

**NOTE:** There could be differences between this document and the official printed *Hansard*, Vol. 315

**WEDNESDAY, 29 AUGUST 1990**

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Mr SPEAKER (Hon. J. Fouras, Ashgrove) read prayers and took the chair at 2.30 p.m.

**DISTINGUISHED VISITOR**

**Mr E. Deeral**

**Mr SPEAKER:** I wish to announce the presence in the public gallery of Mr Eric Deeral, the former member for Cook.

**Honourable members:** Hear, hear!

**PETITIONS**

The Clerk announced the receipt of the following petitions—

**Tourist Operators' Exemption from Land Tax**

From **Mr De Lacy** (12 signatories) praying that tourist operators be exempted from land tax in line with primary producers.

**Union Fees, Payment to Political Parties**

From **Mr Santoro** (10 signatories) praying that public and private sector workers who are union members are not compelled to contribute to political parties through an affiliation with their unions.

**Ecological Disposition of Cleared Timber**

From **Mr Sullivan** (38 signatories) praying that the Parliament enact legislation requiring all cleared timber to be ecologically disposed of.

**Literature and Films Boards of Review**

From **Mr W. K. Goss** (44 signatories) praying for the maintenance of the Literature and Film Board of Review and for a continuation of controls outlawing the sale of all pornographic matter.

A similar petition was received from **Mr Gunn** (74 signatories).

**Government Services, Kingaroy**

From **Mr Perrett** (1 165 signatories) praying for the continued operation of Government services, including railways, in the Kingaroy area.

**Removal of Trees, Lannercost Street, Ingham**

From **Mr Rowell** (1 567 signatories) praying for a review of the proposed plan to remove trees along Lannercost Street, Ingham.

Petitions received.

**PAPERS**

The following paper was laid on the table, and ordered to be printed—

Report of the Queensland Fire Brigades Employees' Superannuation Plan for the year ended 31 March 1990.

The following papers were laid on the table—

Orders in Council under—

Acts Interpretation Act 1954-1988

Statutory Bodies Financial Arrangements Act 1982-1989

Harbours Act 1955-1989

Canals Act 1958-1989

Grammar Schools Act 1975-1989 and the Statutory Bodies Financial Arrangements Act 1982-1989

Rules under—

Golden Casket Art Union Act 1978-1988

Lotto Act 1981-1984

Casino Control Act 1982

Report of the Brisbane Cricket Ground Trust for the year ended 31 March 1990

Proclamation under the Education Act 1964-1990. TAKE IN PAPERS

### **SUPPLY**

#### **Constitution of Committee**

**Hon. T. M. MACKENROTH** (Chatsworth—Leader of the House) (2.33 p.m.): I move—

"That this House will, at its next sitting, resolve itself into a Committee of the Whole to consider the Supply to be granted to Her Majesty."

Motion agreed to.

### **WAYS AND MEANS**

#### **Constitution of Committee**

**Hon. T. M. MACKENROTH** (Chatsworth—Leader of the House) (2.33 p.m.): I move—

"That this House will, at its next Sitting, resolve itself into a Committee of the Whole to consider of Ways and Means for raising the Supply to be granted to Her Majesty."

Motion agreed to.

### **MINISTERIAL STATEMENT**

#### **Port of Brisbane**

**Hon. D. J. HAMILL** (Ipswich—Minister for Transport and Minister Assisting the Premier on Economic and Trade Development) (2.34 p.m.), by leave: On 2 August, in answer to a question without notice from the Leader of the Opposition, I gave an undertaking to provide him with a letter outlining in detail the steps that the Government has taken to introduce genuine competition into container trade through the Port of Brisbane.

I have heard that the Leader of the Opposition is having difficulty filling key positions on his personal staff. I paid little attention to those rumours until yesterday, when the Deputy Leader of the Opposition asked, "Where is the letter?"

As all honourable members are aware, it is normally the duty of private secretaries to follow up matters of correspondence. Nevertheless, I answered truthfully that I had

signed the letter. Unlike some honourable members, I do have an efficient filing system and I can produce the copy. The letter is dated 27 August. On Monday morning, it was sent from my office through the Government's internal mailing system and should have been in Mr Cooper's possession prior to question-time yesterday.

As the Leader of the Opposition clearly has difficulty in keeping track of his correspondence and so that there can be no confusion, I have chosen to make it an open letter. I now seek leave to table the document and have it incorporated in *Hansard*.

Leave granted.

*Whereupon the honourable member laid on the table the following document—*

Mr T R Cooper MLA

Leader of the Opposition

Parliament House

BRISBANE QLD 4000

Dear Mr Cooper

I refer to your question without notice on 2 August 1990 concerning Berth 2 at Fisherman Islands.

The Port of Brisbane Authority has informed me that in pursuance of trade growth, funds for wharf extension had been committed and that those extensions have been referred to as common user facilities.

Recently however, commercial opportunities arose upon which the Authority was quick to act. You will recall Terminal 3 was to have been operated by National Terminals of Australia Limited. With only one berth and one crane to offer ship owners and conference lines, the company was unable to compete effectively with stevedores Brisbane Amalgamated Terminals Limited and was therefore reluctant to proceed with the proposal.

Resulting from subsequent discussions between officers of the Port Authority, Patrick Stevedoring and the Australian National Line, a new company was formed in July 1990. Brisbane Gateway Terminal Limited (B.G.T.L.), a joint stevedoring terminal operation, is owned 60% by Australian National Line Limited and 40% by Strang Patrick Stevedoring.

The new company will assume responsibility for Patrick's existing operations at their Fisherman Islands facility, which is being expanded to provide a second major stevedoring terminal for shippers and shipowners using the port of Brisbane. B.G.T.L. will operate Terminal 3 and Wharf 3, Wharf 2 and an adjoining terminal area.

Substantial benefits for the port as a whole, including importers and exporters, have been obtained as a result of these successful negotiations. Funding was provided by B.G.T.L. to enable the Port Authority to purchase a new \$4 million mobile wharf crane. The Australian National Line is committed to withdrawing from Newstead Wharf by March 1991, which will result in substantial dredging cost savings to the Authority.

I have been informed that discussions have commenced with the relevant unions and staff of both companies to ensure the establishment of an integrated management and workforce. It is intended that an Enterprise Based Agreement will be negotiated, designed to produce a specialised workforce dedicated to customer service and a level of productivity appropriate to the 1990's and into the next century.

The major benefit from the new arrangements will be the existence for the first time, of genuine stevedoring competition in the handling of containers in the port and that action will contribute considerably to waterfront reform.

Through the Heads of Agreement, B.G.T.L. is required to achieve agreed performance levels and throughput levels in Terminal 2 and Berth 2, in order to justify continued usage of the site.

As you can see, there is now an opportunity for the owners of cargo, the real port users, to obtain benefits. I might add that the action taken was as a result of full and frank discussion by the Board and officers of the Authority and has my full support.

Clearly the establishment of this new, competitive and advanced facility results from the actions of a commercial Government business enterprise at work. It is also contrary to the approach taken by the National Party led Government when Terminal 5 (then Terminal 2) and cranes were made available to the existing operators of the adjoining terminal (then Terminal 1), effectively denying the port users of any genuine stevedoring competition in the handling of containers in the port.

I believe the benefits of the Authority's actions are clearly apparent in this matter. Had the previous Government accepted the advice of its experts, a stevedoring monopoly situation at Fisherman Islands could so easily have been avoided from the beginning.

Yours sincerely

David Hamill

Hon D J Hamill MLA

Minister for Transport and

Minister Assisting the Premier on

Economic and Trade Development

Member for Ipswich

**Mr HAMILL:** The letter shows clearly that the port authority has acted with complete propriety. I direct the attention of the Leader of the Opposition to the second-last paragraph, which spells out in clear and unambiguous terms how the Government, unlike its predecessor, encourages genuine competition. Should any further correspondence go missing, I suggest that the Leader of the Opposition try to discover the location of his missing filing cabinet.

### **MINISTERIAL STATEMENT**

#### **Workers' Compensation Act**

**Hon. N. G. WARBURTON** (Sandgate—Minister for Employment, Training and Industrial Relations) (2.37 p.m.), by leave: Today, I am releasing a discussion paper in relation to proposals for revision of the Workers' Compensation Act 1916-1988. A new Act is proposed. It will be a comprehensive, modern statute with mining diseases being incorporated into it.

The paper also recommends that the table of injuries be extended, that benefits be tabulated for ease of reference and that the currently cumbersome schedule be incorporated into the legislation proper.

The structure of the Act will also be reformed and simplified.

It is important to note that the underlying philosophy of the Queensland system will be retained, including the key features of the "no fault" principle, a single insurer, unlimited common law damages cover, and a fully-funded scheme.

The proposals also aim to provide increased and additional benefits for injured workers, that is, the maximum compensation payment is to be increased by 20 per cent, the death benefit is to be increased substantially and the period during which the award rate is payable is to be extended from 26 weeks to 39 weeks. Another innovative and important proposal is to facilitate the provision of information to injured workers. Systems to allow easier access to information will be instituted.

The system of workers' compensation in Queensland began with the T. J. Ryan Labor Government in 1916. It is very definitely the present Labor Government's intention to ensure that our workers' compensation system, which is the most efficient system in Australia and the one with the lowest average premium, will be maintained. I table a copy of the discussion paper.

*Whereupon the honourable member laid the document on the table.*

#### **LEAVE TO MOVE MOTION WITHOUT NOTICE**

**Mr COOPER** (Roma—Leader of the Opposition) (2.39 p.m.): I seek leave to move a motion without notice condemning the Premier for his handling of the Comalco/Boyne Island smelter expansion.

Question—That leave be granted—put; and the House divided—

AYES, 33  
NOES, 48

## DIVISION

Resolved in the negative.

**QUESTIONS UPON NOTICE****1. Audit of Milk Costing**

Mr BOOTH asked the Minister for Primary Industries—

"With reference to his announcement some time ago that an audit of milk costing in Queensland would take place—

(1) Is this audit based on actual production costs of milk production in Queensland, or on comparisons with other States?

(2) What stage has been reached by this audit, and when will he be able to make a decision on changes to milk pricing structure?"

**Mr CASEY:** (1) The terms of reference for the inquiry, which is being conducted by Arthur Andersen and Company, called for an analysis of costs and returns in each sector of the dairy industry in south-east Queensland, as well as comparisons with costs in other States.

(2) Owing to difficulties in obtaining some interstate information, finalisation of the report has been delayed. However, the final report was actually delivered to me by the consultants late yesterday afternoon. I will make a statement on the matter when I have had the opportunity to study the report in detail.

**2. Review of QIDC Interest Subsidies**

Mr BOOTH asked the Treasurer and Minister for Regional Development—

"With reference to the fact that some primary producers receiving interest subsidy from the QIDC have been asked to complete new application forms—

Will applicants be treated sympathetically, or is it just a waste of time completing the forms?"

**Mr De LACY:** I presume that the honourable member's question relates to the Government's recent decision, in response to the Polichronis report on the operations of QIDC, to review the effective interest rate applying to existing concessional rural rate

loans. The principle underlying this change is that assistance would be better targeted at those producers in genuine need.

The basic guideline is that when the financial circumstances of the client permit, the interest rate will be moved to a more commercial level. I stress that only those producers who are assessed as clearly having the capacity to service a more commercial interest rate, without threatening ongoing viability, will be affected. This will need to be assessed on a case-by-case basis, taking into account the particular financial circumstances of each client. In this regard, producers with an existing concessional rural rate loan have been invited to apply for interest subsidy.

To allow for a fair and proper assessment of financial positions and needs, if any, for interest subsidy, producers have been requested to submit certain financial information to the Government schemes division of QIDC. I wish to stress that this is in no way a Claytons review. When a genuine case is made for interest subsidy, the subsidy will be provided. There will be no effective increase in the concessional interest rate if such an increase would threaten ongoing viability.

I assure the House that applicants will be treated fairly and sympathetically and that it is certainly not a waste of time completing the forms. Of course, producers are free to make their own commercial decision not to complete the forms, if they consider that the strength of their financial position is such that it would most likely preclude them from receiving an interest subsidy. Further, producers wanting to appeal against a decision on their concessional loan rate will be able to have their case reviewed by a special committee.

For the information of the House, I advise that, to date, the Government schemes division of QIDC has received some 1 000 applications for interest subsidy. Of these, approximately 40 per cent contained only part information, and QIDC is liaising with those clients to obtain the information required to carry out a comprehensive and equitable review. In this regard, QIDC officers have been requested to assist clients, where necessary, in completing the application forms. Of the completed applications processed to date, approximately 85 per cent qualify for interest subsidy.

#### **QUESTIONS WITHOUT NOTICE**

##### **Gladstone Power Station; Proposed Boyne Island Smelter Expansion**

**Mr COOPER:** In directing a question to the Premier, I refer to his comments on radio earlier today that I had made up a set of unbelievable figures relating to the benefits to Queensland of Comalco's now-abandoned proposal for the expansion of the Boyne Island smelter, and I ask: is he aware that Comalco's own figures, repeated by me, indicate that the expansion would cost approximately \$800m; that the company was willing to spend more than \$700m on the purchase and refit of the Gladstone Power Station; that the projected positive impact on the balance of payments was at least \$6 billion over the life of the project; and that some 550 new jobs and possibly up to 1 000 new jobs were involved? Secondly, will the Premier now admit that his obvious failure to oversee these negotiations personally and his failure to lead, once again, have cost Queensland valuable jobs and development opportunities?

**Mr W. K. GOSS:** I was hoping that that question would come because I want to tell the House something about figures. I have something here from Mr Cooper's files.

**Opposition members** interjected.

**Mr SPEAKER:** Order! The Premier will resume his seat. Honourable members, I would like to suggest during question-time that the person giving the answers be heard. I give a general warning that I will not take unnecessary interjections from the Opposition side.

**Mr Cooper** interjected.

**Mr SPEAKER:** Order! I warn the Leader of the Opposition under Standing Order 123A.

**Mr W. K. GOSS:** The issue of the sale or otherwise of the Gladstone Power Station was fairly and squarely on the agenda of the Leader of the Opposition when he came to the office of the Premiership last year. If it was such a good deal to sell the power station for \$500m, which is the figure that the National Party started off with, why did he not sell? Why did he not conclude the negotiations? Why did he not do the deal? Was it incompetence? Who knows? Only he can answer that. He talks about selling a public asset.

**Mr Stoneman** interjected.

**Mr SPEAKER:** Order! The member for Burdekin will cease interjecting.

**Mr W. K. GOSS:** The Leader of the Opposition talks about selling a public asset. I take it that the Opposition accepts the proposition that it should be sold for a price that is fair and reasonable and in the public interest. I take it that Opposition members would agree with that proposition.

I have a memorandum from Peter Anemaat, the principal private secretary to the former Premier, to the director-general, which reads— "The Honourable the Premier"—  
that is Mr Cooper—

"has agreed to meet with Mr. Tom Barlow, Chief Executive of Comalco Limited at 4.30 p.m. on 4th October, 1989 at Parliament House.

The purpose of the visit is a courtesy call and also to discuss the Boyne Smelter expansion.

The Premier would appreciate your attendance at the meeting."

It goes on to note that the meeting was held. For the benefit of Mr Cooper, I point out that attached to the memorandum is a summary of the four valuations that he was given. The Comalco analysis was for \$557m. The QEC analysis was for \$950m. The Treasury analysis was for \$900m. More than that, in the public interest, the previous Government obtained an independent valuation from consultants Gutteridge, Haskins and Davey, which was for \$1.1 billion.

I table those documents to expose the hypocrisy of somebody who says that he would have if he could have, but he never.

*Whereupon the honourable member laid the documents on the table.*

**Mr W. K. GOSS:** In relation to the figures, the important point that must be made is that, although my Government and the previous Government were given valuations that indicated a value in the vicinity of \$1 billion, my Government is not locked or absolutely fixed on that sum. It has indicated at all times that it is prepared to compromise. Neither this Government nor Comalco supports the proposition that a subsidy should be involved. We both agree that the principle is balancing the economic viability against the legitimate interests of the public, in particular electricity-consumers. If a significant section of our power supply is taken out of the supply system and has to be replaced, who pays the replacement costs? The electricity-consumers of this State.

Cabinet has made a decision that the Government is prepared to sell the power station. It is happy to sell it tomorrow. But, in the public interest, it will seek a fair and reasonable price. The valuations which the former Government received and which my Government received are a guide in those negotiations. Let me repeat that my Government is not locked in. The Leader of the Opposition is a pretender of a Premier who will never reach that office again—and he knows it. He knows he is keeping the seat warm for the member for Surfers Paradise. One year from the next election is the timetable for the Queensland National Party's answer to Charles Blunt.

The short answer is: the Leader of the Opposition had three months in office to do this deal and he never did it. The Government would not do that sort of deal because it would not sell the public out cheaply.

What would happen if the Government set an improper precedent?

**Opposition members** interjected.

**Mr SPEAKER:** Order! I warn the member for Surfers Paradise and the member for Burdekin under Standing Order 123A.

**Mr W. K. GOSS:** If we set an improper precedent in this instance, we would see rolling on a situation in which all the public assets of this State would be gone and the place would be bankrupt. We will not do that.

#### **Abortion Law Reform**

**Mr COOPER:** I direct a second question to the Premier. In view of the dissension in Government ranks and among some ministerial personal staff over the Government's handling of the abortion law reform issue, I ask: can he outline his Government's timetable for the introduction of its election promise on this issue?

**Mr W. K. GOSS:** I am very pleased to have a question that raises the issue of whether a group of people are divided or whether the team is together. Our team is together. This morning, we had a very productive and healthy debate which resolved the Government's attitude.

However, let me tell the House that things are not so happy on the other side. To deal with the internal problems, Opposition members came up with a wonderful idea to try to have this session of bonding. That was to be achieved by a special function last night at Augustine's Restaurant.

It is appropriate that we have harmony in the various ranks of the teams in this Parliament. I will relate why it is so appropriate that Opposition members met at Augustine's Restaurant. St Augustine of Hippo, as Opposition members would know, is generally recognised as the greatest thinker in Christian antiquity. For members of the Opposition team to model themselves on the Order of St Augustine is very appropriate, because one of the canons or principles of the Augustinian order is to give up private ownership and to live together according to monastic ideals.

