, haven't you?

Mrs WILSON: Not at all. The people of Queensland suffered—

An Opposition member interjected.

Mrs WILSON: I have talked to the people out there. They suffered. People used to ring me up when they could not get services. They were the ones who suffered. The people who needed vital support suffered. The sick, the infirm and the families of ill and dying loved ones suffered. They needed services. They were promised services, but those services were just not delivered. I believe that, in the end, the Labor Government was quite pleased that it did not stay in Government; I know that it could not deliver the capital works it promised.

An honourable member interjected.

Mrs WILSON: No, that is quite right.

Mr Nunn: Pinch yourself and see if you're awake.

Mrs WILSON: I am pinching myself. I think it was the member who was lulled into a false sense of expectation, as were the people of Queensland.

The coalition Health budget for this year is now something like \$35m ahead of what the previous Labor Government extended at a similar point in time. Our promises have not been hot air; they have been delivered. On top of that, the Minister has a target of \$295m this year. He has not forgotten the people he has fought for and those needing care.

We inherited a mess that now has to be mopped up. This Government does not play with lives. It has set in place plans to provide the best possible services and support, as against the disorganised and ad hoc presentation of the former Government. The member for Mount Coot-tha has said that the Minister repeats his statements. Of course he does. If one wants people to hear the good news, one shouts it from the rooftops. One does not bury it and leave it there. Of course people have to find out what has been going on, because they were hoodwinked before.

The Labor Party had a lead time to present—in fact, plan and present—and it chose to turn a blind eye. It is only now that it has recognised the speed with which the Honourable Mike Horan has acted and delivered in such a few short months. The

people of Queensland are applauding. We did not have to send our "comrade" letters to constituents, as certain people in this place did.

With the finances we have, we make for efficiencies and the dollar goes further in supplying the service needs of patients and staff working on our rural, remote and urban hospitals. Recently, the people of Cairns were delighted to learn of the \$5m for the 12-bed rehabilitation service—and that includes a hydrotherapy pool. No longer will northern patients needing rehabilitation have to travel south away from their family support for treatment. This also includes funding for increased facilities and space for oncology and haematology specialties, and education and research.

Let me outline some capital works for the far north, where some \$12.8m, with a further \$11.7m, is due in another couple of months. A number of facilities are provided and redeveloped in the far north. Thursday Island, at a cost \$31m, is getting a hospital and staff accommodation. A facility will be built at Bamaga. Also, there will be primary health care centres at Badu and Boigu Islands, costing \$4.2m. These are isolated places forgotten by the former Government.

The Cairns Base Hospital refurbishment is a legacy of Labor. There were a number comments about that. I think they called it a white elephant when it was finally decided by Mr De Lacy that it was to be refurbished. The Cairns Base Hospital refurbishment, with an increased budget to some \$105m—an increase of \$35m—is well on the way. The car park has been completed. We needed a car park. It is a fine car park. Tenders have been called—

Time expired.

Hon. J. P. ELDER (Capalaba—Deputy Leader of the Opposition) (6.20 p.m.): From day one this Health Minister has mismanaged, bungled and told blatant untruths about the Health capital works program. It all goes back to the very first month of this Minister's stewardship when he paid a few hundred dollars to get an el cheapo, shonky assessment of the 10-year Hospital Rebuilding Program. The resultant document from Cost Management Services on which "Old Glass Jaw" bases all his claims about a \$1.2 billion overrun is not worth the paper that it is printed on. The vast majority of the information used to compile that report was produced out of the Minister's own office. How did he manage to contrive his extra \$1.2 billion in overruns? Make no mistake about it: it was contrived by

the Minister in his office and then fed to Cost Management Services, who merely regurgitated it, collected their fee and disappeared into the sunset. How did the Minister contrive that ridiculous figure? I will inform the House.

He started by adding \$115m extra for the four hospitals on the Gold Coast and the Sunshine Coast—four hospitals that all just happened to be in the electorates of Cabinet Ministers. What a happy coincidence! Then he included \$150m of additional information technology expenditure. He added \$60m for work at the Royal Children's, \$75m for Stage 2 of the Herston complex and \$35m for the ambulatory care centre on the Gold Coast, none of which was on our 10-year program. Then the Minister altered the forecast costs for the many hospitals around the State by simply agreeing to give in to whatever requests were coming forward from doctors, nurses or hospital administrators, no matter how expensive or far-fetched those requests were. In some cases it just seemed that the Minister kept reannouncing hospital developments. He reannounced some hospital developments three times and counted them three times in his capital works figures. That was just like the Estimates committee hearing last year. It was the same modus operandi. It took us five hours before the Minister would finally admit that his announcement on hospital budgets was a lie and that what he called hospital budgets were in fact district budgets. The Minister simply made it up. Let me tell him this: we have the hospital budgets now, so we know exactly where they stand in terms of their overruns and in terms of how the Minister is going to hit them with EB and in terms of the impact of the 5% charge, the "Horan health tax".

The Minister never lets the truth or the facts get in the way of a good story. He always misrepresents the truth. If he does not have the relevant information or it is not truthful he will make it up anyway. It is worth remembering that on Budget day last year the Minister put out a press release trumpeting the supposed increases in hospital budgets only to have to admit a few weeks later that he could not tell Parliament what the hospital budgets were anywhere in Queensland. Time and time again we had been trying to get that information from the Minister and he fudged it time and time again. Until he answered a question on notice, we were unable to get any insight into what the hospital budgets were, but we do know now. We now know where the Minister stands on his overruns.

It is no wonder that many key health personnel are saying that the department is leaderless. Today "Old Glass Jaw" fell to pieces again when he was caught out. He was asked a question yesterday and he could not answer it. He was asked the same question three more times today and again he could not answer it. He simply could not answer it truthfully, because if he answered it truthfully he would admit to the bungling within his own Health portfolio. So you just did not answer it at all. You went on about Beattie debt, Elder debt, the \$1.2 billion blow-out—blah, blah, blah, blah, the same old regurgitated rubbish, the same old "Horan babble". You spew out the same old lines—

Mr SPEAKER: Order! The member will refer to the honourable member as "the honourable member" or "the Honourable Minister".

Mr ELDER: I will do, Mr Speaker. The Minister spews out the same old lines, the same old untruths and hopes that everyone just tunes out and forgets about what is going on. He bores everyone to death time and time again. He has been shown up to be the little Health Minister who cried wolf once too often. The secret Horan tax is out. We now know how the Minister is going to fund many of the extra capital works projects that he introduced into the 10-year program: he is going to pull it out of savings in the recurrent funding. He gives them the extra and then he pulls it straight out of the recurrent funding. He has no ability to manage his budget. The Leader of the House might laugh about it, but it is not a laughing matter. As the Minister drives up his capital works program, so does he pull the money out of the recurrent funding. That is the recurrent funding for doctors, for nurses, for all the services that are provided in those hospitals. The Minister has finally been caught out—

Time expired.

Mr MITCHELL (Charters Towers) (6.25 p.m.): I rise to oppose the motion moved by the member for Mount Coot-tha. It is not only a waste of an hour but also shows how little Labor has learned from its defeat at Mundingburra. In the eight months between the July election and the Mundingburra by-election, Queensland Health witnessed a capital works debacle of incredible proportions. The now Leader of the Opposition, in full knowledge that he did not have the money, swanned around the State promising anybody everything. The electors of Mundingburra did

not swallow it; nor did the new coalition Government.