**Mr SPEAKER:** Order! I suggest that the Premier gets around to answering the question.

**Mr W. K. GOSS:** I am sorry, Mr Speaker. I get distracted by the babble from the rabble.

**Mr Lingard:** When you get embarrassed your hairline goes red, too.

**Mr W. K. GOSS:** The member for Fassifern should be the last person to talk about embarrassment. His embarrassment is just beginning.

In answer to the question and the issue raised—it is not on the Government's agenda.

#### **Complaints against W. J. Huey; Withdrawal of Charges**

**Mr PREST:** Is the Attorney-General aware that five complaints were taken out by Detective Sergeant First Class John Phillip Reynolds of the task force of the Railway Squad against William John Huey? Following requests by the Commissioner of Police, did the Director of Prosecutions take over the prosecution? Did the Director of Prosecutions then withdraw the charges on the understanding that he would make a further detailed examination of the matter? If so, can the Attorney-General advise the House of the results of that further examination?



**Mr WELLS:** Yes, the Director of Prosecutions has further examined the Huey matter. I confirm the statement by the honourable member that five complaints were taken out by the detective sergeant mentioned by the honourable member.

The Commissioner of Police requested the Director of Prosecutions to immediately take over the prosecutions. He agreed to do so. Representations were made to the Director of Prosecutions by Huey's legal advisers, and the Director of Prosecutions agreed to withdraw these charges. However, he stipulated that the matters of the complaints would be examined thoroughly and, if it was then thought proper that fresh proceedings should be instituted, they would be instituted in the proper way.

The charges were withdrawn. The Director of Prosecutions has now examined thoroughly all charges raised. The firm view of the Director of Prosecutions is that no further action can properly be taken, and he proposes to take none by way of having charges laid.

The allegation of perjury was considered in 1983. The officer examining the matter is now the Deputy Director of Prosecutions. At that time he advised that there was not sufficient acceptable evidence to prove that Huey knowingly gave false evidence. The Director of Prosecutions advises that for reasons which appeared good at the time—and which still appear to him to be good—the decision was taken not to prosecute any perjury or fabrication charge. It is the advice of the Director of Prosecutions that it would be a shameful exercise of the Crown's discretion if, in 1990, a decision was made to lay charges which might have been laid in 1983. In the case of Jago in the District Court of New South Wales, Mr Justice Deane held that such a delay in laying charges that could have been brought many years before may constitute an abuse of process.

At that time—in 1983—a conspiracy charge was brought against Huey; this was the only charge that was brought because the Crown had made the decision that there was not sufficient evidence to prosecute any other matter. However, the magistrate declined, on legal grounds, to commit Huey on any indictable offence. At this time the Crown still has the discretion, if it wishes, to bring an ex officio indictment. However, this discretion has not been exercised—again on legal grounds. So the matter is now legally closed.

All relevant parties have now been advised that the Crown does not intend to bring any further prosecutions in respect of these matters.

#### **Article in Warwick Daily News regarding Railways Staff Cuts**

**Mr PREST:** I draw the attention of the Minister for Transport to an article in the *Warwick Daily News* of 22 August headed, "Railway cuts 17 staff at Warwick". Has the Minister seen the article? If so, can he inform the House of the progress that he has made in guaranteeing a high-quality, cost-efficient rail service in Queensland?

**Mr HAMILL:** I thank the honourable member for the question. I am sure that his interest in railway matters is well known to all honourable members.

In answer to the question—yes, I have seen the report in the *Warwick Daily News* regarding the reorganisation and redeployment of railways staff in Warwick. Let me make the point that the Queensland Government is committed to greater efficiency and cost-effectiveness in the rail system. On previous occasions in this House I have made the point that, unlike our predecessors, this Government will approach the matter of the rail system fairly from the point of view of redeployment of staff and making improvements to services where those services can be improved.

I was disturbed to read in the article to which the honourable member referred that a union official, Mr Barry Powell, of the AFULE, stated—

"The senior management under the chairmanship of assistant commissioner of Corporate Services (Department of Railways) told the union that under the previous government, Warwick was safe because of National Party sponsorship.

This, however, is no longer the case and we hold grave fears for the future of 35 Warwick railway employees."

I want to assure railway workers throughout the State, and in particular the railway workers in Warwick, that this Government rejects totally the approach as claimed by that union official as being told to those workers by that officer of Queensland Railways. In the past, under the National Party and the Liberal Party, it may have been the case that railway centres such as Townsville, Rockhampton, Brisbane and Ipswich suffered the brunt of savage cuts to the work force, that they were singled out for special treatment while other areas of the State were left alone because of special National Party sponsorship.

I want to make the point that the redeployment of staff in Warwick has been reassessed and, rather than just destroying railway jobs in Warwick, those railway employees have been given the opportunity to continue to work for Queensland Railways. That is quite a departure from the attitude that was adopted by our predecessors, who showed railway employees throughout the State the door, not in their hundreds but in their thousands.

The commitment of this Government to the railway system is clear. This Government wants a future for Queensland Railways, and it wants a future for railway operations throughout the State. That means security of employment and long-term employment for railway workers, and an enhanced quality of service by the railways in country towns throughout the State.

#### **Members of the Parliamentary Committee for Criminal Justice**

**Mr BEANLAND:** In directing a question to the Premier, I refer to his comments in this House yesterday that he was unaware of any pressure being placed on any member of the Parliamentary Committee for Criminal Justice and, if there had been, that member should resign or refer the matter to the Select Committee of Privileges.

I refer to an interview in the *Sunday Mail* on 22 July in which the Chairman of the Parliamentary Committee for Criminal Justice, the honourable member for Brisbane Central, stated—

"I'm not naive. I know that in Labor Party circles, my pursuing the Fitzgerald agenda hasn't done my position a great deal of good. And it's been made clear to me by certain friends and colleagues that my ministerial hopes may well have evaporated in the immediate future."

As this is clearly unarguable evidence of pressure on the Chairman of the Parliamentary Committee for Criminal Justice, I ask: firstly, what action does your Government plan to take on this issue? Secondly, should the honourable member resign? Thirdly, should the matter be referred to the Select Committee of Privileges?

**Mr W. K. GOSS:** The answer to the first part of the question is "No". The second part of the question is therefore irrelevant because of the answer to the first part. In respect of the third part of the member's question, that is a matter for the member for Brisbane Central, and I am sure that he will make the right decision.

**Opposition members** interjected.

**Mr SPEAKER:** Order! I assure honourable members that my tolerance is being severely tested.

#### **Gladstone Power Station**

**Mr BEANLAND:** I direct my second question to the Premier. Today, he released selective parts of memos from the Comalco file about the proposed sale of the Gladstone Power Station. Those figures referred to the previous Government. I ask: is he prepared to table in this House the figures and the files—lock, stock and barrel—and most importantly, the assumptions that the Government's figures are based upon in relation to the sale of this power station?

**Mr W. K. GOSS:** The reason that I will not do that is quite simple: negotiations at this level and involving sums of this order are not conducted in the public arena. I think it is a disgraceful and unprincipled approach on the part of both the members of the National Party and the Leader of the Liberal Party. They are endeavouring to do all that they can to damage the Queensland economy for the purpose of scoring a political point.

This unprincipled, negative and knocking approach of the Leader of the Liberal Party has already been recognised by the leader writer of the *Courier-Mail* in response to a similar approach that he took last week when it came to the question of Japanese investment. What he is displaying is this hypocritical but dishonest approach that says, "I am pro development", but at the same time tries to block and frustrate development to score a political point. Hence, the opening paragraph in the *Courier-Mail* lead stating—

"There seems to have been an element of mischief in the question the Liberal leader, Mr Beanland, put to the Treasurer in State Parliament yesterday on the thorny point of Daikyo's Queensland investment."

In other words, that article recognised what the business community and the general community is recognising, that is that the members of the National and Liberal Parties are knockers. They knock, knock, knock. They are negative. They would rather see tremendous damage done to the Queensland economy so they have an opportunity to criticise rather than allow such negotiations to occur in the place and in the manner that they should occur, which is in private. Anybody on that side of the House who suggests that one can conduct negotiations in respect of multimillion-dollar deals in the middle of George Street is a fool or corrupt.

**Mr Littleproud** interjected.

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

#### **Queensland's Workers' Compensation System**

**Mr PALASZCZUK:** In asking a question of the Minister for Employment, Training and Industrial Relations, I refer to his ministerial statement in which he stated that Queensland's workers' compensation system is the most efficient in Australia. I now ask: firstly, is he aware of a recent call for the privatisation of Queensland's system by the member for Merthyr, Mr Santoro, speaking on behalf of the Liberal Party? Secondly, would he advise the House as to what effect Mr Santoro's view, if put into place, would have on Queensland's workers' compensation system?

**Mr WARBURTON:** Most members in this House would appreciate that Mr Santoro is completely out of step with those people and organisations that have recently made many written submissions to my department on this particular matter. As I mentioned in my ministerial statement, employer associations, employee organisations and the legal and medical professions have all overwhelmingly supported the present system of workers' compensation in Queensland and have supported the philosophy behind it. They have clearly indicated that they want the Workers Compensation Board of Queensland to remain as the sole insurer of employers' liability.

The short answer to the honourable member's question is that the Santoro/Liberal Party plan, which is evidently for privatisation of this very efficient scheme, if they ever had the opportunity to implement it—and they will not—would result in the demise of a very efficient and fully-funded system. I suggest that the type of problems now confronting some of the other Australian States would begin to appear.

By now, all honourable members will have on their desks a copy of the discussion paper. I sincerely suggest that Mr Santoro and his Liberal Party team research that discussion paper in great depth. If they do so, hopefully, they will change their minds.

In conclusion, I find the call by Mr Santoro for the privatisation of the Queensland workers' compensation system to be very regrettable, ill-founded and highly irresponsible.

When one takes into consideration his utterances over recent days in this place on very important issues, then, quite frankly, I do not believe his comment is entirely unexpected.

#### **Empanelling of Jurors; Dropping of Criminal Charges by Crown**

**Mr PALASZCZUK:** I refer the Attorney-General to the reported comments by Mr Justice Connolly that the criminal justice system "just isn't working" and that this year has been a disturbing year for him. I refer also to his particular complaint that one of the major problems is caused by the Crown dropping charges in relation to major offences at the last moment before trials are due to start, and I ask: what does he intend to do about the situation?

**Mr WELLS:** If my memory serves me correctly, that question is very like the question that was asked last week by the honourable member for Moggill. But the trouble is that the honourable member for Moggill asked the wrong Minister. He asked the Minister for Justice, who does not have any responsibility for the Office of the Director of Prosecutions.

The honourable member for Archerfield has a longstanding commitment to open government and he was very anxious that honourable members opposite should receive an accurate answer to the question that was asked. Years ago, when we on this side were in Opposition, we knew the questions and those who are now sitting opposite did not know the answers. Now that they are in Opposition, we know the answers and they do not know the questions. So I will now tell them the answer.

The answer is that Mr Justice Connolly very correctly identified the problem as being staff shortages in the Office of the Director of Prosecutions. Some time ago, this Government took action to remedy those staff shortages, which were caused by years of the previous Government's neglect in allowing that office to run down and suffer staffing attrition. So bad was that neglect that cases of fraud and cases of confiscation of profits of crime were not being prosecuted, simply because the resources were not available and prosecutors would need to have been taken away from prosecuting murders, rapes or other crimes of violence to deal with them.

Cabinet authorised in principle the establishment of 19 new positions in the Office of the Director of Prosecutions. Those positions are now in the process of being filled. The results of that speedy and effective action will show up in the very near future. Mr Justice Connolly will be pleased to hear that the result of that will be that the problems of cases being dropped shortly before the commencement of a hearing will not recur in the way they have in the past.

The action taken by this Government is appropriate and expeditious, and it will be effective, unlike the administration of the Office of the Director of Prosecutions by the previous Government.

#### **Boyne Island Smelter**

**Mr BORBIDGE:** I direct to the Premier a question relating specifically to his personal involvement in the Boyne Island bungle. I refer to comments attributed to him in Gladstone when he attended the ICI opening a couple of weeks ago when he said that, at this very sensitive stage of negotiations, these negotiations were now being handled at a lower level. I ask the Premier: why did he not personally take charge of these negotiations? Who was in charge of these very sensitive negotiations in respect of the smelter expansion? What access did those people have to him?

**Mr W. K. GOSS:** The situation is that I am in charge of those negotiations and have been at all relevant times. I did not cease to be in charge of the negotiations. I have kept that responsibility. Talks have occurred at an officer level in relation to technical aspects of the issues that are under negotiation and the assumptions and calculations that come into play.

If the member knows anything about it—and I am not sure whether he does or not—he would be aware that just about any price can be put on the value of an asset such as a power station. The determination of the value depends on quite a complicated set of calculations and which assumptions are fed into them.

Advice has been received from a number of sources, from both within and outside the public sector, that indicates a value towards the higher end of the various figures that have been thrown about. These are exactly the same figures and exactly the same calculations and assumptions as those which were available to the Premier to whom Mr Borbidge was loyal—or both the Premiers to whom Mr Borbidge was loyal. Nothing has changed in that regard.

Technical experts on both sides of the negotiations are continuing to explore the assumptions and calculations involved. I am not sure how far they will progress. I think there is room for compromise on both sides. There is certainly room for compromise on our side. But at the moment a very substantial gap exists. With a bit of goodwill and, I hope, a bit of good faith on both sides, we hope to resolve the matter. If it is resolved, it will be good. If it is not resolved, then both sides will accept it as a deal that was not possible because the respective interests of the two parties did not coincide, and that is what a bargain is all about.

#### **Boyne Island Smelter**

**Mr BORBIDGE:** I refer the Minister for Manufacturing, Commerce and Small Business to comments made by the Premier in defence of his bungling—that is the Premier's bungling—of the Boyne Island smelter expansion by alleging that the Opposition had used "pathetic and unbelievable" figures in respect of the cost and the economic impact of the project. I also refer the Minister to his department's *Summary of Major Development Projects and Proposals Issue No. 10, 1990*, and I ask: does he stand by the figures supplied by his department in that publication? Or does he support the Premier's comments that the figures used by the Opposition are inaccurate?

**Mr SMITH:** Quite obviously, the publication would have been put to bed some time previously. The figures quoted by the Premier are those of which I am aware. In fact, I am part of the interdepartmental team that looks at those figures. The figures that the Premier has quoted are the figures that I accept. The honourable member has been given the correct figures; that is it.

**Mr Borbidge** interjected.

**Mr SPEAKER:** Order! I warn the member for Surfers Paradise for the final time under Standing Order 123A, and I mean it.

#### **Redevelopment of Expo Site**

**Mr BEATTIE:** I ask the Premier: in relation to the redevelopment of the Expo site, could he outline the latest position on the redevelopment project and the current position on the inclusion of a convention centre and casino on the site or elsewhere?

**Mr W. K. GOSS:** This question raises important issues for the honourable member's constituents and the general public. The redevelopment of the Expo site is a very important project. The House should be informed that the member has been very assiduous in pursuing the interests of his constituents at various important stages of the project right from when this Government came to office and had to clean up the mess—the bungle—that had been left by the previous Government. I refer to the 18 months of dereliction of duty that this Government inherited and is now starting to remedy.

I was very pleased to visit the Expo site in July and to take part in various activities relating to preliminary site preparation, which was important before the next major

stage—the parkland redevelopment—could commence. Because of the successful conclusion of the tendering process, that redevelopment will commence next month and is expected to be completed in mid-1992.

The public should appreciate that this Government has set a budget for the redevelopment of the site. In conjunction with the Brisbane City Council and the South Bank Authority, the Government will do its best to ensure that the public interest is maintained and that costs are controlled.

Because of the failure of the previous National Party Government to take action to redevelop the site, massive losses of public funds have been incurred. Neither the Leader of the Opposition nor his predecessor could get out of neutral. They left behind that eyesore—that bomb site—which has been of concern to the member for Brisbane Central and all other members of the Government.

Honourable members should be aware that the tenders received were of a higher range than expected by the South Bank Authority. After consultation with the State Government and, in particular, the Deputy Premier and the Brisbane City Council, the South Bank Authority was able to renegotiate and organise a successful tender from Thiess Contractors for \$15.9m for the parkland redevelopment.

The renegotiated plan necessitated some adjustments to the design, including a reduction in the reclaimed area at the northern end of the site, a revised design for the river wall and simplification of some aspects of the earthworks and services designs.

The convention centre has been the subject of debate, to which the member for Brisbane Central contributed, both within Government and public arenas. The Government believes that this State and, particularly, this city needs a world-class convention and exhibition centre. It is a disgrace that the previous Government did not move on such a project.

**Mr Cooper** interjected.

**Mr W. K. GOSS:** The Leader of the Opposition is carping and making negative comments. However, the public appreciates that this Government is doing something about the project.

Cabinet has approved in principle a convention and exhibition centre. As the member for Brisbane Central has done, it is correct to link the project with the possibility of a casino in Brisbane. The project must be paid for, and a casino on a separate site or in conjunction with the redevelopment seems to be one of the most likely prospects at this stage.

A further, detailed feasibility study will be undertaken by the South Bank Authority, which will be reporting to the Parliament, the public and, particularly, the member for Brisbane Central and his constituents. The decision about the siting of the casino is very important. A casino, convention centre and hotel may have to be considered as part of the total redevelopment. They are probably the most likely options. When the feasibility study is concluded, I will further advise the member for Brisbane Central and the House.

#### **Brisbane River Management**

**Mr BEATTIE:** I direct a question to the Minister for Environment and Heritage. In view of the increasing concern expressed by my constituents about lack of cohesive management of the Brisbane River and apparently increasing levels of nutrients from sewerage discharges, run-off from agricultural land, turbidity and industrial discharge into the river, I ask: will the Minister advise the House what action he is taking to protect and cohesively manage the Brisbane River?

**Mr COMBEN:** I thank the member for the simple, short question. The Brisbane River as a whole is of great concern to the honourable member in the same way as he is concerned about its south bank of the river. It is a great tribute to him that he raises such matters in this House.

The Brisbane River is a tremendous asset to this city. For too many years under previous Governments it was mismanaged, poorly managed and underutilised. The result is that the river is at its maximum peak for carrying nutrients from sewerage. It has a maximum run-off load and maximum discharges from industrial sites further down the river.

A comprehensive management plan is needed. However, such a plan cannot be drawn up overnight. At least 35 different bodies, including Government departments, local authorities and instrumentalities, have control over the river in one way or another. It is well known that my department is considering the future planning of Moreton Bay.