On coming to Government, the Minister, Mike Horan, arranged for an independent assessment to be undertaken of the previous Government's \$1.725 billion, 10-year Hospital Rebuilding Plan. This independent assessment was undertaken by Cost Management Services Pty Ltd in order to ascertain the realistic final forecast cost of construction projects listed on the capital works program for Queensland Health. What was the outcome? The assessors identified a spectacular overcommitment of some \$1.2 billion. This from the man who would now condemn the current Minister, whose budget is balanced and whose hospitals are back on track! In contrast to Labor's policy of bleeding rural Queensland to pump money into metropolitan Brisbane, the Borbidge Government has implemented significant rural initiatives across the State. The story in capital works is no different.

Flexible and effective rural health services are crucial for the people of Queensland, because we as Queenslanders face the tyranny of distance every day. This Government's realistic approach to rural health creates its own tyranny of distance, as it is miles apart from the Opposition's arrogant attempt to help the bush. Labor simply added funds to administration and gave mobile phones to areas without mobile nets. The capital works money is going to benefit each community not only with improved and upgraded health facilities but also local businesses will benefit from the expenditure in the local community through building materials, skills and employment opportunities. \$50m has been earmarked for specific rural health capital works projects. These include the Stanthorpe community health centre and the Bamaga, Cloncurry and Aramac hospitals, to name but a few. In addition to an injection of capital works dollars come additional staff who enter rural communities and add to the wellbeing of the economy by buying locally, having children at the school and generally being involved in the community. These projects are extensively detailed in the coalition's Back to Basics, Back to the Bush: Coalition Health Initiatives document. I lay a copy of this document on the table of the House and seek leave to have the schedule on pages 3 and 4 of the document incorporated into Hansard.

Leave granted.

Alpha	\$186,000 to improve diabetic program
\$10,000 minor works for hospital	\$150,000 for increased research programs
Aramac	\$60,000 for specialist operating theatre equipment
\$80,000 minor works for hospital	\$3 million for ATSI health medical services based from Cairns
Ayr	\$300,000 for ATSI health initiatives specifically for Cairns—drug and alcohol, birthing services
\$32,000 minor works for hospital	\$67,000 to Cairns Tropical Health Unit to improve ATSI food supplies in Cape York
Bamaga	Additional equipment for Cairns Base Children's Ward
\$180,000 minor works for hospital	Additional nurse educator for Cape York
\$35,000 for Functional Plan for hospital redevelopment	\$265,000 for increased alcohol and drug services
Barcaldine	Camooweal
\$7 million for hospital redevelopment	\$30,000 minor works for hospital
Beaudesert	Charters Towers
\$155,000 minor works for hospital	\$160,000 minor works at Mosman Hall
\$17 million for hospital redevelopment	\$50,000 minor works for hospital
\$48,000 for elective surgery waiting list reductions	\$2.5 million for additional psychogeriatric beds at Mosman Hall
\$455,000 to upgrade radiology equipment	\$30,000 to upgrade medical position at hospital to allow local birthing
Biloela	Cherbourg
35,000 minor works for hospital	\$318,000 minor works for hospital
Blackwater	\$250,000 for community health centre
\$15,000 minor works for hospital	Chinchilla
Boonah	\$55,000 minor works for hospital
\$35,000 minor works for hospital	Clermont
Bouli	\$6 million for multi-purpose service
\$95,000 for primary health care centre	Cloncurry
Bundaberg	\$60,000 minor works for hospital
\$23,000 million Stage 2 & 3 redevelopment of Bundaberg Base Hospital	\$170,000 to upgrade hospital emergency department
\$360,000 for elective surgery waiting list reductions	\$140,000 to upgrade medical clinic
\$445,000 for hospital Renal Unit (officially opened)	Collinsville
\$95,000 for additional alcohol and drug services, reaching to Gayndah and surrounding areas	\$40,000 minor works for hospital
\$56,400 for additional mental health	Coen
Cairns	\$171,000 for primary health care centre
3 additional medical staff for Accident & Emergency—Cairns Base Hospital	Cooktown
\$85 million redevelopment of Cairns Base Hospital	\$594,000 for multi-purpose service
\$7 million for community health centres at Smithfield and	Cunnamulla
Woree	\$900,000 for community health centre
\$600,000 to provide 4 additional medical staff and other specialist services, such as urology	Dajarra
\$300,000 boost to Cairns Base Hospital base budget	\$30,000 minor works for hospital
\$92,000 to fund chairs in paediatrics and gynaecology	Dalby
\$20,000 to fund additional ear, nose and throat surgery sessions \$260,000 for enhanced dialysis services	\$96,000 minor works for hospital
\$2.4 million for elective surgery waiting list reduction programs	Dysart
	\$154,000 minor works for hospital
	Emerald
	\$10 million for hospital redevelopment
	Esk
	\$30,000 minor works for hospital

Gin Gin	Mackay
\$220,000 minor works for hospital	\$25 million Stage I hospital redevelopment
Gladstone	\$900,000 air conditioning upgrade
\$6.7 million hospital redevelopment	\$900,000 for elective surgery waiting list reductions
\$620,000 funding package to provide for a full time obstetrician and gynaecologist, physician and allied support staff	Maleny
\$50,000 for alcohol and drug services	\$47,000 minor works for hospital
Gympie	Mareeba
\$100,000 for elective surgery waiting list reductions	New equipment for hospital Children's Ward
Herberton	Maryborough \$15.2 million for Stages I & 2 hospital redevelopment \$600,000 for elective surgery waiting list reductions
\$110,000 minor works for hospital	Miles
Hervey Bay	\$50,000 minor works for hospital
\$265,000 minor works and additional services at Dental Clinic	Monto
\$23 million to complete new hospital	\$74,000 minor works for Community Health Centre
Home Hill	Moranbah
\$20,000 minor works for hospital	\$88,000 minor works for hospital
Hopevale	Moura
\$42,000 minor works for hospital	\$40,000 minor works for hospital
Hughenden	Mornington Island
\$50,000 in minor works for hospital	\$7.2 million for Primary Health Care Centre
Inglewood, Millmerran and Texas	Mt Isa
150000 package minor works for hospitals	\$600,000 for hospital capital works and new anaesthetic equipment
Innisfail	\$1.5 million to develop the North-west Qld Centre for Public and Remote Health
\$180,000 minor works for hospital	Factor VIII funding—a major component of the hospital's pharmaceutical costs
\$105,000 for new X-ray equipment at hospital	\$90,000 to upgrade to a full time paediatric position
\$50,000 for elective surgery waiting list reductions	\$75,000 for alcohol and drug services
Isisford	\$37,000 for additional mental health funding
\$16,000 for primary health care centre	Oakey
Jandowae	\$40,000 minor works for hospital
\$68,000 for minor works for hospital	Proserpine
Julia Creek	\$7.5 million for hospital redevelopment
\$25,000 for minor works for hospital	\$80,000 for elective surgery waiting list reductions
Jundah	Ravenshoe
\$39,000 for primary health care centre	\$7,000 minor works for hospital
Kingaroy	Rockhampton
\$100,000 for elective surgery waiting list reductions	\$18 million for hospital redevelopment
Karumba	\$4.4 million for community health centre
\$30,000 minor works for hospital	\$8.5 for Eventide Nursing Home redevelopment
Kilcoy	\$1.8 million additional per year to commission new mental health unit
\$384,500 minor works for hospital	\$1.3 million boost to Rockhampton Base Hospital base budget
Laidley	\$1 million for elective surgery waiting list reductions
\$35,000 minor works for hospital	\$122,000 for specialist operating theatre equipment
Longreach	
\$20,000 for minor works for hospital	
Flying dentist located in Longreach to service 18 towns in the area, who had previously been unable to access dental services	
\$70,000 for alcohol and drug services	

\$255,000 package for additional alcohol and drug services, including Rockhampton, Gladstone and Emerald.

Roma

Establish Office of Rural Health based in Roma

\$80,000 for additional alcohol and drug services

Sarina

\$312,000 minor works for hospital

St George

Speech pathologist based in St George, servicing Dirranbandi and surrounding areas

Stanthorpe

\$108,000 for minor works for hospital

Community Health Centre to be constructed

Tara

\$53,000 minor works for hospital

Taroom

\$200,000 minor works for hospital

Theodore

\$25,000 minor works for hospital

Toowoomba

\$600,000 for specialist medical equipment

\$60 million for hospital redevelopment

\$4 million for community health centre

\$1.8 million boost to Toowoomba General Hospital base budget

\$900,000 for elective surgery waiting list reductions

Factor VIII funding—relevant to Toowoomba Hospital pharmaceutical costs

\$155,000 for specialist operating theatre equipment

\$52,600 to establish surgical admissions unit

\$460,000 for additional psychiatric and allied health staff at Baillie Henderson Hospital

\$100,000 funding for additional alcohol and drug services

Townsville

\$900,000 for North Queensland urology service based in Townsville, but servicing Cairns, Mackay and Mt Isa

\$40,000 minor works for Townsville Nursing Home

\$25,000 minor works at Kirwan Women's Hospital

\$117,000 million Townsville General and Kirwan hospitals redevelopment

\$8.25 million for Palm Island primary health care centre

\$4.6 million boost to Townsville General Hospital base budget

\$2.5 million for elective surgery waiting list reductions

\$250,000 additional funding for Kirwan Hospital staff specialists

\$1.2 million for additional neonatal cots at Kirwan Hospital

\$1.5 million to establish Royal Flying Doctor Base servicing North-west Qld.

\$277,500 for new specialist medical equipment

\$105,000 for new mobile child health unit vehicle

\$95,000 for specialist operating theatre equipment

\$227,000 for child therapy services throughout North Queensland, based in Townsville

Additional GMO based in Townsville, specialising in sexual assault services

\$300,000 to reduce ophthalmology waiting lists in North Queensland Child health nurse based in Townsville—new position

\$245,000 funding for additional alcohol and drug services

\$41,000 additional mental health funding

Torres Strait

\$100,000 to improve child health in remote communities in Cape York

\$123,000 outer islands medical aid posts

\$31 million for Thursday Island Hospital, community health centre and accommodation

\$2.25 million for Badu Island community health centre

\$1.95 million for Boigu Island community health centre

\$33,000 for elective surgery waiting list reductions

Two additional nurse educators for Thursday Island and Torres Strait

Warwick

\$110,000 minor works for hospital

Weipa

\$210,000 minor works for hospital

\$50,000 for elective surgery waiting list reductions

Winton

\$110,000 for minor works for hospital

Woorabinda

\$5 million for primary health care centre

Yarrabah

\$80,000 minor works for hospital

Mr Elder: Not another glossy brochure!

Mr MITCHELL: It is not glossy this time. It presents the real facts.

In total, 77 communities in rural and remote areas will benefit from the Government's injection of funds into capital works, service delivery and staffing. The health facilities in my own electorate are being given a huge boost. In Charters Towers alone, Mosman Hall has been given \$160,000 for minor capital works and \$2.5m for additional psychogeriatric beds. At the hospital, \$50,000 has been provided for minor works and \$30,000 has been provided to upgrade the

medical position at the hospital to enable birthing to take place locally.

The competence of this Minister in capital works management is obvious from his initiative in establishing district health councils. People in our rural communities now have the opportunity to have genuine input into their rural health services due to the introduction of district health councils—and they are working very well, I might add—and the abolition of Labor's failed regionalisation. The service delivery can only improve with this system because we will be identifying the specific needs of local communities and delivering them. Specifically, these councils determine minor capital works priorities for their districts, ensuring that an important aspect of capital works management has been devolved to the community. The Opposition cannot tell me anything about bricks and mortar. For six years nothing was done in rural areas except for the completion of Eventide, which was started by the previous coalition Government. This motion is a fraud. It, not the Minister, deserves the condemnation of the House.

Time expired.

Hon. D. J. HAMILL (Ipswich) (6.31 p.m.): They do not come any thicker than the wet cement that just addressed the House. When the Budget was brought down last year, the Department of Health claimed significant increases in spending. In fact, the Minister was running around saying that he had achieved a \$3 billion Budget from the Consolidated Fund. As I said, we were told that there was a significant increase, and we have heard a lot about the Capital Works Program from this Minister over that 12-month period. We also know that many of the things that the Minister has spoken of are simply things that he speaks of, but no-one has actually seen the delivery of them. Unfortunately, that is the sad and sorry tale which attaches to this Minister in particular.

We looked at the Minister's program statement which was subjected to the scrutiny of the Estimates committee last year. In there is a list of various development projects around hospitals and other works totalling some \$226m. This Minister and other Ministers, including the Treasurer I might add, simply do not seem to understand that it is one thing to go out and announce a project, but it is quite another to actually deliver it. Unfortunately for Queensland and Queensland Health, this Minister has real problems with delivery.

It has not been only during this year. I took the opportunity to have recourse to the

Treasurer's Annual Statement for 1995-96, which covers the first period for which this Minister had responsibility in Health. What did I find? I found that, according to the Treasurer's statement, of the \$400m worth of carryovers and lapsed expenditures, that is, the product of this coalition Government's incompetence in delivery and the coalition Government's capital works freeze, no less than \$67m of that sum was in Health. \$67m worth of expenditure, which should have gone into the delivery health facilities and services, was actually not spent by this Minister and his department last year.

Before we get too carried away with that, I can say that this Minister has really learnt something in the last 12 months. He has learnt how to fail even further when it comes to delivering on his expenditure. I have been asking a series of questions of the Treasurer to do what I thought the Premier ought to be doing—monitoring the performance of Ministers and their departments in delivering their Budgets, both their capital and recurrent budgets. What do we find when we look at Health? Let us have a look at the half-year period, which is a reasonable milestone for any department. At the end of December last year, the Minister for Health was presiding over a budget of which he had spent less than a quarter of its capital allocation. Already in the first six months of the year, he was \$65m behind in delivery. I thought, "Oh well, I will give him a go. After all, the Premier has been telling his Ministers that they have to do better."

He did do better—he did a lot better. By February he was only \$81m behind—two-thirds of the year over and \$81m behind! Not only had he spent a little over one third of his capital works budget, but he had spent only 64% of his current Budget. In an area such as Health where most of the costs are actually current costs, he had not even reached the two-thirds figure for his current Budget, either. The Premier urges action, but what does he get from the Health Minister? He gets sloth, and what else? Of course we get the Horan hospital tax as well—the very tax, the surcharge, which even his own department acknowledges is further slowing up this Minister's capacity to deliver on his capital works budget.

A couple of weeks ago, with a big fanfare the Premier announced that he had reallocated \$56m of capital funds that his incompetent Ministers could not spend. I asked the Ministers how they were going and what projects were deferred and so on. The only Minister who acknowledged in his

response that there would be some problems in that was the Minister for Health. It is little wonder that most of the money that has been reallocated has obviously come out of Health, because this Minister and his department are just so incompetent that they cannot deliver on this very important program for the people of Queensland. That is money that should be going to hospitals and patient care, but an extra couple of million dollars is now going to the Environment Department and a little more than that is going to the Department of Mines and Energy. They are not my statistics; they are the statistics that have come from each and every Minister of this Government. They know the story; this Minister knows the story. He has not delivered and he is a disgrace to the office he is holding.

Time expired.