During the next couple of months, a task force will produce a report on the future of the bay and its proper management. The Government is also considering coastal protection. When systems that ensure the protection of the bay and coastal regions are in place, the river will be considered. In particular, the sewerage discharge will be considered. No more sewerage can be put into the river. The nutrient load would turn the river green if it was not for the amount of siltation—the load that is carried down from run-off. This Government is examining all licences for discharge into the Brisbane River and considering a cohesive management plan for the river.

Although the plan will not be completed overnight, the member for Brisbane Central can be assured that it is clearly on the Government's agenda. I hope that further discussions involving those other departments, instrumentalities, local authorities and the community will be held by the end of the year. We will then see a river that is properly managed by the Government, in total contradiction to the mismanagement of the former Government, which left us with an ecological disaster.

#### Capricornia Train

**Mr LESTER:** Is the Minister for Transport aware that it is strongly rumoured within the Railway Department that the Capricornia train with sleeping-car facilities that runs between Rockhampton and Brisbane every Thursday, Friday and Sunday night will be replaced by a Spirit of Capricorn-type train that has no sleeping-car facilities? Because an overnight sit-up service would cause great hardship for the elderly, mothers with young children and tourists, will the Minister put to sleep such a rumour and ensure that the sleeper service that has existed for most of this century is retained? To do otherwise would not be an improvement in the service. As the Minister said previously——

**Mr SPEAKER:** Order! I suggest that the member for Peak Downs get to his question. I suggest also that the member make his question shorter.

**Mr LESTER:** Clearly, the question is: will he retain those sleeper services, and are those rumours simply rumours?

**Mr SPEAKER:** Order! Before the Minister answers the question, I suggest to the member for Peak Downs that that is the way in which he should have asked the question in the beginning.

**Mr HAMILL:** The simple answer is "Yes". Rumours are rumours.

As to long-distance passenger train services—I well recall that, last year, the National Party Government had a proposition that would have removed altogether both the Capricornia service altogether and the sleeper service from Cairns to Rockhampton in conjunction with the introduction of the Spirit of Capricorn. As the shadow Minister for Transport, I strenuously opposed that, and I have made a firm commitment to the travelling public of Queensland that the Queensland Government supports the retention of sleeper train services. In New South Wales, the National Party and the Liberal Party destroyed long-distance passenger train services by the removal of sleepers and dining cars from those trains.

### Queensland Railways

**Mr LESTER:** This time I will try to shorten my question.

I ask the Minister for Transport, is he aware that reports are emanating from the Railway Department that approximately 262 railway sidings will be abolished, thereby reducing the current number from 312 to 60? Is the Minister aware that many of those sidings have facilities for loading cattle and sheep? Will those facilities also be closed, denying reasonable access for graziers to take their sheep and cattle to rail? Is the Minister aware that, at a time when great concern is being expressed about the economy, approximately 16 000 jobs will be lost. Those are not my figures; they are from the Secretary of the Australian Railways Union, Pat Dunne. Will the Minister refute those rumours?

**Mr HAMILL:** I could be excused for confusing the first question with the second question. As a reference was made in the first question to "sleep", I can only assume that the honourable member was asleep when the subject of his second question was widely canvassed in the Parliament.

Mr Speaker, let me make a few points——

**Mr SPEAKER:** Just a few.

**Mr HAMILL:** I will state a few facts, not rumours.

Last Thursday, when I addressed the State conference of the Australian Railways Union, I spoke about the integrated transport initiative being taken in Queensland Railways. It is true that there are 312 locations in Queensland, all of which are on railway lines, where freight is either shipped or received. Ninety-eight per cent of the freight task is handled at 60 of those locations. The freight initiative that I have outlined will provide a better network and therefore a better level of servicing, particularly in country areas, that will extend Queensland railway freight services to centres that are not located on a railway line.

I know that the honourable member for Peak Downs will have great difficulty in grasping that concept. Basically, the proposition is this: by establishing a series of major freight centres for the consolidation of freight and for the movement of that freight by faster trains, a more convenient and a more efficient delivery of goods will be made, and that will attract additional custom to Queensland Railways. By the same token, a Queensland Railways road service can feed into that network and provide the freight service to those other smaller centres that are not reached by the railways.

When the honourable member referred to sidings that he incorrectly asserted would be closed, he referred to freight trains that stop and pick up as few as 10 beasts a year. Surely, even the honourable member for Peak Downs would appreciate that a transport service to be provided by Queensland Railways should deliver value for money to its customers and to its share-holders, the people of Queensland. I stand committed to carrying out both of those tasks.

### Manly Boat Harbour

**Mr ELDER:** In directing a question to the Minister for Environment and Heritage, I draw his attention to the reclamation work being carried out at the Manly Boat Harbour. I ask: what is the background of the project, what can be done about the matter and what effect will it have on the Moreton Bay strategic review?

**Mr COMBEN:** I am very much aware of the community concern in the Wynnum Manly area about the proposal to expand the Manly Boat Harbour. It must be put very clearly on the public record that the proposal has been around for a long time.

On 22 January 1979, the Harbours Corporation of Queensland applied for reclamation of land at Manly Boat Harbour. I have a memorandum detailing the dates, which I can provide to honourable members. By letter dated 29 November 1979, the Water Quality Council of Queensland gave approval for that and considered that an environmental impact study would not be required.



In June 1979, objections to the reclamation were heard and determined by the Land Court, and by Order in Council dated 6 September 1979, the Governor in Council gave approval—at that time I believe it was a National/Liberal Party Government—to the Harbours Corporation of Queensland to reclaim about 12 hectares seaward of the eastern breakwater as shown on the plan attached to this letter.

This set of approvals was given some 11 or 12 years ago, and in recent times this Government has been asked to hold up that 10-year approval program of major developmental work. This development will provide benefits by way of parkland and will restrict development to one area, that is, the Manly Boat Harbour. In actual fact, it will not provide a second boat harbour which could destroy even greater parts of the environment in that region.

I appreciate the concerns expressed by the constituents of the member for Manly, but the approvals were already given. The professional advice that I have received is that the application for the bund will be forwarded on to the Department of Transport, because the works involved are being carried out in accordance with the conditions of an approval that has already been given by the Governor in Council. By themselves, the protective works will have negligible environmental consequences. They merely protect the reclamation from erosion, which has already been approved, and thereby prevent sedimentation in the surrounding waters. I know the concerns that exist.

Under its current review, the Government is approaching the entire subject of Moreton Bay, and it would have been of great benefit to the Government if this work had not commenced and we were able to consider it in terms of an overall strategy for Moreton Bay. However, the approvals had already been given and the Government had no margin in which it could move. In terms of realistic administration and the commercial reality of providing a convenience for local people and boat-owners, the Government had to go ahead with this project. It is a great disappointment that these approvals were given. Now some members of the Opposition are saying that the Government should not do anything, but they gave these approvals 11 years ago when they were in Government, and this Government must continue with the project.

#### **Traffic Congestion on Old Cleveland Road**

**Mr ELDER:** I ask the Minister for Transport: is he aware that some 60 000 vehicles a day—with an expected 100 000 vehicles a day within the next three years—travel through the Capalaba business and residential district along the only major thoroughfare in the Redlands district, that is Old Cleveland Road, and will he advise the House of any plans to overcome this pressing problem?

**Mr HAMILL:** The honourable member has been making a number of representations concerning the traffic problems in this area. The substantial residential growth in the Capalaba area has contributed greatly to traffic congestion on Old Cleveland Road. Indeed, the figures that I have indicate that the road is currently carrying some 50 000 vehicles a day. However, as the honourable member asserts in his question, substantial growth is anticipated, that is, growth of 9 per cent per annum.

Two projects are planned, one of which has already been completed and has alleviated some of the problems in the area to which the honourable member has referred. That was a \$2m project to alleviate flooding at the Tingalpa Creek crossing. That work has been completed and will overcome some of the congestion.

A 4-lane highway—the Capalaba by-pass project—will involve grade separation and resumptions. A contribution has been made towards this project by a developer in the area and the total project, including this contribution, will cost some \$34m. This is a very substantial project indeed. Currently, there is no timetable on this project because negotiations are still ensuing with the developer, but the project will substantially improve the situation around Finucane Road and Birkdale Road and their junctions with Old Cleveland Road. I thank the honourable member for his continued interest in this matter.

### Student Education Profile

**Mr QUINN:** In directing a question to the Minister for Education, I refer to an article in last Sunday's *Sunday Mail* newspaper, wherein he stated that under the new Student Education Profile system Year 10 students should select high school subjects at which they do best for tertiary entrance. In the same article Mr Brian Waters, the Registrar of the Queensland University of Technology, said that the universities were now preparing field position requirements for their tertiary courses so that Year 10 students can select their school subjects accordingly. I ask: since these statements are conflicting, whose advice should parents and students follow—the advice of the Registrar of the Queensland University of Technology or that of the Minister for Education?

**Mr BRADDY:** The honourable member is allowing his bias to take over from his rationality. His opposition to the Student Education Profile system is well known and he is almost the last surviving supporter of the TE score system. The two things are not contradictory and people should understand that by now.

Both overall positions and field positions are relevant. As I have explained time and time again, the overall position in which every subject is weighted equally is the most important factor. Clearly, students should select subjects at which they are strong in order to obtain their strongest overall position which will be the most important factor in deciding whether they get entry to a particular university and faculty.

In addition, it is also important that they look at the prerequisites for a particular faculty or school at a university to ensure that they fulfil those requirements and to find out what the subjects will be in the different field positions. The overall position, for which every subject is weighted equally, is most important. Most of the places in our universities will be decided by the overall position. In fact, my information is that two out of three university places will be decided entirely by a student's result in the overall position. In addition, it is therefore important to make sure that students who have a particular bent for a particular subject—as has always been the case—will study subjects that will give them an advantage in those field positions, if field positions are needed.

In regard to the prerequisites—my understanding is that all those prerequisites will certainly be available by the end of this month. I gained that understanding from the universities. They will have the prerequisites available so that students will know what they are. They have always had to know the prerequisites under the current system, and in some instances I believe that the prerequisites will be fewer and easier than they are under the present TE score system. It is important that students understand that, and I hope that eventually the member for South Coast will also understand it.

### Viviani Report

**Mr QUINN:** I direct my second question to the Minister for Education. In light of the fact that 99 per cent of high school principals voted at a recent meeting to delay implementation of the Student Education Profile because of concern felt in relation to field positions, subject weights and their effects on the school curriculum, I ask: why did the Government increase the number of fields from four to five when the Viviani report specifically stated that more than four would be unmanageable? Why is the Government hurriedly implementing these changes, which will have an unknown effect on school curriculums and when all the professional advice suggests that a longer implementation period is required?

**Mr BRADDY:** The increase in the number of field positions was certainly the original statement by Professor Viviani. However, she consulted the Government and the reference committee after her report was published. That is why the Government published the report. This is a consultative Government and it asks for comments and suggestions.

When those suggestions came in, Professor Viviani was not only supportive but agreed entirely that the field positions should change from four to five in the light of

the arguments that were advanced, and was very strongly involved in discussions that led to the fixing of those fields.

**Dr Watson:** The illegal fixing.

**Mr BRADY:** I point out that, in common with any other rational university lecturer, Professor Viviani will take on suggestions that other people come up with. Sometimes, of course, the irrational ones do not listen. I suggest that if there are any of that type in this Parliament, they also should listen.

The suggestions that have been made by people to the Government are what the Government believes to be the best way to go, that is, expansion of the fields. I am sure that many principals would prefer a longer time for implementation. However, the majority of the people in the community and the majority of teachers and students know that if the Government does not make the decision, it will be 1993 before the new system comes into place. That will place a much more intolerable strain on the future of tertiary selection in this State than would implementation of the system at this time.

**Mr SPEAKER:** Order! The time allotted for questions upon notice or without notice has expired.

#### REVOCAION OF STATE FOREST AREAS

**Hon. E. D. CASEY** (Mackay—Minister for Primary Industries) (3.48 p.m.): I move—

"(a) That this House agrees that the proposal by the Governor in Council to revoke the setting apart and declaration as State Forest under the Forestry Act 1959-1990 of—

- (A) All that part of State Forest 1294, parishes of Boonpa, Broomfield, Doongul, Dunmora, Ferguson, Gungaloon, Kolbore, Kullogum, Walsh, Warrah and Woocoo described as Area 'A' as shown on plan FTY 1560 prepared under the authority of the Conservator of Forests, Department of Primary Industries and containing an area of about 381 hectares.
- (B) All that part of State Forest 607, parishes of Cairns, Danbulla, Dinden and Grafton, described as Area 'A' as shown on plan FTY 1569 prepared under the authority of the Conservator of Forests, Department of Primary Industries and containing an area of about 9.853 hectares.
- (C) All that part of Clemant State Forest—34, described as Area 'A' as shown on plan FTY 1565 prepared under the authority of the Conservator of Forests, Department of Primary Industries and containing an area of about 42 hectares.
- (D) All that part of Abergowrie State Forest—591 described as Lot 132 on plan CWL 800987 in the Division of Geographic Information, Department of Lands and containing an area of about 95.2 hectares, be carried out.

(b) That Mr Speaker convey a copy of this Resolution to the Minister for submission to His Excellency the Governor in Council."

These proposals make provision for the excision of land from State forests near Maryborough, Cairns, Townsville and Ingham. The first proposal involves the excision of about 381 hectares from State forest 1294, which is located approximately 20 kilometres north west of Maryborough. As the constructing authority for Lenthalls dam, the Hervey Bay City Council has sought to have the reservoir area and adjacent recreational facilities excised from the forest estate and set apart as a reserve for local government water supply purposes.

Investigations disclosed that this site was the most economic and practical location for a dam to supply the domestic requirements of Hervey Bay and nearby towns. While dam construction resulted in the loss of productive timber areas from the State forest, that action was considered to be in the broader public interest. The area being set apart

as a water supply reserve under the control of the council will facilitate the future management of the subject land.

The second proposal involves the excision of about 10 hectares from State forest 607. In response to increased public demand for recreational facilities in the area, the Mulgrave Shire Council has sought to have a small section of the State forest included in adjoining recreational reserve R1315, which is located approximately 10 kilometres south west of Cairns. The proposed excision area has been cleared and has little value for forestry purposes. Its addition to the adjoining recreational reserve will enable the council to provide improved and additional recreational facilities in the vicinity of Dowah Creek falls, and is in the public interest. The land will continue to form part of the Crown estate, notwithstanding its excision from the State forest.

The third proposal provides for the excision of about 42 hectares from State forest 34, which is located approximately 35 kilometres north west of Townsville. The Endeavour Foundation holds special leases over part of State forest 34 and an adjoining area of Crown land for grazing and welfare purposes respectively. Following an inspection of the Crown land, it has been found that some of the foundation's improvements were actually located on State forest land. To regularise this position, it is now proposed to excise the affected area from the forest estate for inclusion in the adjoining welfare purposes lease. The land carries little merchantable timber. Excision will not affect the management of the balance of the State forest. Again, the land will remain part of the Crown estate.

The final proposal involves excision of about 95.2 hectares from State forest 591 to permit the Land Administration Commission to deal further with the area under the provisions of the Land Act. The land is located approximately 40 kilometres north west of Ingham. The Roman Catholic Trust Corporation for the diocese of Townsville holds a stock-grazing permit over the subject land and has applied to convert the area to a more secure tenure. The land is managed by the trust as part of St Teresa's Agricultural College, Abergowrie. It has been cleared and planted to provide improved pastures. Accordingly, it has little value for forestry purposes. The Queensland Forest Service has no objection to the proposal. Upon its excision from the forest estate, the trust will be granted a 30-year special lease for primary industries purposes over the land.

I strongly support all of these proposals. I commend them to the House for approval.

**Mr STEPHAN** (Gympie) (3.51 p.m.): The Opposition has no objection to the revocation of these four areas of land mentioned in the Minister's motion. The first area will be utilised for water storage purposes in the Hervey Bay area, which is 20 kilometres north west of Maryborough. This proposal makes a great deal of common sense, bearing in mind that the purpose is for water conservation. Although people might think from time to time that increasing areas of land are being taken up and used for water conservation and dam sites, it must be remembered that the time will come when other methods of water conservation will have to be examined, and other methods of utilising what could otherwise be very fertile land. Be that as it may, the stage has not yet been reached when technology can play a part. Under those circumstances, the Government must continue to use areas of land for water conservation purposes.

The second area is situated north of Cairns and is of very little value as forest land. It will be included in a recreational reserve. The Queensland Forest Service is to be commended for setting aside forest areas for recreational purposes, and this area of land will be utilised for recreational pursuits.

The third proposal is for the excision of land north west of Townsville, which is presently being used by the Endeavour Foundation. This is not the first occasion on which the Endeavour Foundation has used land in this fashion. In Spring Valley, it has a lease over land that joins on to forestry land and is using it for grazing purposes and for educational purposes. I take the opportunity to point out the great service that the Endeavour Foundation provides for disadvantaged people in the community. It teaches those people how to farm the land and how to handle cattle. Previously, the subject

land had buildings erected on it by mistake on the understanding that the Endeavour Foundation owned it. However, apparently it does not.

The final proposal involves the excision of land 40 kilometres north west of Ingham. The Roman Catholic Trust Corporation holds a stock-grazing permit over the land which was at one stage proposed to be included within the World Heritage listing. The land is managed by the trust as part of St Teresa's Agricultural College. The excision of the land from the State forest allows land that would otherwise be tied up to be used.

I deviate from the subject to comment on World Heritage listing of north Queensland rainforests. The land is not within the World Heritage boundaries, so there is no need for the Minister to get upset about that.

**Mr Casey:** It is outside the area. It has nothing to do with it.

**Mr STEPHAN:** It has nothing to do with it now. However, the fact remains that it could well have been. I will not dwell on what may or may not have been. When honourable members reflect on the arguments about World Heritage listing, they will realise that, if the subject land had been within the World Heritage area, this revocation would not have been able to take place.

I remember the previous arguments that occurred between the State and Federal Governments. I recall also arguments between Mr Comben, the Minister for Environment and Heritage, and the Federal Government. He said that he thought Senator Richardson was mean for not offering sufficient compensation for the land that was included in the World Heritage area; that he did not offer sufficient compensation for the loss of timber and the loss of viability of the towns and cities of north Queensland. Senator Richardson proposed a 10-year package which included funding of \$5.3m a year, but that offer fell \$10m short of Mr Comben's plan. In the timber centres of north Queensland, the failure of the mills meant that the towns would die.

The Federal Labor Government is not aware of the great importance of the timber industry to the community. It ignores the fact that the timber industry produces more wealth than many other primary industries. As well, people do not realise the importance that forests have on the greenhouse effect. Many people believe that, if a forest is locked up and not logged, it will become healthy. That is not the case. When older trees start to decay, they tend to produce as much carbon as they absorb, which means that they are static in greenhouse terms.

The Minister for Environment proposed a lock-up of State forests on the Cooloolool coast. I hope that that does not eventuate. If ever an area has given great support to the neighbouring community, it is the forest area at Cooloolool. As I pointed out last night, that region contributes an enormous amount to the timber industry around Gympie. If that forest area were closed, it would have an enormous effect. It has the ability to ruin the surrounding towns.

By providing a road network, the timber industry also gives tourists the opportunity to visit State forests. If some of the forests are locked up, the tourists will not have that opportunity.

Logging of the forest at Cooloolool has been carried out for more than 100 years and it is in a healthier state than it ever was. Selective rotation logging every 30 or 40 years means that the forest is healthier today than it was prior to when timber-felling commenced. The forest is a renewable resource, unlike mining. With some developments, we dig a hole in the ground and finish up with only a hole in the ground.

I urge honourable members to take note of the points that I have made and to realise that the timber industry is very important to this State. It ensures also that the regenerated timber is available for the next rotation.

**Mr Palaszczuk:** Would you say that Gympie is pretty well dependent on the forestry industry?

**Mr STEPHAN:** It is dependent on the forestry industry, along with the grazing industry, the agricultural industry and the mining industry. The forestry industry has a broad base. If other centres have the same resources, they should emulate that industry.

It must be borne in mind that Gympie does not rely wholly and solely on one particular industry. That is to its benefit and to the benefit of the whole of Queensland. I point out that at one time Gympie actually saved Queensland. Back in 1867, when gold was first discovered at Gympie, the State's coffers were almost empty——

**Mr DEPUTY SPEAKER** (Mr Campbell): Order! Will the honourable member please return to the motion?

**Mr STEPHAN:** I was answering a question by the member who interjected, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** Order! It was not relevant to the motion.

**Mr STEPHAN:** In conclusion, I stress the importance of the forestry industry to the welfare of the whole of Queensland. I point out that, each year, about 521 000 cubic metres of hardwood timber is processed and approximately 344 000 cubic metres of plantation timber is harvested. There is a big difference between the amount of plantation timber that is harvested and the amount of native timber that is harvested. We could not do without our native timber.

I am sorry that I am upsetting the Minister. I just could not let the opportunity pass without making those comments and drawing to the attention of the Minister how important these areas are to the future financial viability of this State.

**Mr DOLLIN** (Maryborough) (4.02 p.m.): I have pleasure in supporting this motion. Part (A) of the motion concerns my electorate. The parishes of Boompa, Broomfield, Doongul, Dunmora, Ferguson, Gungaloon, Kolbore, Kullogum, Walsh, Warrah and Woocoo are all areas in Maryborough in which logging takes place.

I am very pleased with the investigations that the Minister has obviously made into how much timber stood in these areas and its value. For far too long under the previous Government, land was freeholded willy-nilly. If somebody made an application for freeholding, there was not much doubt that it would be granted. In that way, over many years a tremendous amount of timber has been lost. That has put at risk many sawmills because the resource is getting thinner and thinner.

**Mr Littleproud:** What about these rainforests?

**Mr DOLLIN:** There are no rainforests in that region.

**Mr Littleproud:** You put a few sawmills out of business in the rainforest area.

**Mr DOLLIN:** That is a fact. However, I would say that more sawmills will be put out of business as a result of freeholding, especially in places like Auburn and the cypress-growing areas around Chinchilla, which are supplying approximately 20-odd mills. They would now be looking down the barrel of not having enough resource.

Agriculture was taking place in areas that were better suited to grazing and timber. Farmers were lucky to produce one crop of wheat.

**Mr Littleproud** interjected.

**Mr DOLLIN:** Yes, but grazing and timber would have been its best uses.

I congratulate the Minister on the interest that he has taken in the forestry industry and the proper use of timber. These reserves were not won easily——

**Mr Stephan:** Do you think the Minister knows much about the forestry industry?

**Mr DOLLIN:** I think that the Minister knows a fair bit about forestry. He is a pretty versatile fellow.

**Mr Stephan** interjected.

**Mr DEPUTY SPEAKER** (Mr Campbell): Order! Will the member for Gympie allow the member for Maryborough to continue with his speech.

**Mr DOLLIN:** In 1873, a number of concerned sawmillers, eager to safeguard their future timber supplies, joined the growing forestry conservancy movement of the 1870s. That just shows how long we have been on about conserving timber. Two major ideals were established. It was decided that Queensland's forests should be managed in a way that would ensure future timber supplies and that beautiful forests with high conservation significance should be preserved forever. I point out that this was decided by sawmillers.

Several reports commissioned by the Queensland Government supported this "wise use" forest conservancy policy. This led to the creation, in 1900, of the Forestry Branch within the Department of Lands. In 1906, legislation allowed the State Government to permanently reserve State forests and national parks. Over the last few years, thousands and thousands of hectares, which should have been reserved for their original purpose, have been given away.

By 1918, even though the area of State forest had already grown to 448 000 hectares, native hoop pines were still being felled at a great rate, prompting the adoption by the Queensland Government of two crucial forest management principles. It was decided that the annual harvest from State forests would be based on the ability of the forest to grow timber rather than on the demands of industry and that forest regeneration would be encouraged on a scale that would guarantee the State's forest resources forever. That is what is now called the sustainable yield. That was thought of way back then. That Government deserves a lot of credit for that decision. Those basic principles still guide today's Queensland Forest Service, whose 1 640 employees manage more than 4.5 million hectares of State forests for the benefit of all Queenslanders.

During the financial year 1987-1988, almost one million cubic metres of timber was harvested from Queensland's State forests and sold to private industry. It is well to remember that half of that timber would have been harvested from private land. It is said that more than half of the harvested timber came from pine plantations. That would not be quite right because the hardwood also has to be taken into account. A harvest of that size provides sufficient wood to build about 45 000 average-size new homes, while at the same time catering for many of the other wood-using demands of our society. In 1987-1988, sales of products from State forests and timber reserves generated about \$24m in revenue for the Queensland Government. Those sales provided the raw materials to industries that helped to generate approximately \$400m in value-added forest products and supported approximately 14 000 jobs.

However, the immense value of the Queensland Forest Service to our society lies in the fact that it is not just a producer of timber products. The phrase "multiple use" is really the key to what the Queensland Forest Service does. With good planning by foresters and good supervision by rangers, State forests can produce native timbers and plantation timbers forever, while retaining all the other benefits for which forests are needed and loved. These other benefits are what appeal to most people and are a vital part of the service's planning and management processes. They include provision for education, scenic, scientific and recreation areas, the protection of water catchments, millions of flowers for honey production and shady grazing areas for livestock.

Although timber production is the primary aim of the Queensland Forest Service, State forests also manage to supply other benefits to the community. For example, Queensland's forests can provide for a wide range of recreational activities in healthful, natural settings. With over 60 State forest parks throughout Queensland, there is something for everybody; from white-water rafting to quiet contemplation, from an impromptu game of cricket to a good night's sleep after listening to the breeze whispering through the trees.

In suitable areas, forests can also provide light grazing for livestock. This not only helps the grazier but also helps to keep down undergrowth in the forest, thus reducing the fire danger.

Honey production in State forests is another multiple use that benefits the forest and the user. Beekeepers who are allowed to place their hives in State forests get the use of many flowering trees and plants to impart a variety of tastes to their honey. In turn, the trees and plants get the use of the bees for pollination.

Water catchment protection is also provided by forested areas where the trees, undergrowth and humus slow down the surface run-off following heavy rainfall. Soil erosion and siltation of streams is therefore reduced as more water soaks into the soil for gradual release. Stream flows become more even, flood peaks are reduced and streams become less likely to dry up.

It is marvellous how long it takes some people to discover the reasons for what they have noticed. I remember walking around parts of a 30 000 acre property, comprising a fair bit of steep country, with a third-generation chap who was aged about 40. The property contained many stones and we were complaining about them rolling around under our feet and nearly spraining our ankles. He said, "This country changes. I don't give a damn what they say. These bloody stones, they come up." He had never worked out that the soil had been eroded from around those stones because there was not a tree on the property.

Like any large organisation, the Queensland Forest Service has employees with many different skills, including administrators, accountants, cartographers, computer specialists, carpenters, economists, engineers, technicians and secretaries. However, it also has many employees with very special skills not often found in other organisations. Those skills all come under the definition of "forestry" and the science of managing forests for the many benefits that they can provide.

For many of the public, forest rangers are the most visible members of the Forest Service as they go about their work supervising forest management activities throughout Queensland. They are also very involved in recreation management in State forest parks and other areas and are always good sources of outdoor information for campers and bushwalkers.

Foresters are not quite as visible to the public as are rangers. That is because they often work in offices and laboratories developing the ecologically sound guidelines necessary for managing State forests for a variety of purposes.

The Queensland Forest Service manages 4 505 000 hectares of State forests and timber reserves within Queensland and approximately 1 220 000 hectares can be classified as unproductive forestry types. Put simply, those areas can be anything from sparsely vegetated sand dunes on Fraser Island to pockets of brigalow in Queensland's central and western districts. However, all are ecologically important and are managed within strict environmental guidelines to provide maximum public benefit.

Queensland's native forests are harvested on a sustainable yield basis, which means that only some of the mature trees are removed to provide timber. The spaces left by those trees allow the smaller trees to grow and develop. They also provide more light and nutrients to help the seeds sprout into seedlings. Logging cycles are scientifically calculated for each area of native forest using the principle that the capacity to produce periodic light enhances the growth of the timber. Those cycles should be maintained into infinity.

I could speak at length about the timber industry but, with those few words, I support the motion before the House.

**Mr KING** (Nicklin) (4.13 p.m.): The Liberal Party supports the intent of this proposal, which is to set aside four different sections of forestry land throughout Queensland for the use of various sections of the public.



It is good to see the flexibility of thinking of the Government on an issue like this. This motion relates to land that is not prime forestry land and is required for a higher use. It is good that the Government is willing to set such land aside for a better use.

In the Maryborough district, the beneficiaries will be the ratepayers of the Hervey Bay City Council. A new water supply dam has been built and the land is required in conjunction with that project. It is unfortunate that there will be a loss of timber production in the area, but it is very rare that a proposal is accepted 100 per cent by everyone concerned. In this case, the benefits to the people of that area far outweigh the small loss associated with timber production in the area.

In the Cairns area, recreational facilities will benefit the local ratepayers. I understand that the Mulgrave Shire Council is pleased that the Government is helping a local authority by supplying much needed recreation facility land. The population in the Cairns region has increased and obviously increasing demands will be placed on the existing recreational facilities. A similar circumstance applies in my electorate.

A few years ago, a council in my electorate attempted to obtain some forestry land from the Government of the day for use as a university site and it found that that was like trying to get gold out of Fort Knox. It was a very difficult thing to do. The attitude displayed here by the Government of allocating some land for expanding townships is a worthwhile one to adopt.

In the Ingham area, the beneficiary will be the Endeavour Foundation. Today's proposal contains a variety of reasons for the excision of the land. In this case, very little valuable timberland will be lost. It will stay a Crown lease and the Endeavour Foundation is a worthwhile beneficiary.

Also in the Ingham area, the Catholic church has set up an educational facility and, for obvious reasons, it wants to expand the area of land that it currently has. As the land has little forestry value, there is a valid reason for supporting the excision of that part, too.

It is good to see the Government responding to the changing needs and conditions that exist in various parts of Queensland. The best and highest usage is being gained from some of the land that is being allowed to be converted to other usage. Accordingly, the Liberal Party supports the motion.

**Hon. N. J. HARPER** (Auburn) (4.16 p.m.): Mr Deputy Speaker, I thank you for the opportunity to join in what I believe has been constructive contribution to the debate on the motion. I noted in particular a couple of the remarks made by the member for Maryborough, who invited my attention when he referred to the forests in the Auburn area and in the Chinchilla area that is represented by my colleague the member for Condamine.

I was particularly interested to hear him refer to sustainable harvesting. Many members in this Parliament, including those who were members of the previous Parliament, will recall criticism when the Minister responsible for forestry in the previous Government spoke about sustainable harvesting. So it is refreshing to hear the Labor member for Maryborough acknowledge—

**Mr Littleproud:** A breath of fresh air.

**Mr HARPER:** As the member for Condamine said, it is a breath of fresh air, and he recognises that.

I want to be constructive in my contribution and take the opportunity to invite the Minister's attention to harvestable timber which is presently being lost, not to the building industry but to other uses. Over the years, this matter has come to my attention, not frequently, but occasionally. I refer to the contrary attitudes—and I think that that is probably a kind term—of some forestry officers which has led to the loss of harvestable timber. As I said, the timber was to be used not for building purposes but for railway sleepers.

Quite recently, one of my constituents in a forestry area had a discussion with me and referred to the State forest near Taroom, where the local sawmills, both softwood and hardwood, have refused to take ironbark timber for those purposes. I think the Minister would understand the reasoning behind that, because some of the best hardwoods and some of the best cypress pine in Queensland are obtained from those forests. But many sawmills have a disinclination to use the ironbark timber that is available.

In that area, the Queensland Forest Service has been trying to sell that timber for sleepers, but it has not been successful in employing anyone to cut it using the onsite buzz-saw method. One of my constituents has applied to undertake that work—and he has told me that he has the support of the forestry marketing officer at Dalby who wants to sell the timber to him—but the Forestry Service will not provide him with the permit to cut that timber for railway sleepers, of which there is a shortage of 300 000 per year. This product—this available timber—is being lost from forests without consumers obtaining a benefit from it. Ultimately, it will go to waste.

Although the Minister appears to be uninterested, I invite his attention to the matter.

**Mr Casey:** I am interested in the motion before the House, not in what you are talking about.

**Mr HARPER:** As the member for Maryborough indicated, the motion before the House relates to forests within the Auburn electorate.

I had hoped that the Minister would accept my comments in a constructive fashion. As he appears not to be interested in them, I will take the matter up at other levels.

Mr Deputy Speaker, I thank you for the opportunity to bring to the attention of this House the fact that, not only in the forests referred to in the motion before the House but also in other State forests throughout Queensland, timber is being lost because of a contrary attitude. If it is left to rot, to burn and the like, that timber will be of use for no other purpose. I ask the Minister to treat the subject with the degree of seriousness that it deserves.

**Mr ROWELL** (Hinchinbrook) (4.20 p.m.): In joining this debate, I indicate my support for the excision of the areas referred to in paragraphs (C) and (D) of the motion. Those areas are in my electorate. The Endeavour Foundation will benefit from the excision of part of the Clemant State forest, which is on the southern border of the Hinchinbrook electorate.

The Endeavour Foundation does a magnificent job with handicapped people. It conducts a small farming and grazing enterprise in that area and also grows some tree crops. It is also very much involved with a poultry farm. As I said, that organisation does a magnificent job with disadvantaged people. I think it is excellent that it will be given this extra land to ensure its grazing operations are viable.

Paragraph (D) refers to the Abergowrie State forest, in which is located St Teresa's College, which is some 50 kilometres west of Ingham in the Hinchinbrook electorate. At present, about 200 students attend that college, which was established some time ago by the Christian brothers.

The agricultural college encompasses sugar-growing, beef production and a number of other agricultural activities which are of some advantage to people who are undertaking agricultural-type courses and also a life-style in agriculture. I support the excision of land for that college.

In recent times, the college has had a major problem. The present principal, Mr Jim Doran, has been very entrepreneurial in his endeavours to keep the college going, and he has gone further afield to the Pacific rim to attract students to the college. It was only through the attendance of those students that that college was able to continue. I

am sure that the additional 95 hectares will enhance the prospects of maintaining the college.

That very dedicated group of people do a wonderful job to keep the college going. Recently, I visited the college and discovered that major problems have been encountered in maintaining the buildings. It is hoped that the college will again become a viable concern.

I support the motion. I am glad that the Minister has taken the trouble to excise those areas. I refer particularly to the work that is being done on the two educational establishments in my electorate.

**Hon. E. D. CASEY** (Mackay—Minister for Primary Industries) (4.24 p.m.), in reply: I thank those honourable members who have contributed to this debate. I believe that the people of Queensland approve of such revocations.

Two of the revocations relate to additional areas that local authorities want to use for recreational purposes. The other two relate to educational establishments in the Hinchinbrook electorate. One revocation allows the Endeavour Foundation to proceed with its very important work. The other relates to St Teresa's Agricultural College at Abergowrie, which is one of the worthwhile agricultural institutions of this State. It does an excellent job of training young men in north Queensland for various agricultural pursuits.

The honourable member for Auburn complained because I did not listen to what he said about the cutting of sleepers. This debate relates to the revocation of four areas of State forest and has nothing to do with sleepers. The honourable member was so concerned about the issue that, after he contributed to the debate, he left the House. Obviously he is not interested in my reply. Because of his absence—his deliberate absence—perhaps his colleagues could tell him that, if he wishes to raise the matter—

**Mr Stephan:** You have not got any other Ministers there.

**Mr CASEY:** The honourable member for Auburn raised the matter and asked for an answer. I am now giving that answer.

The honourable member is quite entitled at any time to make representations to me about the cutting of sleepers from ironbark timber in his electorate. However, the issue should not be discussed during a debate on the revocation of four areas of State forest.

Motion agreed to.

## **SWINE COMPENSATION FUND ACTS REPEAL BILL**

### **Second Reading**

Debate resumed from 1 August (see p. 2615).

**Mr BOOTH** (Warwick) (4.26 p.m.): I cannot say much about this Bill, because the kitty has already been taken. I do not believe that it was a good idea to close the animal health fund in this case. I am not saying that the welfare of the pork industry is not worth while. It has been a great industry for Queensland, particularly in areas such as my electorate. However, in the future, if funds are needed to fight an outbreak of disease, the Government might wish that the Swine Compensation Fund still existed. Although the fund could be re-established, that would take quite some time. I am not particularly pleased about the closure of the fund.