Miss SIMPSON (Maroochydhore) (6.36 p.m.): Labor tells people that black is white and white is black, and the public gets very cynical. It does not know who to believe. The trouble with Labor's dirty style of politics is that it brings all politicians into disrepute, as we have seen with Mal Colston. Actually, I think that Peter Beattie has taken a leaf out of his mate Mal Colston's book of creative bookkeeping. So when the Labor Opposition now stands up in Parliament with hand on heart and tells people that it funded its Health budgets, it is just lying. The victim is not only the truth, but also the thousands of people who need the services, and the staff who make the system work.

Despite Mr Beattie's attempts to cover his tracks, the records of the previous Labor Government clearly show that under his stewardship as Health Minister dodgy accounting was used to bog up the holes. We already know that he took about \$34m and tried to take it out of the capital works budget and throw it into the recurrent budget to try to fix up the overruns that were happening in Health. That is just a disgrace; it should never happen in a western country. It might happen in places such as Albania, but it is something that this former Minister came up with and it is just incredible. It is a little bit like Mr Beattie promising a child a bag of lollies and then sending him off to the store with monopoly money. It is just too cruel to believe. That is what in effect he did with Queensland Health—he promised to build what he had not funded.

Under the coalition Government, the Health budget has grown. We have seen a record Budget in 1996-97 of \$3.02 billion. This is an increase of about \$312m and the

emphasis under our Health Minister is to go back to the basics and to build real hospitals with money that has been budgeted for. We dismantled Labor's failed regional health system and established 39 district health councils so that people in local communities can have an input into health priorities. Of course, our funding has been focused on putting real nurses and doctors back into the hospitals.

When we came to Government, we found that so much of the capital works had not been funded in real terms. Now, when we have to put real hospitals out there that will do the job and do the job into the future, we have to look at the best and most efficient way to do it. It has been proposed by some that we go and give the people of Queensland an old, beaten-up rust bucket of a car and expect that to do the job. We believe that we should give them a new, efficient model that will be on the road for a whole lot longer; it will be safer, more efficient and guzzle a whole lot less fuel.

Mrs Wilson: Just as they did with the Cairns Base Hospital.

Miss SIMPSON: Is that what they did with the Cairns Base Hospital? That is what we are talking about, that people have to have a new, efficient model of health in Queensland that will do the job into the future.

It stands to reason that if we are to give people hospitals that will do the job into the future, we should forward plan so that we do not give them half a hospital. In that way we are going to have a more efficient health system. We are talking about giving people a more efficient health system. Obviously, in a State such as Queensland, there are growing pressures with growing populations. Those are issues that we will always continue to fight with the Federal Government about for more money, but the previous Government gave people half hospitals.

I am pleased that under this Government we have seen significant benefits. With the \$2.1 billion fully-funded hospital and health services building plan, we have seen real hospitals being built. The coalition's \$30m redevelopment at Redcliffe is going to see an upgrading of the facility to 281 beds. This construction is due to commence later this year. In Caboolture, we will see an expansion of its obstetrics, day surgery, neo-natal, accident and emergency facilities, and the construction of a new 24-bed psychiatric unit. There is also the \$30m redevelopment of Nambour Hospital, which will address the deficiencies of blocks 1, 2 and 3. We could go on with a whole list of other hospitals.

We have talked about Redlands. There is a project budget of \$55m for the Palm Beach Community Health Centre and the Gold Coast Hospital redevelopment. That has been done in stages: the relocation of oral health, the upgrading of the renal dialysis unit, the upgrading of the tower block and the development of new facilities on the hospital campus. It is quite an extensive list of well thought-out projects that need to be put in place to take that hospital forward. The Robina Hospital and Noosa Hospital developments have been announced. With Robina, the development is to be financed and operated through the private sector—but we are putting that hospital in place. We see the Logan Hospital redevelopment—

Time expired.

Mr J. H. SULLIVAN (Caboolture) (6.40 p.m.): There is no question that, under Minister Horan's stewardship, there has been grave mismanagement of the Health portfolio's capital works. The people of my electorate of Caboolture and the neighbouring electorates of Kallangur, Murrumba, Redcliffe and Kurwongbah regard him as an unmitigated disaster, and they do not much like his Horan health tax, either. Those people rely on the hospitals in the Redcliffe/Caboolture health district, and the Minister's record with those hospitals is an excellent illustration of the motion that members are debating tonight.

There can be no doubt, either, that this Minister is smarting at the criticism he is receiving for his callous disregard for the health needs of those people. We have plenty of evidence to support this. Mr Horan has started a campaign of personal attacks against Opposition members. Firstly, he put around some fanciful allegations that a conspiracy between me and the former Health Minister, my colleague the member for Kallangur, to deprive the Caboolture Hospital of recurrent funding in 1993-94 was responsible for his decision to close down one floor of the hospital in 1997. Nothing could be further from the truth. The hospital's 1996-97 budget, provided by the Minister's Government, is the cause of the shutdown. His attempt to cloud the issue was quickly dismissed by the people of Caboolture.

Next, he rolled out his backbench party colleague the member for Maroochydore, who read yet another brief into the record saying how good the Government was and how bad the former Labor Government was. We would expect her to say that, would we not? It is too bad that the member for Maroochydore has

never been to the Caboolture Hospital and probably only thinks of Caboolture as somewhere to drive through on her way to Brisbane—that is, if she thinks of it at all.

And just in case that does not have the desired effect, the member for Aspley has placed a multi-part Dorothy Dix question on the Notice Paper so that the Minister can try again to ram his false message down the throats of the people whose trust he abuses. There is no doubt that the Minister's newfound zeal in this matter is driven by the realisation that the coalition is not travelling too well on Health out in the community and there is a by-election on in Kurwongbah.

The Minister has an impossible job ahead as he tries to make a silk purse out of a sow's ear. The Minister has been tried and found wanting on capital works at both the Redcliffe and Caboolture Hospitals. At Redcliffe, Labor's \$13m rebuilding program, which would be well under way by now, was scrapped and replaced by the Horan plan to spend \$30m. No works have begun. I say to the Minister: "This is an easy way to increase your capital works, is it not? Doubling and even redoubling budget figures does not mean a damn if you never spend the money. Your record at Redcliffe can be compared to Joh Bjelke-Petersen's phantom projects—lots of talk, mentioning obscene amounts of money, but ultimately no tangible result. And you cannot deny that you have shut down beds—around 25 beds at the Redcliffe Hospital—while transferring surgery from the Caboolture Hospital."

In my electorate, the Minister's activities at the Caboolture Hospital are his crowning glory. Labor promised to build a 130-bed Stage 2 to the hospital and have it opened in 1998. When I received information that the Minister planned to reduce this to a 68-bed extension and I made that public, the Minister branded me a liar, telling people that I did not know what I was talking about and that I should check my facts. He had, he told us, promised Caboolture a 130-bed extension in line with the former Government's planning, and a 130-bed extension we would get. Funnily, some weeks later, the Minister was not the slightest bit embarrassed when it was announced that Stage 2 would provide only an additional 68 beds. Funnily also, this announcement was not accompanied by an apology to me for the besmirching of my good name.

The same dance was danced in relation to the closing down of the surgical wards at the Caboolture Hospital—exposure, denial and abuse and, ultimately, the Minister taking the

very action that he denied would be taken. More recently, I have tabled in this place a document that shows clearly that the Minister is seeking cost savings on the construction of Stage 2 of the Caboolture Hospital. Again, the Minister has issued denials. One would have thought that he would have learned by now.

The real tragedy is that what this Minister is doing in our hospitals is going to cause very real hurt to a great number of people—the very people whom this coalition Government is obliged to protect and promised to protect. The Minister likes to present himself as one of Queensland's political heavyweights, but he sure ain't no "Iron Mike"—"Lyn' Mike" is more like it. I acknowledge that Health is a difficult portfolio but, when Minister Horan took over, the light at the end of the tunnel was switched off.

Hon. M. J. HORAN (Toowoomba South—Minister for Health) (6.44 p.m.): Tonight's debate is obviously about trying to cover up for the appalling mess that was left behind by the previous Health Minister, Mr Beattie, and another previous Health Minister, Mr Elder. They are absolutely devastated that we have turned around the financial mess that was left behind.

Mr Palaszczuk: Wind him up.

Mr HORAN: Members opposite do not like it, do they? I will tell them over and over again how we are fixing it up.

Tonight's debate is about how we are fixing up the mess and how we have addressed the \$1.2 billion of unfunded broken Labor promises, how we have turned around a massive budget overrun and how we will be delivering a balanced budget this year. What Opposition members do not like is that, for the first time in years, this year we are going to be delivering a balanced budget, and within that balanced budget there will be thousands more in-patients treated and thousands more outpatient services. On top of that, we will be delivering on our target of \$295m of capital works—some \$100m more than was delivered in the year before.

Let me refer to the dying days of the previous Labor Government and one of the greatest hypocritical con tricks that was ever perpetrated on the people of Queensland. The previous Health Minister, Mr Beattie, knowing that the Labor Party was losing Government, and knowing full well that the money was not there for the hospitals and, worst of all, knowing that he had made arrangements with Mr De Lacy, the then Treasurer, to transfer \$34m of capital works

money from the capital works fund into the recurrent budget, waltzed around selected parts of the State and announced projects: another \$40m here and another \$30m there. He knew full well that, firstly, the money was not there—as we showed when we exposed the \$1.2 billion overrun—and, secondly, that that very week when he got back to Brisbane, on the last or second last day of his term, he was going to transfer \$34m of capital works out of that year's budget into the recurrent budget to cover up the black hole that he had left. Not only was there a black hole, but what he left behind was a Health Department that was out of control, with no measures to properly control the budget overruns, because he had been too busy wandering around the State on his own self-promotion trips.

When we got into Government, the first thing that we did was undertake a special audit—an investigation—by CMS which showed conclusively a minimum of about \$1.2 billion of promises made by the previous Government for which it did not have the cash. We then undertook an internal audit branch investigation of the capital works. That showed conclusively how that place had been mismanaged under the previous two Health Ministers. We have now put in place a capital works task force which is overseeing the way in which we do things so that they are done properly, and the way in which issues go before Cabinet.

Even during the 1995 election campaign, promises were made by the previous Government that were not even covered by Cabinet approval. But we regularly go to Cabinet. We have put in place a reorganised capital works branch. I thank the staff of Queensland Health. After a Budget was brought down in September last year, leaving them basically about nine months of the financial year, they will be delivering \$295m of capital works. The Opposition does not like this, of course. We had to spend the early months trying to fix up all those unplanned projects. There were no bed numbers. No-one knew how many floors there were going to be in a hospital. No-one knew how many services there were going to be in a hospital. No-one knew a thing. In some instances, all we had was a watercolour painting of a major hospital that was to cost a couple of hundred million dollars. We have put in place the consultants, the architects and the engineers. We have put in place the plans, and these things are actually happening. At the end of the year, members will see \$295m delivered, along with a balanced Budget and more people being treated.

This Opposition is devastated by the success of Queensland Health under the coalition Government. One has only to look at the failures who have already spoken during this debate. Mr Sullivan tried to cover up the \$24m drop down to \$17m for the Caboolture Hospital. Mr Sullivan tried to cover up the \$6m that was taken out of the recurrent budget. Mrs Edmond tried to cover up for what she was left with by the previous Health Minister. She cannot defend the Opposition Leader for the massive incompetence left behind by him. The Minister before that lasted only six months before he put up his hand to get out. They are the speakers whom the Opposition has rolled out today—all the failures. They are trying to cover up because they are devastated—

Time expired.

Mrs ROSE (Currumbin) (6.51 p.m.): I support the motion moved by the shadow Minister for Health in condemning the Minister's handling of the Health Capital Works Program. Never before have we seen such turmoil in the health industry on the Gold Coast as we have seen since this Government came to power. In the past 15 months, doctors, patients and health service providers have hit the media on the Gold Coast in outrage with stories of mismanagement by this Government in the delivery of health services and capital works projects not happening, lengthy waiting lists and beds closed—and the list of dissatisfaction goes on. Now what are they going to be hit with? They are going to be hit with a health tax by this Government and this Minister.

We keep hearing the Minister talk about all the community health centres that he is building around the State. That is all it is: talk. He talks about going ahead with the Palm Beach Community Health Centre, but what has he done about it? Most of the community health centres that he claims his Government is building are centres that were approved by the previous Labor Government, but nothing has ever happened with them. In common with the Palm Beach Community Health Centre and dental health clinic for southern Gold Coasters, nothing has happened with them. The previous Labor Government bought the land in January 1996 and provided funding for the building of the centre. What happened? It just disappeared. Everything was frozen. All of those programs were frozen. In answer to all the questions that I have put to him, the Minister has given me platitudes and assurances that the project will still go ahead. It is 15 months since the Government came to power, and what has been done? The land is available. Why are there constant

delays? The reason is that the Government does not care that pensioners on the southern end of the coast have to spend up to an hour and a half on a bus travelling to and from Southport to be able to access dental treatment.

In a statement in the Gold Coast Sun on 17 April last year, the Minister stated—

"I assure people on the Coast that the \$3.8 million Palm Beach Community Health Centre will proceed under the Hospital Rebuilding Program,' . . .

'The services provided will include oral health, aged care, family and child health, community health, health promotion and youth health.' "

At the same time, April last year, I asked the Minister a question on notice—so he had plenty of time to answer it—about whether or not the centre would be built, whether plans had been drawn up and what was the likely completion date. He stated—

". . . proposals are being sought from consultants to prepare a Functional Plan and to undertake an Economic Evaluation for the development of a new community health centre at Palm Beach . . .

It is anticipated that the Palm Beach Community Health Centre will open in April/May 1997."

That is now. The Minister will forgive me for being a little confused, because the same answer states—

"I expect completion of the functional plan for the Palm Beach Community Health Centre by mid-May 1996, call for tenders by the end of October 1996 and construction completed by August 1997."

What is on the site? Nothing! The answer said April, May and August 1997, and we see absolutely nothing!

The Robina Hospital issue has been raised a couple of times tonight. What a mess that has turned out to be. In the campaign leading up to the 1995 election, the Government was to build a fully blown public hospital at Robina for the Gold Coast. Then the AMA condemned in the media another fully blown public hospital for the Gold Coast. What did we see? We saw a little bit of back-peddalling from the Government, which was then prepared to consider a day surgery centre. Next we hear that the Government is planning to privatise the Robina Hospital, so we have no idea what is going on. On three occasions in this Parliament the Minister has accused me of not supporting the building of

another hospital on the Gold Coast. I continually have that remark withdrawn and he continually raises it. He continues to peddle that line in a feeble attempt to distract attention from his ham-fisted effort in fixing up the problems at the Gold Coast Hospital.

Let us consider some of the comments of the AMA about Robina Hospital—

"... there was no point building a hospital at Robina unless on-going, annual government funding was assured.

'The Government is happy to build structures because buildings can be seen and that buys votes,' said Dr Harrington."

Time expired.