In his second-reading speech, the Minister stated—

"In 1975, the Act was further amended to extend the purposes for which money could be expended from the fund. A total of \$249,495 has since been paid out for purposes connected with the improvement of pork production."

That is far removed from animal health. The present balance of the fund is only \$16,544.

The Bill contains a sunset clause that limits the legislation to 12 months. The balance of the fund is to be transferred to the account of the Queensland Pork Producers State Council for the benefit of pork-producers. There is not much left to benefit them, and that money might not be easy to obtain.

One of my colleagues intends to mention what might happen if exotic diseases are introduced from overseas. I will leave that matter to him. I am worried that if pork is to be imported into this country, exotic or detrimental diseases could be introduced. Although I do not suggest that the Minister could have done anything else, the introduction of this legislation probably would not have given him much joy.

**Mr LITTLEPROUD** (Condamine) (4.29 p.m.): I take note of the comments made by my colleague the member for Warwick with regard to the fund. I am also concerned about the importation of pork from Canada. People within the industry are talking about the possibility of disease being introduced into Australia.

Recently, I was speaking with some pork-producers in my electorate about the way in which disease could spread. They said that scraps of pork from Canada could find their way to local rubbish dumps. Wild pigs are not uncommon throughout the Condamine Basin. In fact, in the Millmerran district, a pork-producer named Jones is continually on the look-out for feral pigs that come close to his piggery. He tries to keep a 50-metre buffer around it.

I understand that it is possible for insects and animals to feed upon the droppings of feral pigs and then gain access to piggeries, thereby transferring to the Queensland pig industry some of the exotic diseases that exist in Canada.

No doubt the Minister is aware that the pork industry is a value-added industry. During the current economic climate, grain-growers are finding it very difficult to survive on the 640-acre properties that were surveyed many years ago. Those growers have two options. They can incur greater debts by purchasing additional land or undertake intensive farming and stage themselves bit by bit.

Some grain-growers saw a use for their own grain in piggeries on their farms. The pork industry is now a huge industry in the grain belt of Queensland. Because of that diversification, farmers can have a ready cash flow, which is preferable to harvesting grain once or twice a year and receiving a large cheque on which they must survive for six months.

On behalf of the pork-producers who work very hard promoting their industry, I appeal to the Minister to use his influence to ask his Federal colleague Mr Kerin, with whom he says he works very closely, to review the decision to import pork from Canada.

I reiterate that I share the concerns expressed by the member for Warwick. If the fund has gone, it has gone. The Bill is machinery legislation. At whatever time the money was used to improve pork production in Queensland, it was probably thought that that was the best thing to do. However, some thought should be given to keeping resources available in case an outbreak of disease occurs. Some action could then be taken to prevent a national disaster in the pork industry. I realise that the money has gone and the Government is enacting machinery legislation. I support the Bill.

**Mr KING** (Nicklin) (4.32 p.m.): Members of the Liberal Party view the legislation as cleaning up an old, useless piece of legislation. We support it.

Obviously, when the Act was originally passed, there was a perceived need for it. The actions taken by the Government in setting it up cannot be criticised. However, time has proven that the legislation was unnecessary. The fund has not been used once in almost 30 years. The action that is being taken to wind it up is appropriate.

I do not know for what purpose the \$250,000 that was collected has been used. Obviously, the remaining \$16,000 will go back to the industry, where I assume some worthwhile use will be made of that money. The Bill will repeal a useless piece of legislation. Honourable members should try to clean up some other similar legislation that is on the statute book. I support the Bill.

**Hon. E. D. CASEY** (Mackay—Minister for Primary Industries) (4.34 p.m.), in reply: I thank honourable members for their contributions to the debate. I thought the passage of the Bill would be fairly simple, but a few points have been raised. I congratulate the member for Nicklin because, for once, the Liberal Party has it right.

The honourable members for Nicklin and Warwick raised the question of what happened to the moneys that were in the fund. They ought to know, because National/Liberal Governments spent most of it. However, to refresh their memories, I point out that much of the money was spent on buildings and equipment at the experimental unit at the Animal Research Institute at Yeerongpilly for the study of swine diseases. A contribution of approximately \$140,000 was made to the Swine Research Centre at Wacol. I do not decry those contributions,

because those facilities provide an excellent service to the pork industry in Queensland. A donation was made to the University of Queensland for a demonstration unit in the veterinary science farm at Moggill. Some money was provided for an investigation into the epidemiology of meliodosis in intensive piggeries—whatever that means.

Of course, there were the usual travel expenses. One fellow went to Singapore on an exotic disease mission. That begs question marks. Two others visited the foot-and-mouth disease areas in Indonesia, Malaysia, Singapore and Hong Kong. Someone also went to an international pig congress in Europe. I have no doubt that he benefited from that at some stage and has passed on the information he was given. A booklet, titled *Pigs—Their Welfare from Farm to Abattoir*, was printed at a cost of \$900. Perhaps it could have been titled “These Little Piggies Went to Market”. That is where the money went. In accordance with the desires of the Goss Government, I am willing to be open and accountable in telling honourable members opposite what happened to that money.

A more serious question was asked about what will happen in the future in the event of an outbreak of an exotic disease. The Exotic Diseases In Animals Act 1981 provides for compensation for any problems that may occur.

The honourable member for Condamine referred to the importation of pork from Canada. I assure him that that matter was discussed at the most recent Australian Agricultural Council meeting that I attended. Ministers from all States were of the opinion that the actions being taken by the Federal Government to ensure that pork and other imports do not introduce any exotic diseases are adequate in accordance with existing laws. I thank honourable members for their contributions to the debate.

Motion agreed to.

#### **Committee**

Clauses 1 to 6, as read, agreed to.

Bill reported, without amendment.

#### **Third Reading**

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

#### **MINISTERIAL STATEMENT**

##### **Bread Industry Authority Bill; Amendments to be Moved in Committee**

**Hon. E. D. CASEY** (Mackay—Minister for Primary Industries) (4.39 p.m.), by leave: When I introduced the Bread Industry Authority Bill into the House in March this year, I indicated that the legislation would lay on the table to allow all interested parties to consider it in detail.

Since that time, I have had ongoing consultations with the various sectors of the industry and consumers about a number of aspects of the proposed legislation. These discussions have highlighted several areas of concern which the Government believes

are sufficiently important to warrant the making of some amendments to the Bill now before this Parliament. I must stress that the amendments in no way alter the original intent of the Bill. The proposed changes are designed to address concerns relating to the running costs of the authority and to streamline administrative procedures associated with the Bill. They demonstrate the commitment of the Government to effective consultation with the community as part of the legislative process.

The amendments that I will move during the Committee stage of the debate on the Bill deal with four areas of the Bill, namely, the definition of a standard loaf of bread, the membership structure of the authority, price-setting procedures and the vicarious liability of employers. The first of these amendments clarifies the definition of a standard loaf of bread by making it clear that a standard loaf relates only to white and wholemeal bread. This was always the Government's intention and overcomes possible concerns raised by the industry about the existing definition. If it becomes necessary in the future, the Governor in Council will retain the power to prescribe other products.

I also propose to amend the Bill to provide further flexibility in the appointment of authority members. The amendment will provide that the authority should consist of not more than five members, rather than a mandatory appointment of five members. The authority will still have an independent presiding officer and the Commissioner for Consumer Affairs will remain an ex officio member. Up to three other members with special expertise will be eligible for appointment. This change will provide the authority with flexibility in its membership structure without reducing the level of expertise available. It will also provide an avenue for future cost-savings.

The most significant change that I will be proposing revolves around the need to contain possible costs escalations in the operations of the authority. Some totally outlandish statements have been made about the running costs of the proposed authority. These statements have been little more than scare tactics designed to discredit legislation which generally has wide community support. Nevertheless, the Government is conscious of the need to control additional imposts on the community and to streamline administrative processes. Consequently, I will move an amendment to the Bill to delete the necessity for public price hearings and replace this arrangement with a publicly available cost of production model. I must emphasise that it will be mandatory for the model to be open to public scrutiny, unlike the situation under the Bread Industry Committee Act that was introduced by the previous Government. I believe that this change will substantially improve the administration of the Act while maintaining the Goss Government's commitment to public accountability.

The final amendment that I will introduce has been suggested by the Queensland Law Society and relates to the vicarious liability of employers. The proposed amendment will provide employers with a defence under the legislation against the illegal acts of their employees and agents.

I am confident that these changes will have the support of the House.

### **BREAD INDUSTRY AUTHORITY BILL**

#### **Second Reading**

Debate resumed from 29 March (see p. 938).

**Mr BOOTH** (Warwick) (4.42 p.m.): I have been substantially in agreement with most of the Bills introduced by the Minister, which were debated in this House yesterday and again today. However, on this occasion, I disagree with him completely. He has got it all wrong and, in addition, he has absolutely no support for this legislation from the bread industry and Queenslanders as a whole.

The Minister has nominated a number of amendments that he will move during the Committee stage. He has done away with some clauses of the Bill, but he should have moved enough amendments to do away with the whole Bill. The legislation is not

wanted. It will not work. It will put many people out of work and will not be in the best interests of Queenslanders.

**Mr Casey:** Who is it going to put out of work?

**Mr BOOTH:** Vendors, for a start. I thank the Minister for his interjection. I know that the Minister will say that if a vendor pays \$70,000, \$80,000 or \$100,000 for a bread run, he is a mug, but I do not believe he is. In Queensland milk-vendors and hoteliers pay for licences, and some people even buy schoolbus runs. Perhaps these vendors pay a little too much for their runs, but they pay the money. If the same thing happens in Queensland as happened in New South Wales, bread-vendors will be pushed out. I do not think that, by getting rid of bread-vendors, bread can be distributed any better or cheaper. However, bread-vendors have become stronger in the market and the major bread-manufacturers—and even manufacturers that could not be classed as major manufacturers—have a little too much power. Some of these manufacturers would be quite happy to boot bread-vendors out of business.

This afternoon, a large number of Government backbenchers are in the Chamber, and I know that they will have received hundreds of letters about this bread Bill from people who want to get rid of it. They have been too pig-headed to do anything about it. I would never say that about the Minister.

**Mr Casey** interjected.

**Mr BOOTH:** No. I was not trying to crack funnies.

**Mr Casey** interjected.

**Mr BOOTH:** Since I have been in this Parliament I have heard it said that not every good backbencher makes a good Minister. I am beginning to wonder whether Mr Casey belongs in that category. He is certainly being pig-headed about this legislation. He would not even talk to people who are concerned about it; in particular, he refused to talk to the vendors and manufacturers. I do not even think he has spoken to the people who could be described—for want of a better name—as the bread-eater.

The history of the bread industry reveals that most of the rest of Australia pays in the vicinity of \$1.50 per loaf of bread, whereas people who live in Queensland still enjoy the advantage of being able to buy a loaf of bread for \$1.30 or a little less. Moreover, a great deal of bread would be sold in Queensland at below that price, even without discounting. I do not believe that regulation is wanted by anybody in this State, yet this Government is going to bring it in. This legislation is not wanted by the vendors, the manufacturers, the retailers or the consumers.

I have to say that the Minister is dead wrong about this Bill; it will come back to haunt him. Even the Minister thinks so, because he intends to review its performance in 12 months.

**Mr Beattie:** That is fair enough. What's wrong with reviewing it?

**Mr BOOTH:** I guess there is nothing wrong with that, but when a Minister introduces a Bill that contains a provision for review in 12 months, it indicates that he thinks it will not last very long.

I do not think that this legislation is practicable in any shape or form. The Opposition will oppose the Bill in its entirety. Members of the National Party think that this legislation is such a mess that there is no point in moving amendments.

The Minister's second-reading speech sets out reasons for the introduction of this legislation. He made one fairly astounding remark.

**Mr Beattie:** It was a good speech.

**Mr BOOTH:** It was not a bad speech. I was not going to attack the quality of the speech. The Minister stated—

"The aim of these penalty provisions is to protect consumers from unfair pricing and to protect from destructive pricing practices those sections of the industry complying with the Act. No longer will small elements of the bread industry disrupt the successful operation of the whole industry. Yet, at the same time, consumers will be able to enjoy the advantages of bread discounting when offered by retailers."

The Minister's statement is contradictory. He cannot have it both ways. He cannot say, "We will have a stable price but we will have rampant discounting." I just do not believe that that can happen. Although I would like it to happen, I simply do not think that it will.

**Mr McGrady:** Oh, ye of little faith.

**Mr BOOTH:** The biblical quotations will come back to haunt the honourable member. The other day I cited one, and I now wish that I had not.

Price-discounting caused problems for the former Bread Industry Committee, but when one refers to its report, one comes to the conclusion that it could not have been all that bad.

**Ms Spence:** It was not all that good, either.

**Mr BOOTH:** The honourable member may think that she has made an amusing comment, but when it is remembered that Queensland has the cheapest bread in Australia, I do not think that it is an amusing comment.

**Mr Beattie:** We just want to keep it cheap.

**Mr BOOTH:** Yes. Queensland has the cheapest bread and all sectors in the community are fairly happy with that arrangement. I will admit that one or two people were not happy with it, but I make the point that the former committee published a pretty decent report.

**Mr Casey:** Whose report was that?

**Mr BOOTH:** It is the Bread Industry Committee's report. I would have thought that the Minister had a copy. If he had let me know half an hour ago, I would have given him a copy. I point out to him that he is placed at a disadvantage if he debates the Bill without a copy of the bread committee's report. I will read the relevant parts—

"In the year under review, this remedy have proved ineffective on 2 occasions—

- At Maryborough, Hervey Bay and Childers, where a small supermarket owner has established his own hot bread baking operations and has been able to consistently breach the minimum pricing conditions with immunity from the threat of withdrawal of supply.
- In Laidley where a corner store continues to sell cut price bread because a small bread manufacture in Toowoomba refuses to comply with the Committee's instruction to withhold supply."

**Mr Casey:** Were they able to penalise them?

**Mr BOOTH:** No, they were not. However, in the letters that I have received—which have also been received by Labor backbenchers—people have stated that those involved in the bread industry have asked that the current legislation be retained with the addition of penalty provisions.

**Mr Sullivan:** Do you agree with that?

**Mr BOOTH:** Yes, I do. I would be happy with that.



I wish to clear up any misconceptions that may have resulted from the Minister's remarks in his second-reading speech. The Minister stated that all funding will be provided by the bread industry, which, as far as I can ascertain, was the case in relation to the current legislation. Moreover, I think that the committee managed fairly well. It received \$97,000 and made a small profit. I do not think that the amounts paid to some of the people involved were outrageous. For instance, the chairman's stipend was \$13,350, meeting fees and allowances amounted to \$10,000 and the secretariat cost \$48,000, although I am not qualified in any way to state whether its work was done correctly or otherwise. I merely make the point that no-one has said that it has not done so.

The current legislation has worked quite well. It seems to me to be childish—perhaps "childish" is not the correct word—or penny-pinching to be suggesting that the current legislation is expensive in its operation. I would be surprised if the Minister is able to implement the provisions of this new Bill for the same amount. I hope he can. Today he made a ministerial statement, which I appreciated, and he has given me notice of the amendments that he proposes to introduce during the passage of this Bill. I am not quarrelling with that, but the Minister mentioned in his ministerial statement that many people are frightened of the implications of this legislation. I suppose that is true; it is also true that this Bill will be a very costly business.

The reason that people are afraid of implementation of this legislation is that the Minister has mentioned inspectors. He will have to put only one inspector in a car on the road and he will be up for approximately \$60,000 a year. I do not know how the Minister will administer this legislation at anything resembling a reasonable cost. People are not afraid of other things; they are afraid of the costs associated with this legislation.

When an honourable member interjected earlier, I said that I favoured the original Act, which included penalty clauses. I have also said that the industry operated at reasonable cost and that Queenslanders have enjoyed the cheapest bread in Australia. If costs get out of hand, they will be added on to the cost of bread and will affect all consumers. In turn, that will create an inflationary effect.

I turn to bread-vendors, who claim that the Minister does not know they exist. The Minister should know that they exist. I do not know what happens in the large cities—it is hard to find out—but in the smaller towns and cities the bread-vendors keep the racks full of bread and carry out a responsible task.

Bread-vendors with small runs pay from \$70,000 to almost double that amount for a bread-vending business. The truck is worth only \$20,000 to \$25,000. Therefore, they pay a fair amount for goodwill. The bread-vending business is only about five to 10 years' old, with most of the bread-vendors commencing operation in the past five years. At this stage, not many of them would have recouped much of their outlay. It is wrong to manipulate the funds that they receive.

I turn now to the membership of the proposed Bread Industry Authority. I will compare its members with the members of the current Bread Industry Committee. The Bill provides that the authority shall consist of five members. That is not a bad idea. One of those members shall be a presiding officer. I do not know who that person will be, but I suppose he will be the person who used to receive the member's stipend. I am prepared to believe that he will be a person of reasonable standing and efficiency. I have no quarrel with the second member, who will be the Commissioner for Consumer Affairs, appointed for the purposes of the Fair Trading Act 1989 and who shall be a member *ex officio*. The Bill provides for three other members, of whom one shall be knowledgeable in the business of baking bread. I am not opposed to that qualification, but I do not believe that it goes far enough. The Minister might know an old bread-baker who has been retired for 10 years—

**Mr Schwarten:** Vince Lester.

**Mr BOOTH:** Vince is not available yet, but he would be ideal. He has not retired yet.

I am worried that the Minister might have somebody hanging around, or Wayne might have somebody for whom he wants to kick a goal, and we might have someone appointed to the authority who is not as good as we expect. However, I am prepared to believe that that member will not be too bad.

I am very worried about the two members who shall be skilled in business and commerce, finance, accounting practice or industrial relations. I am happy to have somebody who is skilled in business and commerce, finance and accounting practice, but I am darned if I know about somebody involved in industrial relations. I suppose that that person would not even have to be a trade-union leader; as long as he has been a member of a trade union and knows the shenanigans of unionism, he would be eligible for appointment. I am worried about that aspect. The Government has the attitude that anyone who has ever been a trade-union stirrer is a top man and the sort of person that it wants. Those people will only pull the Government down. I was about to say something about the appointments to the Industrial Commission, but I thought that you, Mr Deputy Speaker, might pull me into gear. I will keep clear of that subject.