Question—That Mrs Edmond's motion be agreed to—put; and the House divided—

AYES, 41—Ardill, Barton, Beattie, Bird, Bligh, Braddy, Bredhauer, Briskey, Campbell, D'Arcy, De Lacy, Edmond, Elder, Foley, Fouras, Gibbs, Goss W. K., Hamill, Hayward, Hollis, Lucas, McGrady, Mackenroth, Milliner, Mulherin, Nunn, Nuttall, Palaszczuk, Pearce, Purcell, Roberts, Robertson, Rose, Schwarten, Smith, Spence, Sullivan J. H., Welford, Wells. Tellers: Livingstone, Sullivan T. B.

NOES, 42—Baumann, Beanland, Borbidge, Connor, Cooper, Cunningham, Davidson, Elliott, FitzGerald, Gamin, Gilmore, Goss J. N., Grice, Harper, Healy, Hegarty, Hobbs, Horan, Laming, Lester, Lingard, Littleproud, McCauley, Malone, Mitchell, Perrett, Quinn, Radke, Rowell, Santoro, Sheldon, Simpson, Slack, Stephan, Tanti, Veivers, Warwick, Watson, Wilson, Woolmer. Tellers: Springborg, Carroll

Pairs: Dollin, Johnson; McElligott, Stoneman

Resolved in the **negative**.

GRIEVANCES

Leading Schools

Hon. J. FOURAS (Ashgrove)

(7.02 p.m.): The schools in my electorate are being thrown into turmoil by the sudden introduction of the Leading Schools proposal. Not only are teachers opposed, but parents are perplexed. At a parent meeting recently held at the Ashgrove school, a decision was taken to have a "No" vote because of inadequate information. A week later it was decided to conduct a secret ballot in which 120 voted "No" and 75 voted "Yes". I would like to ask the Minister for Education: how can he dare say that parents are fully supportive of his organisation? Recently, members of the Labor Party had a meeting with the members of the QCPCA executive, who told us that not one parent had got back to them to say that they were opposed to the Leading Schools process. What a joke! I have a letter here from a parent at the school in Ashgrove. That

parent, although supporting the concept of school-based management, states—

"The unseemly haste of Education Queensland to move into the implementation phase of school based management is, I believe, against the spirit of the development of collaborative approaches to schooling.

...

I do not believe that Education Queensland has provided members of school communities with sufficient opportunity to seriously consider issues surrounding school based management and the Leading Schools proposal. Indeed, the manner of introduction of this initiative, is simply another example of the top-down management style that Leading Schools seeks to eradicate."

In her covering letter, she states—

"I believe, in the interests of preserving what little goodwill remains, that Education Queensland ceases to bully about 'Leading Schools' and rethink its school based management strategies so that its own processes reflect the spirit of collaboration and consultation, that it so readily mouths."

No wonder people are perplexed. This program has been sold to them a little bit like the way in which Super League has been sold—that it is about access and equity. They are just motherhood statements. People are asking everything about it. For example, on staffing, they say, "Yes, you may have your own teacher."

Time expired.

Central Queensland Rescue Helicopter

Hon. V. P. LESTER (Keppel)

(7.04 p.m.): Last Friday central Queensland was dealt a very devastating blow when the rescue helicopter was unfortunately set on fire. It was a very modern rescue helicopter which had had only 300 hours' flying time. It was one of the very best in the world. It was unbelievable: a gas bottle blew up and the whole helicopter disintegrated.

I am very grateful, and I am sure everybody else is, that nobody was killed in the explosion. Of course, it was extremely lucky that this gas bottle did not go off when the helicopter was in the air. Three people had just alighted from it. The pilot turned on the gas bottle, it exploded and he was injured. However, he got out of it okay.

The point that I want to make is that I am grateful that, through the efforts of the Emergency Services Department and the Government, we were able to get another rescue helicopter up there almost immediately—within hours. This new helicopter was put under an immediate heavy workload. On the Saturday, it was required for work on three occasions.

I want to emphasise how important this rescue helicopter service has become. Unfortunately, I am not going to be able to say that there will never again be an accident; there probably will be. We have to now make sure that all stops are out to obtain a new permanent rescue helicopter.

Time expired.

Spice Girls Poster Magazine

Mr PEARCE (Fitzroy) (7.06 p.m.): I am sure that there are few members in this place who would not be aware of the phenomenal success of the British all-girl super group, the Spice Girls. Although I have no intention of discussing the merits or otherwise of the Spice Girls' music, I wish to bring to the attention of the House a matter that I believe would be of great concern to many parents.

Last week one of my constituents brought to my office a copy of a magazine called the Spice Girls Poster Magazine. That magazine was purchased by my constituent at a local newsagency and it was found on display in the comics section of the store. The magazine in question contains a large number of full frontal nude pictures of one of the members of the popular band. In fact, the cover of the magazine advertises that very point.

What concerns me about this particular magazine is the fact that on its cover is displayed a sticker from the Office of Film and Literature Classification which advises purchasers that it is "unrestricted" material. That means that anyone, regardless of age, can purchase a copy.

It is common knowledge that the Spice Girls are hugely popular with prepubescent and young teenage fans. It would be safe to say that that is the group's main target. The magazine in question costs around only \$5, and it can easily be purchased by those young fans.

Let me say again that I have no problems with the Spice Girls. In fact, I think that at times some of their music is quite catchy. In particular, one of the songs goes—

"If you want to be my lover, you have to get with my friends."

I am concerned about the use of such an explicit marketing tool that can easily be purchased by the main target audience of the group—kids in the 8 to 14 age bracket. This may seem like a frivolous matter to some, but I am sure that parents of young fans would be greatly distressed if they found that their children had brought home a magazine of this nature.

Today, I take this opportunity to call on the Attorney-General and Minister for Justice to investigate this publication in the hope that it will be reclassified immediately to ensure that it cannot be accessed by underage fans.

Queensland Fire and Rescue Authority Graduation Ceremony

Mr BAUMANN (Albert) (7.08 p.m.): I wish to inform the House of some more good news from the Department of Emergency Services. Last week, during a graduation ceremony at the State Fire Training Centre in Brisbane, a new intake of 26 firefighters was welcomed into the Queensland Fire and Rescue Authority. Following a 12-week course that began in early February, the graduates became probationary firefighters. Their graduation emphasises further this Government's commitment to increasing the number of firefighters within the Fire Authority. The recruit intake is the second batch to have come through a recruitment drive that began early last year, and I am informed by the Minister for Emergency Services that a new recruitment drive will be held in the coming months.

Among the 26 new recruits are many long-term temporary firefighters, auxiliary firefighters and one female who was a former communications operator with the Fire Service. No doubt, that female is following a career path that was made possible by this Government's and this Minister's commitment to equal opportunity employment in the services.

This intake is further proof that the coalition is committed to increasing the number of firefighters throughout Queensland and honouring a pre-election promise to increase the number of firefighters throughout the State by 135 in its first three years in Government. I must say that I am very pleased indeed to inform the House that we are well on target towards reaching that commitment.

The 26 new recruits will be the first to join the newly formed Queensland Fire and Rescue Authority. They will be placed at stations throughout the State, including Ayr, Mount Isa, Charters Towers, Ingham, Ipswich and greater Brisbane. All members should commend the work of Minister Veivers and his staff for their efforts in improving the standard of emergency services for all Queenslanders.

**South Bank College of TAFE,
Morningside Campus Animation
Course**

Mr T. B. SULLIVAN (Chermside) (7.10 p.m.): I rise to talk about the hypocrisy of the Minister for Training and Industrial Relations. I will leave to one side the press release that he sent around to all the TAFEs in which they had to insert the name of the director or the name of the college in about eight places. That was a press release praising the achievements of the Government. Self-praise from the Minister is something that we have come to expect. However, when he has to get others to praise him, it is a little below the belt.

During question time the Minister then got one of his backbenchers, the member for Greenslopes, to ask a question about the excellent training initiatives that have been undertaken by the coalition Government in 1997. In his answer, the Minister spoke about the coalition's achievements in the area of training and how it is helping small businesses, and that he does not want the Opposition to knock the Government's achievements.

I refer to a letter from a student who attends the Morningside campus of the South Bank Institute of TAFE, which states—

"The conditions we have to deal with have worsened enormously since the beginning of 1997 whilst studying the advanced certificate in animation."

To teach that course, a teacher is allocated to two rooms at the same time. Of course, students cannot be taught that way. I will outline how poorly that class is treated. The animation program involves drawing 24 images for every second an image is on the screen. That means that for students to make their two-minute film, they have to draw 2,880 cells before the end of the year. If there were 34 weeks in a year, that means they must draw 35 cells a week, which is a fairly solid load. However, because they have not received materials, which they have paid for, and have not been allocated room time, which they have had to pay up-front fees for, that

leaves only 22 weeks in which to paint 130 cells per week for their animated film. This is a totally unfair workload. The teacher claims that it is jeopardising the students' careers because they will not be able to finish their course this year and will not be able to qualify. The Minister has failed.

Time expired.

General Practitioners Conference

Ms WARWICK (Barron River) (7.11 p.m.): It gives me great pleasure to report to the House on the recent GP conference held on the weekend in Port Douglas. I was honoured to be asked to open the conference, an honour bestowed upon me, according to the organisers, because of my tireless support for improved medical and hospital facilities in the Cairns area.

The conference attracted approximately 60 GPs from across Australia and, I understand, one or two from overseas. Obviously most of the doctors were from north Queensland. It was pleasing to see doctors getting together in their valuable spare time in order to update and up-skill. Many of the subjects covered during the weekend are of immense interest to north Queensland. Some are, in fact, key health issues, for example: skin cancer; eye disease, particularly cataracts; diabetes, which has a high prevalence in Aboriginal communities and is a risk factor for heart disease, which is the greatest killer of people in Australia; back problems; osteoporosis and impotence.

Palliative care was another issue which was tackled over the weekend. Funding for palliative care has been very topical lately and I was pleased to be able to report that the Prime Minister has now been persuaded by Health Minister Mike Horan to change his mind and maintain Federal funding.

Another contentious issue for north Queensland is the very high incidence of youth suicide. The Peninsula and Torres Strait Health Region has the highest youth suicide mortality rate in Queensland. I was staggered to learn that, for the period 1990 to 1995, young men in this region had a suicide mortality rate of 63.7 per 100,000 young people. The figure for young women is a lot different—8 for every 100,000.

The GP weekend, which was a workshop rather than a conference, will hopefully become an annual event with the aim of improving health outcomes in north Queensland. I congratulate all the doctors who attended, and in particular Dr Louise Welsh

and Dr Peter Smith, and the Cairns Division of General Practice, which organised this very valuable weekend.

Time expired.

Labour Day

Mr ROBERTS (Nudgee) (7.13 p.m.): What an ill-informed and vindictive speech the member for Redlands made in this place yesterday about Labour Day. All it revealed was the almost pathological hatred that the coalition has for the union movement and the workers who support it.

Labour Day in Queensland is a day when members of unions join in celebration with the community. It is a family day with entertainment, stirring speeches from great labour and union leaders, food stalls offering a wide selection of Australian and ethnic foods, and merry-go-rounds and foot races for the kids. But for the rain this year, these activities would once again have entertained the thousands of supporters who flock each year to enjoy the entertainment in Albert Park.

Far from being a scrawny showing of union banners and T-shirted supporters as claimed by the member for Redlands, Labour Day represents an annual celebration of the achievements of the labour movement. This year, over 40 floats and groups marched in the procession and over 3,500 supporters marched from the Cultural Centre to Albert Park. Despite the rain, there was a record number of floats and attendees. Kim Beazley, Peter Beattie and Jim Soorley led the procession along with ACTU officials, union leaders, members of State and Federal Parliaments and their families and supporters.

The growing importance and significance of Labour Day reflects the recognition given by the community to the legitimate role that unions play in the workplace. It has been a part of our history for over 130 years and will continue for another 130 years, despite the union bashing, anti-worker attitudes of coalition members opposite.

Time expired.

Protection of Retail Workers

Mr WOOLMER (Springwood) (7.15 p.m.): Sadly, in modern society robbery and assault continues to be a major problem for thousands of Queensland retail workers. My electorate has been subjected to this on many occasions as retailers have had their shops broken into and have often been confronted by people who are well armed and

willing to take advantage of them, especially late at night.

Retail workers working alone, especially at night or upon opening or closing their businesses, are particularly vulnerable to robbery and assault. Convenience stores, video shops and petrol stations are all too often the targets of crime. Recent research from the Australian Bureau of Statistics gives some insight into the severity of the problem. In 1995, almost 500 robberies of retail businesses involved an element of violence. Almost half of all Queensland armed robberies involve retailers. Apart from the law and order issues, this is also a workplace health and safety issue. Small business owners and their staff are particularly at risk of serious injury.

Given the situation, I am very pleased to see that the Government is in close partnership with the industry and has moved to help the retailers respond to the problem. The draft standard for personal security for the retail industry has been prepared by the Department of Training and Industrial Relations to give the retail sector practical advice on reducing injury and assault. I commend the responsible Minister, the Honourable Santo Santoro, for the draft which provides solutions for risk control and employee protection, including training, cash management procedures, visual deterrents, point of sale area design, opening and closing procedures, lighting and detection devices.

The draft standard is available from the department of Training and Industrial Relations through the workplace health and safety program. The period for public comment lasts until 2 June 1997. I urge all retailers to get involved in the program and to have their say. The standard has been created by the retail industry for the retail industry, and now it is essential that the industry evaluates it and gives feedback to further improve on its recommendations and guidelines. I must further stress that all retailers, and anyone else interested in this strategy, should become involved in it.

Time expired.

Robina Respite Centre; Office of Intellectual Disabilities

Mrs ROSE (Currumbin) (7.17 p.m.): The Robina Respite Centre is under threat of being closed by this Government. If that happens it will force people to travel to Southport to access respite care. Not only is the Robina centre under threat, but the Office of

Intellectual Disabilities may have its doors shut.

The Office of Intellectual Disabilities, covered by the Department of Families, Youth and Community Care, provides respite, physiotherapy, speech therapy and counselling for the intellectually disabled and their families. Families who access these services are being told that the Government wants to wind down the services of the Office of Intellectual Disabilities. It wants to close the office in five years and force families of the intellectually disabled into privately run care. As I understand it, the plan is to give families an allowance to cover the costs associated with respite, physiotherapy and speech therapy—and they can certainly forget about counselling.

Government members should listen to these words from a desperate mother. She writes—

"Mrs Rose, as my 24-year old daughter, Fiona, is a profoundly disabled person for her and I to be able to manage on a yearly basis we both need to have a break from each other, this being for one week every month.

...

Fiona's . . . aged 24, and has tubular sclerosis (eight brain tumours) and she has five different kinds of epilepsy. Due to the tumours Fiona goes up to seven days at a time with no sleep. She becomes very violent to the point of badly bruising my body and eats non-stop.

I desperately need a break from my daughter one week a month to recoup from the bruising and to catch up on my sleep. In the last two and half years I have suffered two breakdowns and I feel that with the problems I have with Fiona my daughter I really do not need the hassle with the Department I am receiving down here. My case is like so many others on the Gold Coast."