The old Bread Industry Committee was not too bad. The Bread Industry Committee Act provided—

"The Committee shall consist of six members appointed by the Governor in Council by notification published in the Gazette of whom—

- (a) one shall be a person nominated by the Minister who shall be Chairman;
- (b) three shall be persons representative of bread manufacturers;"—

I take it they were spread between the large manufacturers and the smaller ones—

- "(c) one shall be a person representative of bread retailers;
- (d) one shall be a person nominated by the Minister who shall be representative of bread consumers."

It might not have been a bad idea to retain on the authority a representative of bread-consumers.

**Mr Casey:** Don't you think that the Commissioner for Consumer Affairs is representative of the consumers?

**Mr Booth:** In a small way, he might be. But there is a lot of difference between being a top bureaucrat and being a bread-consumer.

**Mr Casey:** Where do you reckon you ought to go to pick a consumer representative?

**Mr Booth:** When I was in agro-politics, we had consumer representatives on the boards. At that time, the consumer representatives on the Milk Board did not do a bad job.

**Mr Casey** interjected.

**Mr Booth:** Earlier, I stated that I preferred elected representatives. However, that would not be possible with a consumer representative. The Minister's Government prefers appointed representatives, because there are a lot of them around.

**Mr Schwarten:** You didn't mind appointing a few people here and there, either.

**Mr Booth:** No. I think I am getting myself into trouble. However, it was never my idea. I did not initiate the idea, but I lived with it.

The Government is making appointments to all sorts of boards. The problem with making appointments—the Minister made the point with the consumers representative—is that, as long as they are kept nice and comfortable, they remain for a long time.

**Mr Casey:** Just like we will as a Government.

**Mr BOOTH:** I do not think so. There is a groundswell in the community. As a matter of fact, the member for Archerfield will be visiting my electorate next week and he will find out.

**Mr Palaszczuk:** Sunday.

**Mr BOOTH:** He is coming on Sunday. He should stay at home, because I wager that he will not have any supporters up there.

**Mr DEPUTY SPEAKER** (Mr Hollis): Order! The honourable member will resume his speech.

**Mr BOOTH:** I will resume my speech. I am just letting the honourable member know that there is a groundswell in the community.

I want to say something about the financing of the new authority. I have pointed out that, if there are to be many more inspectors, the costs will be much higher. I think the small hot bread shops were paying a precept of \$150. I have heard on the grapevine—I hope I have not been led astray—that the minimum charge for small hot bread shops will be \$1,200. That will not make the proprietors of those shops very happy. With all the small hot bread shop operators speaking against the Government, if the Minister thinks that it is safe, he must believe in the tooth fairy. I think that the Government will create a lot of strife and that that will continue for a long, long time.

Many people have taken the time to write to me about the bread industry. No doubt they also wrote to the Minister. I am told that the Minister just ignored those people.

**Mr Casey:** That is not true.

**Mr BOOTH:** If it is not true, the Minister can produce some of the letters that he sent to those people. I wonder how many letters he wrote.

**Mr Casey:** I'll have to bring them in a truck.

**Mr BOOTH:** That is good. I know that the Minister would have truckloads of letters of complaint. He was warned right at the start. The Minister seems to think that this Labor Government is so strong that it can override anybody and everybody. He will find that that is not so. I do not care what happens with the electoral boundaries; no Government can afford a ground swell of opinion against it.

**Mr Smyth:** Are you going to retire?

**Mr BOOTH:** Some day I will, yes. At the moment I am not thinking about it, even though I have got a cold and it would be a good day to be retired.

One of the letters that I received states—

"History has shown in other states that Major Break Manufacturers engage in 'Price Wars' to

- (A) Increase their share of the market.
- (B) Put small local bakeries out of business.
- (C) Reduce viability of small corner stores.
- (D) Increase their profitability long term after writing off as tax loss what 'Price War' figures create, which only reduces Government income."

I take it that that is a reference to Federal Government income.

I do not think that it is good business to allow the big bakeries to wipe out all the little bakeries. It has not happened up till now. I hope that it does not happen, because the hot bread trade has fought back quite well against the bigger bakeries. I have spoken to the proprietors of the three or four small bakeries in Warwick. They did not seem to be very worried. They told me that they sell quality bread and that they believe that,

even if their price is higher than the price charged by the mass bread manufacturers, they will still be able to sell their bread.

The latter part of the letter to which I have referred states—

"Queensland is a large diverse state and its citizens deserve your consideration in ensuring their well being is not adversely affected by instability in the Bread Industry."

I think that that is a good point.

In his second-reading speech, the Minister said that bread was part of a staple diet. I believe that that is so. In days gone by, when I had to eat food that was not quite up to the standard of the parliamentary dining room, I ate more bread than I do now. In those days I was a manual worker, and one can work pretty well after eating bread. People who have a good, balanced diet still eat quite a lot of bread, particularly those who do hard, manual work. Bread can also be used for snacks.

I want to say something about bread-vendors. A letter that I received states—

"A number of vendors in the Hinchinbrook electorate have expressed concern at the attitude of the Queensland Labor Government in implementing this legislation.

They are hard-pressed to understand why a Labor Government, that is supposed to be supportive of the battlers, should give protection to large companies with substantial funds. They genuinely feel ignored.

They find it difficult to comprehend why a minimum wholesale price is to be arrived at to protect bread manufacturers, but there is no support for the corner stores and bread vendors to put a floor price to protect their viability in the event of price wars."

That is one of the things that the retailers are very concerned about. The retailers believe that when this Bill is passed a ceiling will be imposed on what they can pay for the bread but there will be no minimum price, that it could go as low as down to the wholesale price. I do not know what that wholesale price would be. I will pluck a figure out of the air and say that it might be a dollar. In fact, I have reason to believe that that might be the true figure.

I do not believe that the Government can just ignore these vendors. They are very worried about the legislation. The letter to which I have referred goes on to state—

"Many of the vendors have their life savings tied up in their asset. The prospect of sustaining a price discounting war is not good. They feel extremely vulnerable."

In other words, those vendors are afraid of the Bill. I cannot understand why the Government back bench did not bring their—

**Mr Schwarten:** Sleeping bags.

**Mr BOOTH:** I did not hear what the honourable member said.

**Mr Schwarten:** Sleeping bags. We are nearly going to sleep.

**Mr BOOTH:** If that is the case, my speech must not be up to my usual standard.

If the Government intends to impose a maximum selling price for bread, it should also impose a minimum selling price. I considered moving an amendment in that regard at the Committee stage. However, in view of the fact that the Bill is very poorly drafted and does not take into account what is happening in the bread industry, I think it is better to vote against it at the second-reading stage. I think that that is the best way to go.

As I have said, a number of vendors have written to me. I have tried to pick the best examples. Some of these vendors are substantial manufacturers. They are also afraid of the Bill. One vendor has said that a minimum selling price stops the prostitution of bread by fruit barns and the like which, before the introduction of the trading code,

used bread products as loss leaders to draw customers to their premises. The vendors also state—

"It has allowed the smaller retailer to sell bread products at the recommended price knowing that the larger Retailers no matter what discounts or extra rebates they are receiving from the large Manufacturers cannot sell at greater than 4-5% below their prices."

That is the part I am worried about in regard to the business of no minimum price. The vendors state further—

"It has allowed the smaller and independent bread producer to survive. ie. he has been getting a reasonable (and stable) price for his product.

This has been the case whether it be a Wholesale Independent Bakery or a small Retail Independent Bakery (Hot Bread Shop). At the same time Queensland's bread has been the cheapest in Australia."

I do not believe that any back-bencher can tell me of anywhere in Australia where one can buy cheaper bread than in Queensland. If the bread market gets out of hand and becomes cornered, members will find that a lot of chickens will come home to roost.

Fruit barns have been one group that has come under considerable fire. It has been claimed that they use bread as a loss leader. Other people are worried about any regulation of the industry because they believe that some of the big chain stores will be able to overcome regulation by giving a concession on some other product. I do not know whether that is true or not, but it does worry me.

I wonder if the Minister can listen for a second?

**Mr SPEAKER:** Order!

**Mr BOOTH:** The Minister got away with having clauses 3.19 and 3.20 included in the Bill. Those clauses related to an application for a price rise. Can the Minister advise how that will happen now that he has foreshadowed amendments to them?

I am quite happy with a standard loaf of bread being white or wholemeal. I am not completely opposed to there being fewer than five members on the authority, if that can be achieved. The Minister did mention cost escalations in the running of the authority. Can the Minister tell me, if there are to be inspectors, how the authority can operate cheaply? I have been involved in enough companies to know when a man is put on the road with a car.

The Minister stated that it will be mandatory for the model to be open to inspection, and I have no quarrel with that. That is a reasonably intelligent thing to do.

Because it is impractical, the Opposition opposes this Bill. If it thought the legislation would work, it would give it a go. However, it is an open-ended deal where the retailer will not be able to go above a certain price, but someone else can cut it to ribbons.

The Opposition believes that the cost of the authority will get out of hand, although perhaps not as high as the millions suggested by some people. I believe that it will be necessary to have three or four inspectors, and they alone will cost between \$200,000 and \$250,000. In the initial stages, the cost could be between \$300,000 and \$400,000. If the executive officer of the authority happens to be an empire-builder, those costs will go much higher than that.

The Opposition believes that this legislation will be a complete failure and that it is no good moving amendments to the Bill. The legislation appears to be hopeless from the start. The Opposition opposes the Bill.

**Mr SULLIVAN** (Glass House) (5.12 p.m.): It is always a pleasure to follow the member for Warwick in a debate. He is something of a jovial prophet of doom who feels that there is no disadvantage in debating a topic without reference to the facts.

I will take a few minutes in this place to voice my support for this Bill. Obviously, this has not been the easiest piece of legislation that the Government has brought before

the House and it has not been without some little controversy. In fact, the Bill could be described as a document of courage, and I congratulate the Minister on bringing the Bill before the House. I also congratulate him on allowing it to lie on the table for a substantial period of time to facilitate community discussion, which has included some criticism.

I refer to an article in the *Courier-Mail* of 7 July, that states—

"Major stores yesterday joined bread vendors"—

remember the bread-vendors who were referred to by Mr Booth—

"and manufacturers in calling for regulation of the industry.

Coles, Woolworths and Pick 'N Pay"—

all honourable members will remember Pick 'N Pay—

"supermarkets met the manufacturers and vendors in a three-hour meeting at the Queensland Retailers Association Offices."

Mr Booth should listen to this important part of the quote—

"A spokesman for the bread industry working party, Mr Terry Hiratos,"—

who, by the way, is a vendor—

"said last night the entire industry was behind regulating the industry and the proposed legislation."

**Mr Connor:** What is the date of that article?

**Mr SULLIVAN:** It is an article in the *Courier Mail* dated 7 July 1990.

Mr Booth's claims about the vendors may not be as strongly based as he stated.

When discussing a commodity such as bread, two alternatives are available to the Government—deregulation or regulation in some form. Obviously, each alternative has had its proponents and its opponents.

Quality Baker Australia Proprietary Limited, a division of Goodman Fielder Wattie, are vociferous advocates of deregulation, and one should ask why. Like Mr Booth, I received a number of letters. One was from Quality Bakers posing a number of questions and answers concerning deregulation of the bread industry. Question 6 in that letter states—

"If deregulation is introduced, will bread prices increase?"

Members should remember that that organisation is proposing deregulation. Their answer stated—

"The average price would increase because regulation has kept prices artificially low."

That sounds like a good argument for regulation to me. It continued—

"Under deregulation, the lowest priced bread would be cheaper than it is now and there would be a much greater range of bread prices."

In its answer to question 5, that company stated—

"The facts clearly show that price increases are comparable between regulated and deregulated markets, although in the deregulated market, minimum prices are lower."

The ABS statistics for the September 1989, December 1989 and March 1990 quarters reveal what is closer to the real picture. I have compiled a list of bread prices from documents sourced from the Australian Bureau of Statistics. I intend to refer to increases in bread prices in the six-month period from September 1989 to March 1990. I indicate to honourable members that the bread prices to which I refer are those charged by a supermarket for a 680 gram white sliced and packaged loaf.

The Queensland and South Australian markets are the only two regulated bread markets in Australia. During the six-month period, no price increase occurred in

Queensland. In South Australia, the price increased by 2c. In the deregulated markets of New South Wales and Victoria, the price rise was 8c and 6c respectively. In Tasmania and Western Australia it was 7c and 9c respectively. In the Australian Capital Territory and the Northern Territory it was 5c and 7c respectively. Obviously, the consumer gains some benefit from a regulated price market in which the range of prices and price increases can be held.

In its letter of 11 May, Buttercup Bakeries indicates that, in New South Wales, the price of bread ranged from 79c to \$1.60 per loaf. That resulted in an average price of \$1.40 a loaf in supermarkets. To obtain that average price, one loaf has to be sold at 79c and three have to be sold at \$1.60. So basically one person is benefiting from the cheaper price and three people have to pay a much higher price so that bread can be sold at that cheap price. Deregulation does not seem to be the answer. Obviously, somebody will benefit, but it does not seem to be the consumer.

Also in its letter of May, Quality Baker produced the following answer—

"Price controls should provide protection for consumers from unfair business practices but also enable other industry participants to make fair return on their investment."

Nothing seems to be wrong there. That sounds to be a reasonable proposition. So where is the problem? It should be remembered that the member for Warwick said that there are prolific letter-writers in the community. The problem is to be found in Quality Bakers letter of 1 May, in which it stated—

"The company has aggressively pursued its growth strategy in Queensland in good faith that recommended bread prices and cost model analysis would enable manufacturers to keep pace with cost increases and sustain adequate returns on investment."

I emphasise the following comment made by that company—

"Unfortunately, under the previous National Party Government, this did not happen."

Why did it not happen? It did not happen because, under the legislation that existed, the Government could not enforce it. Between 1988 and 1991, that company invested \$30m in this State, and the former Government let it down. The former National Party Government, which was such a wonderful supporter of private enterprise and was responsible for bringing investment to this State, let the company down. It rather makes a mockery of the notice of motion that the Deputy Leader of the Opposition gave in the House earlier today.

Others who are concerned about the bread industry include the vendors, who requested the Transport Workers Union to look after their interests, the Bread Manufacturers Association, the Queensland Retail Traders and Shopkeepers Association, and the Retailers Association of Queensland. All of those industry participants have argued for its regulation.

An article in the *Sunday Sun* of 25 February this year indicated that the bread-vendors intended joining the Transport Workers Union. The last paragraph of the article states—

"Queensland Housewives Association president Gabby Horan is backing the vendors, claiming deregulation of the bread industry would not be in the long-term interests of the consumers."

**Mr Booth:** Gabby Horan is a dangerous opponent to have out there, too.

**Mr SULLIVAN:** I am not suggesting that she is our opponent. She is suggesting the regulation of the industry, which is exactly what this Government intends to implement.

In response to increases in the price of bread, on 25 July, the Consumer Law and Reform Association president, Ms Brenda Payne, said—

"We would support the Minister re-regulating the industry."

I refer now to a document headed "A precis of the position of 'the Retailers Association of Queensland', 'the Queensland Retail Traders and Shopkeepers Association', and the bread vendors of Queensland". This document was prepared by the people who Mr Booth thinks will be done out of a job. This is their symbiosis, as they call it. The document states—

"The meeting of these diverse groups established an unparalleled symbiosis in the industry. It demonstrates not only the vitality of the industry to so many people, but the importance of having regulation in the industry which serves everyone from retailers, to manufacturers, to vendors and the consumer.

We support the need for a Bill regulating the Bread Industry . . . "

At the beginning of this year, the Transport Workers Union took over the interests of the vendors who will be done out of a job and will therefore not be able to pay their Transport Workers Union subscriptions. That union stated—

"We believe it is essential to proceed with the legislation as soon as possible . . . "

I guess that Mr Booth's claim that the Government does not have industry support for this legislation is not quite right.

**Mr Davies:** Where does Mr Booth get his information?

**Mr SULLIVAN:** I could not say from where he gets his information.

According to a newspaper article on 15 July, the Queensland Bread Manufacturers Association general manager, Ken Ball, said that only a minority of consumers would benefit from deregulation, which had been introduced in other States. In the light of the events of January—perhaps they could be termed the Brisbane bread battles—the Government was faced with four options. It could do nothing, thus maintaining the status quo, which is a situation that has become time-honoured in this State over the past 32 years; it could modify the existing legislation; it could enact new legislation; or it could deregulate the industry.

Let me consider the options. If the status quo had been maintained, in the long run that would have resolved nothing. The difficulties that were experienced at the time reflected the inadequacies of the legislation. The difficulties that were outlined in the letter of 1 May from Quality Bakers demonstrate that the legislation was inadequate. It is lamentable that it did not give them any protection for their investment in this State.

The legislation needed amendment because of its fundamental lack of powers. In the past, the Minister had to personally intervene in bread price rises. He had to approve the increases and the withholding of supplies to errant retailers who broke the code of trading conduct.

Another option was to amend the legislation to strengthen its powers. In 1981 and 1983, that option was attempted twice. Mr Booth would remember that, because he entered this place in 1977. The respective Ministers of the day were Mr Ahern and Mr Turner, who has some hope of returning to this place shortly. At that time there was opposition from the industry, members of Parliament and the community, and the Government of the day did not have the guts to proceed.

Mr Booth said that the existing legislation should be strengthened by the inclusion of powers. But in 1981 and 1983, the Government of which he was a member did not have the guts to proceed along that road.

**Mr Booth:** We didn't need to do it. It is only now that it is needed.

**Mr SULLIVAN:** Because that interjection shows the talent on the Opposition front bench, it should be included in *Hansard*.



This Government does not agree that, if penalty provisions were provided, the existing Bread Industry Committee Act would be adequate. It believes that extensive amendments would be necessary.

I made an inquiry of somebody who has considered this legislation. He stated—

" . . . the Act discourages competition by making entry for new bakers difficult. The Bread Industry Committee is largely representative of the existing industry and has made its pricing decisions in the absence of appropriate public scrutiny. Requests for price increases are based on average industry costs and in the Government's view this process has little regard for the interests of consumers. The current legislation could also reduce incentive for bakers to control costs or develop new technologies."

The option of deregulation existed. However, deregulation has a number of adverse effects. For instance, there would be some instability in manufacturing, distribution and retailing, with rationalisation and closures, although specialty lines and diversification would allow hot-bread shops and boutique bakeries to remain competitive. That section of the industry already targets a different market from the one that is being regulated by this Bill.