She states that people such as her daughter and herself do not need these services scaled down and eventually closed; they need them increased. She continues—

"We all need your help. Is there anything that you may be able to do that will assist us in our endeavour to keep the Intellectual Disabilities services up and running . . ."

Time expired.

Internet Access, Rural Queensland

Mr SPRINGBORG (Warwick) (7.19 p.m.): Tonight I rise to speak about an issue of equity for rural Queenslanders. I will talk particularly about the need to ensure an equitable distribution of information technology access to rural and remote Queensland. This is an issue in which many people in rural Queensland are very much interested. I have been interested in this issue for some time. I believe that it is the key to ensuring that many of the people who are currently drifting away from rural areas stay in those areas.

In respect of point of presence access—and I would ask for the assistance of the member for Toowoomba North, who is also a "techno pollie"—

Mr T. B. Sullivan interjected.

Mr SPRINGBORG: Basically, it is point of presence—POP—service. If we could have more regional access to point of presence service in this State, that would ensure that rural Queenslanders are able to access the Internet, for example, for the cost of a local call. They would then be able to take advantage of such technological breakthroughs as electronic banking—and I know that the member for Toowoomba North has an interest in the TAB service on the Internet—the weather, which is a topic that I am very keen on, and agricultural information which is made available and is updated daily on the Internet.

If we had access to that technology, we would be in a better position to respond to the needs that the community might place upon us. In addition, we would be able to access the latest information on, for example, fertiliser applications or marketing. That is an issue of which we as a Government need to be aware. I am sure that members are aware of it. It is something that I commend to the House.

Time expired.

South Bank Institute of TAFE, Morningside Campus

Mr PURCELL (Bulimba) (7.22 p.m.): I wish to bring the Parliament's attention to a matter of public importance in respect of the Morningside campus of the South Bank Institute of TAFE. That campus is one of the most innovative and cost-effective, well organised and well run TAFEs in Queensland. Various departments at Morningside TAFE are suffering as a result of its amalgamation with other south side TAFEs. Because of their inefficiencies, other campuses are bleeding Morningside dry.

Some 80% of the fees paid to Morningside for services are being used to prop up non-commercial activities on other campuses. This is wrong. Those who can least afford to have their belt tightened are having it tightened until they choke. Blue-collar workers have always had to cop it in the neck. The cleaning, janitorial and ground staff have been trimmed to the bone.

Three people have been asked to do the work done previously by nine. Six people have been sacked, or given VERs. Three staff are now doing the work of nine. They are also being directed to work not only on their campus but also at the South Bank campus to assist it out of a hole. Those who can least afford it have had their belts tightened or have felt the back of the axe.

Casual teachers working at Morningside have not been paid this year. That is an absolute disgrace. To have people working for a Government institution and to not pay them is criminal. The powers that be can find or borrow the money to sack people—and I have been informed by a reliable source that they have borrowed it—or pay them VERs, but not wages. The Morningside TAFE is selling its printing machinery to make up for shortfalls at the South Bank Institute. At the moment, they are negotiating their—

Time expired.

Primary Industries Institutes

Mrs WILSON (Mulgrave) (7.24 p.m.): I am proud to say that the Minister for Primary Industries, with the full support of his Government colleagues, is delivering on a commitment to take the Department of Primary Industries back to the bush and establish real partnerships between the department and industry. As part of this commitment, eight commodity-based institutes are being established which will identify and service the research, development and extension needs of Queensland's major primary industries, consequently helping them to maximise their international competitiveness.

This Government has pledged support for the growth of our primary industries, especially through encouraging a greater emphasis on expanding exports to overseas markets. The institutes will have boards comprising two DPI staff members and up to seven external members, with members being selected from production, marketing and scientific fields relevant to each institute's charter.

Strong industry involvement in and commitment to the new institutes will help ensure that they deliver the service needs of Queensland's primary industries in a business-like manner. The structure and focus of the new institutes will also make them attractive to external funding sources, therefore providing more scope for additional research and development activities.

Industry nominations for board positions on the Sheep and Wool, Beef, Horticultural and Farming Systems Institutes are currently being sought through advertisements in the major newspapers. Already the DPI has had over 250 inquiries in response to those advertisements: 35 for the Sheep and Wool Institute, 65 for the Beef Institute, 70 for the Farming Systems Institute and 80 for the Horticultural Institute. This is truly a tremendous response and is indicative of just how eager our primary industries are to take part in this partnership and to continue to further their development of and contribution to Queensland's economy.

With this level of response, the boards eventually selected will be of very high quality and will help ensure the success of the respective institutes. I look forward, with the Minister and our colleagues, with great anticipation to the establishment of these institutes on 1 July this year. The primary industries institutes will herald a bright new era in the provision of Government services to the primary producers of Queensland.

Time expired.

Family Planning Clinic, Ipswich

Hon. D. J. HAMILL (Ipswich) (7.26 p.m.): It was with dismay that the people of Ipswich learned that the city's family planning clinic is to close as a result of Federal Government funding cuts to women's community health services. The Family Planning Association wrote to me expressing its deep regret at this decision and the fact that it had been forced to close a number of their facilities, including Ipswich.

While the closure of this facility severely restricts the access of Ipswich women to health services, it also has the effect of removing the only needle exchange service in our community. While the vast majority of Ipswich citizens do not condone intravenous drug abuse, it is a well-documented fact that needle exchange services are an integral part of the community battle against HIV/AIDS. As a result of the Federal coalition's actions,

Ipswich families will now be exposed to greater health risk through infection.

Furthermore, the attack on women's health does not end there. The Ipswich Women's Health Centre is also threatened by potential budget cuts. This valuable community service provides a wide range of medical and counselling services not only to Ipswich women but also to their country sisters in the surrounding rural districts. It provides a vital service in the area of community health, as well as confronting the high incidence of domestic violence in our community. It is a sad fact that Ipswich is second only to Logan City in the number of protection orders that have been issued.

Before the last State election, the coalition promised Ipswich a rape crisis centre. Not only has this not materialised, but the future of the Women's Health Centre itself is now under a cloud. Although the local Federal member has been silent on this issue, which affects the majority of her constituents, I want to take this opportunity to implore the Federal Government to restore the Family Planning Association's funding and maintain its support for the Ipswich Women's Health Service.

I say to the Deputy Premier and to the Minister for Health: do not cut funding, but please fill any gap that might be created by any funding cutbacks by your Federal coalition colleagues in their future Budget, and please preserve the existing level of State Government funding both to the Family Planning Association and also to the very valuable services that are maintained by the Ipswich Women's Health Centre, and please deliver on your promise to deliver that rape crisis centre in our city.

Time expired.

Primary Industry Production Enhancement Scheme

Mr STEPHAN (Gympie) (7.28 p.m.): Ever since white settlers came to this country, we have been relying to a very large extent on primary production and primary producers. It is encouraging to note some of the assistance available to primary producers in their time of need. Some of these people visit my office. They are genuine people who are having a rough trot, whether it be because of the shortage of rain or the downturn in the markets.

I note that the Primary Industry Production Enhancement Scheme encourages the increased productivity and viability of producers and aims to enhance the long-term sustainability of agriculture by allowing for build-up and development in conjunction with an agreed property management plan in designated districts of severe land degradation aggravated by small property size.

That can be achieved in two or three different ways. Applicants must have sound prospects of commercial viability in the long term. We only have to look at the farming community to realise that that is the case. It is dependent to a very large extent on whether rain has fallen or whether prices are beneficial. Applicants must be in a full-time working occupation of rural enterprise. Obviously, applicants need to be working full time, be viable and know what they are doing. They must also derive their major source of income from the rural enterprise.

Time expired.

The House adjourned at 7.30 p.m.