Under deregulation, the highest price is well above the existing maximum. Earlier, I stated what occurs in New South Wales, where the average price of a loaf of bread is \$1.40 and the highest price is \$1.60. That bread-vendors would suffer under deregulation has been brought home fairly solidly to me by vendors. Perhaps a different group of vendors wrote to the previous speaker. Bread-vendors would have a great deal of difficulty when the brand that they were vending was not on special, and would suffer because of instability of demand. Independent grocers would be likely to lose custom to supermarkets. From the examples that I gave earlier, it would appear that there would be industry resistance.

The option of new legislation, which was accepted and taken up by the Minister, was able to achieve the Government's objectives, which include stability for the industry and protection for consumers from unfair pricing practices.

The Bill has several features. The first relates to the Bread Industry Authority. Although Mr Booth made some comments about the authority, he was quoting from the Bill and not from the foreshadowed amendments.

**Mr Booth:** The only change in that amendment is that it can be reduced to four.

**Mr SULLIVAN:** I suggest that the honourable member read the amendments.

Mr Booth referred to their being one baker and two industry representatives. That has been combined in a particular way to include three representatives who must have experience in baking, industry, accounting or industrial relations. The honourable member's worst fears could be realised—three people with industrial experience could be joining the consumer advocate.

**Mr Booth:** It could be even worse than I said.

**Mr SULLIVAN:** It could be worse than the honourable member said. However, it could be a great deal better, because the option exists for three people to represent the baking industry. Although scope exists for industry personnel to be appointed, bread is a commodity of interest to the entire community and the authority should be broadly based to ensure that the public interest is considered.

The Bread Industry Authority will have enforcement and price-setting powers. It is unacceptable to have Caesar judging Caesar. The specific requirement for the authority to report to the Minister within 12 months on the efficiency and effectiveness of regulation is very wise. Because the bread industry is a fluid industry—if I can use that term—and because the community interest must be maintained, we must ensure that we are doing the right thing.

The price-fixing powers of the authority are of interest to some members. Many of them spoke about the authority not setting a minimum retail price. Bread-manufacturers have said that all of the tumult and shouting could have been avoided and resolved with a simple amendment to the existing Bread Industry Committee Act that would give the existing Bread Industry Committee power to impose penalties. The member for Warwick also takes that view. In 1981 and 1983, the National Party did not proceed with its amendments, which would have resulted in the Government being obliged to prosecute pensioners and battlers for getting bread at a cheaper price and to prosecute people for selling it to them at a price lower than the minimum fixed price. That is not necessary.

The Government took other views into account when it made the decision not to set a minimum price for bread. The Retailers Association of Queensland made the following statement in a submission to the Bread Industry Committee—

"It is not in the interests of consumers for an artificial minimum price to be fixed . . . only the fixing of a maximum price to protect consumers is valid."

I am sure that association feels that it had some input into the Government's decision not to set a minimum price.

As long as the retailer pays for the discount to the consumer, the consumer should not be denied access to cheap bread. The minimum wholesale price ensures that any retailer—as distinct from the manufacturer—that wants to offer bread at a low price will bear the cost of that. Loss leading becomes an impost upon the retailer and a part of his normal business decisions, not something that he partakes in if he is able to convince a bakery to provide him with bread at a cheaper price.

The maximum penalty of \$18,000 plus \$6,000 per day for continuing offences by corporations—for individuals, the penalties are \$900 and \$300—must be high enough to deter large companies from ignoring the legislation. To ensure compliance with the legislation, inspectorial powers are relatively comprehensive. The Minister has made it clear that he expects inspectors to act only on complaints.

**Mr Booth:** They're going to cost money though, those inspectors. They'll cost you \$60,000 a year.

**Mr SULLIVAN:** Interestingly, the next note I have says that it is reasonable that costs of the regulation are to be met by the industry. I do not consider that to be an unreasonable view. The bread industry will benefit from long-term stability.

Under clause 3.15, the costs per loaf, which should not be significant, are to be set by the Bread Industry Authority. The ability of larger retailers and manufacturers to offer discounts reduces the impact of any precept-inspired price increase per loaf. In his second-reading speech, the Minister said that the method of funding the authority was in line with the aim of the Government to reduce public moneys spent on the operation of statutory authorities.

The Bill offers stability to the industry, a fair price to consumers and a fair return to industry. As demonstrated by the evidence that I provided earlier, it has widespread support both in the industry and within the community. The provision for a report to be made in 12 months' time on the efficiency and effectiveness of regulation within the industry demonstrates that the Government is determined to ensure that the Bread Industry Authority fulfils its role. I applaud all those features and I support the Bill.

**Mr CONNOR (Nerang) (5.35 p.m.):** The Liberal Party does not support the Bread Industry Authority Bill. It is wrong. Prior to the framing of the legislation, little or no consultation with the industry was undertaken. The Bill is a typical piece of Labor legislation that regulates the living daylight out of the bread industry with no regard for the businesses within it.

The terrible part about the Bill is the unbelievable lengths to which it goes in order to ensure compliance with its provisions. The Bill allows absolute right of entry to premises without warrant and absolute power of search without warrant. If those powers

were given to police, civil libertarians would be marching down George Street right now. The Bill also provides power to inspectors to demand answers, to seize records and copy them and to use reasonable force or assistance to get what they want. Where will the funding come from? It will come from members of the public every time they buy bread. As bread tax will now be levied on the manufacturers, how does the Minister for Primary Industries intend to deliver cheaper bread?

What happened to the Government's rhetoric about the reduction of quangos? The Bread Industry Authority is the grandfather of all quangos. It will have more power and more potential for expansion than any other regulatory body. The milking cow for that quango will be the bread-manufacturers. The authority will not be accountable to the bread-manufacturers that fund it, and it will go on an unrestrained spending spree of a type never before seen in Queensland. Queensland will model itself on Mr Cain's Victorian model—Vic. Inc will become Qld Inc.

Some of the ways in which the new monolith will distribute the spoils that it confiscates will be: the right to hire any and all, the right to buy property, superannuation funds, members' expenses, secretaries' expenses, professional expenses, technical expenses, car expenses and so on. That will be done with no regard for those who are paying for it. How many jobs for the boys will be provided? What was the old line—no taxation without representation.

Under the legislation, the manufacturers will provide all the funds for the quango, yet the bread-manufacturers may have only one representative on the board. Today, I learnt that the number of representatives on the board has changed. Two union-leaders will be on the committee—only the Minister knows why two people representing union interests are needed on a bread quango. If the industry had been consulted beforehand, many of these amendments would not have to be moved after the introduction of the Bill into this House. There may be jobs for the boys and the Minister might put a few of his old comrades on the committee.

**Mr Coomber:** That's Ray Dempsey's second chance.

**Mr CONNOR:** Yes, that could be Ray Dempsey's second chance.

If these people get their hands on the industry, everyone will need large freezers, because a regular supply of bread will become a thing of the past. These union boys will unionise every facet of the industry, including the supply of flour, the baking of bread and the stacking, carting and distribution of bread to the shops. That is why the Government wants to get rid of contract bread-vendors. It is almost impossible to unionise small business. This is the secret agenda: the total unionisation of the bread industry. How long will it be before there is a bread strike in Queensland?

Under this piece of Labor legislation, the wheels have fallen off the bread-vendors' bread carts. Does the Government realise what the five-month delay has done to bread-vendors throughout Queensland.

**Mr Sullivan** interjected.

**Mr CONNOR:** I have got all day. I would like to have my chance to speak. The honourable member for Glass House has had his chance.

For the last five months, while everything has been up in the air, bread-vendors have been unable to sell their businesses, because no-one would be silly enough to buy them. They do not know whether they are coming or going. They buy loaves of bread in advance to fill an order, but when they go to deliver the bread to a supermarket they find that the supermarket has a special deal and is selling bread at 89c a loaf, or whatever it might be. The vendors are stuck with a cart load of bread that they cannot deliver. They have reached the stage at which they have mouldy, old bread sitting in their garages at home, which they cannot return.

**Government members** interjected.

**Mr CONNOR:** This is quite true. The same legislation limits the amount of returns. The bread sits in their garages moulding away. This artificial deregulation situation is allowed to exist while Mr Casey makes up his mind. He did not consult the industry. He did not speak to the vendors, the manufacturers and the retailers before he introduced this draconian piece of legislation into this House. Once he had done so, he realised that the industry was 100 per cent against the legislation. He waited for five months, and it was not until the industry broke down that he had enough courage to put this legislation before the House.

The Minister's arrogance and ignorance is now legend throughout Queensland, not only in the bread industry but also in every facet of primary industry in Queensland. People are saying that the job is too much for him; it has passed him by. The bread-vendors do not know whether the Minister will be overruled by the Premier and deregulation will be introduced, or whether this piece of legislation will be thrown out and the original Bread Industry Committee returned. The people in the industry did not know whether the Bread Industry Authority Bill would remain in the House in its present form or be modified. We found that out only two days ago. The Minister has the industry in a quandary.

This is a slow death for the bread-vendors; they do not know whether to hold on or sell. They cannot sell their businesses and they are slowly going broke. Now it appears that the legislation will remain in its present form, which will guarantee that the bread-vendors will go broke. They will have to break the law to distribute bread.

Clause 3.17 of the legislation causes all the problems. I can only hope that the Government did not know what the ramifications of this clause would be. The clause sets out exactly on what basis the authority will set the minimum wholesale price. It must consider the distribution and marketing costs. Under this clause, if the industry can make a submission which minimises or cuts out the cost of distribution and marketing, it will achieve the absolute minimum wholesale price that it seeks. The industry will move towards a system in which the vendors do not have a place. The bread will either be picked up by the chain stores or delivered once a day by paid drivers, not contract vendors. There will be no returns and marketing costs, because the chain stores will sell home brands or generic brands which have effectively no distribution costs. What is more, once a store applies for such a system of purchase, there will be no going back. The inspectors will ensure that there are no clandestine deliveries. For example, if a major supermarket wished to offer bread at a special price of 89c a loaf for one week, it would need to have the absolute minimum wholesale price that it could achieve under this legislation.

Clause 3.17 requires the authority, when calculating the minimum wholesale price, to consider the marketing and distribution costs. Therefore, the supermarket will want the bread supplied with no marketing or distribution component. It will have a home brand label and it will pick the bread up itself. Many large retailers have already expressed to me their intention to buy bread in that way, because this Bill forces them to do so against their will. This will force vendors out of business and, if they deliver some of this bread, they will be breaking the law under clause 4.2 of the legislation. This is another nail in the coffin of small business under the Labor Government.

At least the Minister is consistent; he has managed to upset the whole industry. If he had bothered to consult the industry before going off half-cocked, he would have realised many of the pitfalls in this Bill, and the amendments that he will introduce have proved that fact. No-one knows the industry better than the industry itself, and the Minister did not even bother to consult it before he introduced this Bill. Because the Minister did not want to see the industry representatives, Mr Goss had to intervene. After many months, only now is the Minister for Primary Industries saying, "Yes. I will see you." He had not even tried to tell the industry or the public what the hell was going on. Obviously he has never heard of consultation. I ask: where will it all stop? When will the Minister visit local school fetes and charge the mothers for their offerings? The Bill regards as manufacturers mothers who sell their pastries at school fetes.

What does the Minister intend to do with the 1 000-odd workers in the contract vending industry who will lose not only their livelihood but also their life savings by virtue of this Bill? These bread-vendors have invested between \$50,000 and \$400,000 for the bread runs by which they eke out a very meagre existence. The Minister's action will make these bread runs worthless. In their newly found poverty, the bread-vendors will have time to find out who perpetrated this injustice, which will be matched by the unemployment package presented by the Minister's mates.

What will the newly established authority members be paid? What is cronyism really worth under a Labor Government in Queensland?

**A Government member:** Oh, come on, Ray!

**Mr CONNOR:** I will take that interjection. Of course, there will also be other problems created by parts of this Bill that, with a bit of common sense, could so easily have been avoided. Has the Minister considered that because of the way that membership of the committee is arranged, a representative of either a manufacturer or a major retailer, or both, will be able to sit on the board and therefore be privy to all types of confidential information about an opposition manufacturer or retailer? There will be nothing to stop those representatives from making use of that information. What a ludicrous situation! If a person acting as a manufacturer or retailer wants to arrange a deal, his opposition will certainly become aware of it long before he has had the opportunity to put it into practice.

The Minister has indulged in a little bit of fast footwork to get rid of one of the Government's debts. Why should this industry take over the debts of the Bread Industry Committee and finance them? This is a Government expense, not an expense of the industry. Which industry will be next—newsagents, dairying, sugar, eggs, beef, taxis, hire-cars?

**Mr Coomber:** That's what Goss said—no more taxis.

**Mr CONNOR:** Yes. Many weeks ago, I sent a letter to the Minister. I wish to cite the contents of that letter. I asked the Minister—

"1. How much money do you anticipate will be raised in the first year?"

The Minister's answer is dated 16 July and states—

"The financing of the Authority, including the setting of precepts will be the responsible of the Authority."

I did not get an answer to that one. Either that is the case, or the Minister did not know the answer. My letter also states—

"2. What is the estimated cost of running the new Authority?"

The answer to that was as follows—

"The Authority will be structured to run as efficiency as possible, thereby keeping precepts to an absolute minimum."

Again, I did not receive an answer to my question. I wonder if the Minister knows the answer to that question. My letter also stated—

"3. How will you stop manufacturers moving over the border to avoid the new 'precept'?"

The Minister's answer states—

"There are no grounds to support the assertion that an environment will be created whereby Queensland bread-manufacturers will move their operations into New South Wales."

Again, the Minister did not answer that question, either. My letter goes on to state—

"4. If the taxes levied are per baked loaf, what is the tax rate per standard loaf?"

The Minister's answer states—

"The Government is presently considering further submissions from industry on the question of the legislation and will develop its final position by taking into account the welfare of both industry and consumers."

The Minister has not decided on the rate, and he obviously has not worked out the answer to that question, either.

**Mr Heath:** Before, you claimed that he didn't consult. You said he was rushing it through and not consulting.

**Mr CONNOR:** I said that before he put the legislation before the House. He should have done this five months ago.

Hidden away in the Schedule at the back of the Bill are provisions requiring regular returns to be lodged by everyone in the industry. Even the retailers will fill out another useless form. How many legions of bureaucrats will be needed to administer that little nightmare? There are approximately 3 700 retail establishments selling bread in Queensland. Assuming that monthly returns are lodged, I calculate that to amount to 44 400 returns from the retailers alone which will have to be checked, correlated, filed and double checked. All bread-manufacturers must be listed on a register.

Last, but not least, the Bill provides for penalties. One would think that the bread-manufacturers were selling drugs, because some fines exceed \$200,000. It should be remembered that all the money raised by virtue of this legislation remains with the board. It would take only a couple of fines of that magnitude to have the board rolling in the dough—pun intended. As I stated earlier, the Liberal Party will not be supporting this Bill.

**Mr ARDILL (Salisbury) (5.50 p.m.):** The member for Glass House did such a good job explaining the contents of this Bill that there is very little left for me to say. However, I wish to address a few serious remarks to the Chamber.

First of all, this Bill is intended to take a lot of the heat out of the bakehouse situation. Throughout history, our daily bread has been the subject and cause of emotional debate, as exemplified by the speech made by the member for Nerang. It has even been the cause of riots and wars. My informants, who are vendors and bakers—both employer and employee—inform me that they support strongly a bread pricing authority that is able to make its decisions operate in the interests of the public of Queensland.

I have heard of, and had experience in, the heat in the kitchen, but this bakehouse saga has gone on for too long and has generated much more heat than light.

**Mr SPEAKER:** Order! When this session is over, I think that the present speaker should be given the prize for the worst pun.

**Mr ARDILL:** The previous authority was a figment of the imagination of the National Party and was totally ineffectual. It was unable to make its pronouncements stick. The only winners in the period of the former Government were the major retailers who used cheap bread as a bait to catch customers. The shortfall in prices that they charged for bread was made up in the prices charged for other goods. The main victims were the vendors who were left with bread on their hands—or dough—when customers were presented with the opportunity to purchase cheap bread in supermarkets.

The public needs vendors, small bakeries and hot-bread kitchens that provide a much better product than the plastic-wrapped products of the major bakeries. The Minister should be congratulated for beavering away on the preparation of this Bill, in spite of the opposition that it has generated from various vested interests.

Despite all the vituperation, the Minister maintained the integrity of the legislation, which was supported by his committee, and which will protect the public and also assist local hot-bread kitchens to continue to provide their essential service.

The provision of a maximum retail price for bread will not affect reputable bakers, vendors or retailers; however, it protects the interests of the customers. No justification exists for a minimum retail price, as it is quite common for small bakers to charge less for old bread. That position should continue. It is much better than the practice that has applied with the major bakeries and retail stores of returning unused bread. The provision of a minimum wholesale price will protect reputable bakers, vendors and retailers from the unfair practices that were the cause of the furore that we have experienced this year.

I thank the great number of people who have taken the trouble to contact me on this most controversial matter. They have been generally supportive of the Bill, of the attitude of the Minister and of the attitude of the Labor Party. There were some objections, but they were solely from the major bakeries and the major retail stores. The only retailers who criticised the Bill—they have now changed their tune—were the major retail stores.

**Mr Booth:** You said the little corner stores want it. You have a yarn to them on the way home.

**Mr ARDILL:** As I said, many people approached me about the Bill. Their only concern was that the Bill would be watered down. The bakers, the employees of the bakers, the vendors and the public strongly support the Bill. The only people who oppose it are the flour-millers, who own the large bakeries, and the major retail stores. I understand that, recently, the major retail stores have changed their attitude and now support the Bill.

**Mr McGrady:** I was going to suggest that you propose a toast to the Minister.

**Mr ARDILL:** I believe we should. The Minister has done a great job. He has maintained the integrity of the Bill. He has made some sensible, minor amendments. The great majority of the people of Queensland and the great majority of the people in the industry will be pleased with the Bill and will support it, as I do.

**Mr SPRINGBORG** (Carnarvon) (5.56 p.m.): Unfortunately, the dinner recess will be taken shortly.

**Mr Casey:** That's enough time for you.

**Mr SPRINGBORG:** That is a matter of opinion. I am afraid that I will have to attempt to match some of the members who have participated in the debate.

**Mr Dollin** interjected.

**Mr SPRINGBORG:** Mr Speaker, I ask you for a ruling on these dreadful puns that are being made.

**Mr SPEAKER:** Order! I agree with the member for Carnarvon. I am having great difficulty in putting up with them.

**Mr SPRINGBORG:** They are pretty crummy.

All members of this Chamber would appreciate that this is an extremely complex issue with very few solutions that will please everybody. In my view, bread, like meat and potatoes, is a staple part of one's diet. When something may affect its pricing structure or its availability, many people become upset. I am one of those people. Because bread is such a staple food item and because it has been around for so long—

**Mr Dollin** interjected.

**Mr SPRINGBORG:** They are getting worse, Mr Speaker.

Because bread has been around for so long and because it is such a staple food item, when one talks about regulating or deregulating its price, or increasing the price, it invokes strong emotions. In common with many Government members, who continue to maintain that their constituents are in favour of the Bill, I am representing the views of the small bakers of my electorate. They have indicated that they have severe problems with deregulation and the Bill. It is my duty to speak against the Bill.

The original Act provided a system of bread-pricing that has been amongst the best in Australia. Statistics for the March quarter reveal that Queensland had the second-lowest bread prices in Australia. That proves that the original Act was not all that bad.

I will inform the House of price comparisons between the States.

**Mr Sullivan:** I did that.

**Mr SPRINGBORG:** I will do it again.

In the March quarter, the prices for a standard loaf of bread throughout Australia were: Sydney, \$1.40; Melbourne, \$1.35; Brisbane, \$1.14; Adelaide, \$1.06; Perth, \$1.37; Hobart, \$1.29; Canberra, \$1.41; and Darwin, \$1.36. I and many other people in my electorate, including the small bakers, believe that the problems could have been solved by putting some teeth in the original Act. I know that the Minister takes exception to that fact. I realise that his departmental officers would take exception to it. However, many people in the industry and many consumers believe that the original Act could have been tightened up. Surely it is not beyond the legal people and the advisers in the department to achieve that.

Sitting suspended from 6 to 7.30 p.m.

**Mr SPRINGBORG:** Before the dinner recess I was launching a salvo about the existing Bread Industry Committee Act—

**Mr Casey** interjected.

**Mr SPRINGBORG:** The Minister can define it as he wishes, but I would call it a salvo.

As I was saying, I believe that many of the problems that have arisen could be solved by putting some teeth in the existing legislation, which has provided the people of Queensland with competitive—if not the lowest—bread prices in Australia, and it has provided them with those low prices since its introduction in 1979. However, unfortunately, because of the actions of a few renegades at the beginning of this year, it was discovered that the existing legislation contained some fundamental flaws. As a result of those fundamental flaws, it was impossible to enforce the other good provisions of the Bread Industry Committee Act.

I take exception to the fact that some members of the Government have been saying that the Opposition is offside with the manufacturers and the consumers. I do not think that that is necessarily the case. I have spoken to many people, and it has become more and more obvious to me that the Bread Manufacturers Association does not support this piece of legislation. In fact, that association would probably support full deregulation before it would support this piece of legislation. It says that it would have liked to have seen some teeth put into the existing legislation, or at least an attempt made to do so. Many people would have preferred to have seen some sort of minimum retail pricing system.

Much is heard about how bread prices rise. Since 1979, relative to average weekly earnings bread prices have stayed exactly the same. An article in the *Courier-Mail* of 14 February 1990 states that in 1979 the average weekly wage was \$222.70. The price of bread was 47c. The consumption of bread constituted 0.21 per cent of the average weekly wage. In 1989, the average weekly wage was \$523.90; the price of a standard loaf of bread was \$1.09. The percentage of the average weekly wage that was spent on a loaf



of bread was 0.21 per cent. So during that time there was no increase in the price of bread relative to wages. It is a pity that that could not be said for many other industries, such as the grain industry. For example, there have been astronomical increases in—

**Mr Hollis:** The farmers get all the money. They are making a fortune.

**Mr SPRINGBORG:** The farmers are not making a fortune at all. I can vouch for that. The Minister could also vouch for that if he had spoken to some grain-growers. Grain-growers have experienced an astronomical increase in their costs and a decrease not only in money terms but also in real terms in the return.

The price of bread has remained stable relative to wages. I think that that is a very important point. A couple of years ago I saw a very good cartoon—

**Mr Prest:** Do you usually read the comics?

**Mr SPRINGBORG:** We intellectuals, who will be making the decisions that will affect Queensland in the future, need a little bit of light-hearted relief.

In this particular cartoon in the *Courier-Mail* a woman walked into a store and demanded to see the manager because the price of bread had risen and she wanted to know why that was so. The manager said, "It is elementary, madam. The price of wheat goes up, the price of bread goes up; the price of wheat goes down, the price of bread stays up." That is about right. Unfortunately, in many instances the wheat-grower is left carrying the can for the manufacturer.

**Mr Ardill:** Don't tell the member for Warwick that.

**Mr SPRINGBORG:** The honourable member is not bluffing me; it takes a bit more than that.

The reason that I oppose this Bill is that, because it places in jeopardy the price that might be achieved for the bread, it places in jeopardy the continued operation of some of the small bakeries in my electorate. The bread-vendors in my electorate oppose this legislation. They feel threatened by this Bill. I will explain why later in my speech.

**Mr McGrady:** You tell us that the people in your electorate feel threatened. It is your job, as a member, to reassure them.

**Mr SPRINGBORG:** I cannot reassure them if I do not feel reassured myself. I have not seen anything that reassures me that this Bill will work.

As I have said, I would far prefer that some teeth be put into the existing legislation, or at least an attempt be made to do so.

I have a copy of a ministerial memorandum that was sent a couple of months ago by the Minister for Primary Industries to some honourable members in relation to the Queensland Retail Traders and Shopkeepers Association in an attempt to debunk some of the suggestions made by that organisation. The Minister stated—

"The Government does not agree with this argument."

That is a reference to the argument that penalty provisions in the existing legislation would work.

The Minister also stated—

"In summary, the Government has determined that the provision of a minimum retail price is not in the consumers interest and is therefore unacceptable."

I say to the Minister and to the House that this memorandum is based more on politics and philosophy than on common sense and what the people really want. As I have said, I have spoken to many people, and not one of them—

**A Government member:** In Yelarbon.

**Mr SPRINGBORG:** I have spoken to bread-manufacturers in Brisbane, representatives of bread-manufacturers and representatives of consumers. They just do not want this particular piece of legislation.

**Mr Elder:** It's good for them.

**Mr SPRINGBORG:** I will come to that shortly.

Unfortunately, I think that the Government has backed itself into a corner. It has drafted this legislation and found that there is opposition to it but it is too proud to back down. There is probably nothing wrong with sticking to one's principles, until one goes to the ballot-box.

What about the little people? Honourable members have heard a lot about the little people. Members have heard much about the advantages of discounting under this Bill. There will be discounting and it will work for a little while, until the competition is forced out.

**Mr Davies:** What is different?

**Mr SPRINGBORG:** What is different is the fact that under this legislation there will be a minimum wholesale price and a maximum retail price. At present, Queensland has a minimum recommended retail price that is very hard to police. Other people share my grave concern that consumers and small bakers will face the predicament that the bigger manufacturers can produce bread cheaper per loaf——

**Mr Davies:** The manufacturers don't want this Bill. Why?

**Mr SPRINGBORG:** Because many of them are concerned that——

**Mr Davies:** They want to eliminate the small ones.

**Mr SPRINGBORG:** No. Many of them are also concerned about the longer term implications of this legislation. They do not want to see price wars; they want to see stability in the bread industry and they do not believe that will occur under this legislation.

Given a minimum wholesale price, some bakers, especially the bigger bakeries, can certainly bake bread at a cheaper price than others. The employment created by bakers in many small country towns is very important to the local economy. Some bakers employ up to seven and eight people and the threat is that, if this legislation goes through, they may not be able to afford to continue to employ those people for reasons such as increased precepts.

**Mr McGrady:** What happens to the shop in Clermont?

**Mr SPRINGBORG:** The honourable member for Peak Downs would be more capable than I of answering that question.

Because of increased precepts and the fact that price wars will arise from this legislation because there is no minimum retail price, some bakers will be able to bake at a cheaper price and some bakers will not be able to compete. For a while the community will experience discounting, but after some bakers are driven out of the industry, prices will rise and the consumers will pay more for their product.

Some people from Stanthorpe, which is just over the border from Tenterfield in New South Wales, have told me that the consumer in Queensland is paying 20c per loaf less than the consumer in New South Wales, which has a deregulated market. They believe that this legislation will have the same effect as a deregulated market because it does not include the existing legislative provisions.

New South Wales has 349 establishments that bake bread, cake and biscuits. According to the Bread Industry Committee, Queensland has 548 independent bakeries. I believe that under this legislation the position of Queensland's bakers will be jeopardised. I implore members not to let that happen.

Many small country bakers, who bake bread and the other more exotic lines such as scream buns and apple turnovers, bake bread because it is an obligatory line. There is a demand for it, but they make very little money from it.

Recently, I was speaking to a lady who owns a bakery in Stanthorpe. She said, "Look, my costs are just about killing me. I take home less at the end of the week than what my employees do." If this legislation is passed, members can mark my words: there will be price wars. At the end of this debate, the Minister will attempt to debunk me.

**Mr Casey:** Why would I do that?

**Mr SPRINGBORG:** Because we are on opposite sides of the philosophical fence.

The Minister will attempt to debunk much of what I have said. The only way to prove what I have said will be to wait for another five or six months, perhaps even two or three years down the track when Queenslanders will begin to see——

**Mr Dollin** interjected.

**Mr SPRINGBORG:** We will have to wait and see. Gabby Horan might haunt the honourable member for Maryborough.

**Government members** interjected.

**Mr DEPUTY SPEAKER** (Mr Campbell): Order! The member will address the Chair.

**Mr SPRINGBORG:** I can tell the honourable member for Townsville that more bakers will go broke under this particular piece of legislation than are going broke under the present legislation. In fact, at present some country bakers are starting up their own bakeries. I have one in my home town of Yelarbon, which has about 200 people. This chap has established his own bakery. Contrary to the suppositions that have been thrown around by Government members, opportunities still exist for people to establish a bakery if they so desire.

**Mr Hayward:** There have already been price wars.

**Mr SPRINGBORG:** I accept that interjection from the honourable member for Caboolture. I have admitted that from the outset.

**Mr Hayward** interjected.

**Mr SPRINGBORG:** No, that is not killing them at all now.

They have a recommended retail price that is very, very hard to police. The Government should be ensuring price stability for the long-term benefit of the industry. That would be in the best interests of the consumer and the bread-manufacturer. I believe that could have been achieved under the previous legislation with penalty provisions.

I want to now talk about the precepts that are currently paid each year to the Bread Industry Committee. They include: major plant bakeries, \$12,000 per annum; medium plant bakeries, \$1,500 per annum; all other bread-manufacturers and in-store bakeries, hot break shops and country bakers per location, \$150 per annum. I have spoken to many people in the bread industry who have looked at the pricing and who would have an idea of the establishment costs for this particular authority. I know that the Minister disagrees with what I am saying, but if honourable members look at the provisions of clause 3.3 (2), which relates to the staff of the authority, they will see that the authority will cost more than the \$100,000 that currently is taken from those precepts each year. The estimate is that it will cost five times that figure to staff the authority.

For many smaller bakers that will be the straw that will break the camel's back. I ask honourable members to reconsider this legislation.

I will conclude by commenting on the composition of the Bread Industry Authority.

**A Government member:** Should there be multigrain bread.

**Mr SPRINGBORG:** It depends. I sometimes think that multigrain bread should be a little bit cheaper because it does not require the same processing as the other breads, but because it has health implications people believe that it is good for them.

**Mr Elder:** It has a lot of roughage.

**Mr SPRINGBORG:** A bit of roughage is supposed to be good for one.

I will refer to the membership of the Bread Industry Authority. The Minister foreshadowed various amendments to this legislation. He conceded that three members of the authority may be involved in the bread industry.

It is also possible that those three people who are appointed to serve on the authority might be unionists or trained in commerce, economics or some such thing. The authority needs a diversity of opinion from different bakers. One of the appointees should be a baker who represents one of the small bakeries. In addition, he should be someone who is not only experienced in the art of baking bread but also experienced in managing a bakery. Another appointee could be someone from one of the bigger bakeries who was experienced in the art of baking bread and also in managing such an organisation.

There is no substitute for appointing people who are involved in the industry. I know that, last night, the Minister made some concessions about this matter. However, perhaps he could consider amending the Bill to provide that two of the appointees must be involved in the baking industry, and preferably involved in managing a bread-manufacturing organisation—a small one and a large one. The authority will need that diversity of opinion, because managing big bakeries is a different proposition from managing small ones. That must be recognised and an attempt should be made to accommodate the appointment of such people.

**Mr Szczerbanik:** What about the butcher and the candlestick-maker?

**Mr SPRINGBORG:** I will acknowledge that interjection because, like one of the other interjections tonight, it deserves recording in *Hansard*. Perhaps if the butcher or the candlestick-maker was involved in baking beforehand, that might be a fair enough prerequisite for his inclusion on the authority.

I rose tonight to oppose this legislation because I believe that many of the problems that have been canned at the moment could have been rectified by inserting into the original legislation penalty provisions with teeth. I believe that this legislation will impact on quite a few people in my electorate, on quite a few small bakeries that provide employment in the country towns of Queensland, and on the reasonably low and competitive prices offered by them.

**Mr McGRADY (Mount Isa) (7.48 p.m.):** I will not be taking up too much time of the House tonight. I find it rather ironic that, in this debate, I am sandwiched between the member for Carnarvon and the member for Flinders. However, some of my colleagues have told me that the filling is far superior.

However, it is quite apparent to me that different problems occur in different parts of the State. The people in the north of the State have problems different from those experienced by people in the east of the State.

I congratulate the Minister, his committee and his staff on the time which they have put into preparing this legislation. I think from time to time it does the institution of Parliament good when both sides of the Chamber can discuss a very important issue in the way in which it has been discussed tonight.

I have no problems at all with the vast majority of the provisions contained in this Bill. I can see them providing massive benefits for the housewives and the families of Queensland. But I think it would be very remiss of me if I did not raise one or two

concerns which I have and which some of my constituents have. I have discussed this matter with some of my colleagues. I certainly hope and expect that, in his reply, the Minister can allay some of my concerns.

I feel that I am in rather strange company tonight because some of the points raised by my parliamentary friend the member for Carnarvon are in fact some of the concerns which I have myself. I refer to the smaller centres of this State where large shopping complexes have been built. In such a complex, a hot-bread kitchen could operate. It concerns me greatly that a couple of the provisions in this legislation could disadvantage a small-businessperson operating a hot-bread kitchen because they could allow the larger bakeries to flood the supermarket in that complex with cheap bread and use the bread as a loss leader. I am sure that the Minister will be able to allay my fears on that point.

My other concern—and I am speaking as somebody who comes from one of the smaller communities in the State—is for small bakeries. Mount Isa has a bakery which employs approximately 25 people. Already, the large bakeries in Townsville and other coastal centres are sending their bread to Mount Isa overnight. As a result, at 5 or 6 o'clock the following morning, fresh bread arrives in Mount Isa from Townsville. This concerns me. Again, I expect that the Minister will be in a position to reassure me about those two concerns.

Bread is one of the most important items that a family purchases. Any attempt at all by Governments to reduce the price of bread should be supported by this Parliament. That is why I am rising tonight to support this Bill. At the same time, I express my two concerns. The redeeming feature of this legislation is that the Minister has inserted a clause that provides that, after 12 months, this legislation can be reviewed. To me, that is the sign of a sensible Minister, sensible legislation and, indeed, something which we can all monitor.

I find it most frustrating to listen to my colleagues in the Opposition come into this Chamber time after time and decry almost every piece of legislation that is presented by the Government. I suppose that, to some extent, that is part of the role of an Opposition. As I said by way of interjection to my friend from Carnarvon—

**Mr Johnson:** He will be back in a minute.

**Mr McGRADY:** I understand that he has left the Chamber. No doubt he will be able to hear what I am saying. The member for Carnarvon tells this House about the concerns and fears of his constituents, which arise from time to time in small towns when parliamentarians spread rubbish.

All members of Parliament, including the members of the Liberal Party, have a responsibility to explain to the people of Queensland what the Government is trying to do. The message that comes from this Bill is that the Government is trying to keep the price of bread as low as possible. The Minister explained many of the problems that are experienced within the industry. I appreciate the concerns of people in the industry.

I commend the Minister for introducing the Bill and look forward to his response on the two issues that I have raised, which I believe are to some extent peculiar to the small centres of population in this State.

**Mrs McCAULEY** (Callide) (7.55 p.m.): I rise to speak against this Bill, and not—as the member for Mount Isa said—simply because the Opposition opposes all legislation that comes forward. I believe very firmly that the role of the Opposition is to oppose poor and badly constructed legislation will not benefit the general community. If legislation is good, no doubt the Opposition will support it. I firmly believe that the role of the Opposition is to be a watchdog, not to knock just for the sake of knocking. There is no point in doing that.

I consulted widely on this legislation with people in my electorate. Not one person to whom I spoke who will be affected by the legislation is in favour of it. They were unanimous that they would prefer the former Bread Industry Committee as long as it

had more power. They were quite adamant that they did not want a minimum wholesale price and a maximum retail price.

Biloela, which is where I live, has two bakeries—a hot-bread shop and a bakery that opens five days a week. Under this legislation, one of those shops will close. Probably that will be the hot-bread shop. The bakery would then open seven days a week. The end result will be that jobs in the town will be lost and service to the community will be poorer, because the hot-bread shop opens on weekends.

**Mr Ardill:** Tell us how it will do it.

**Mrs McCAULEY:** I have been assured by the people who own those shops that that will happen. Because of cost increases, price wars and what have you, they cannot make a dollar. It is all very well to say that we must look after the people who buy the bread, but we also must look after the people who make it. They have as much right to earn a dollar as anybody else has.

It was an affront to democracy and people in the bread industry that Mr Casey introduced this legislation without inviting submissions from industry. If he had done that, he would have heard loud and clear—and he probably has heard it anyway since he introduced this Bill which has sat on the table for a long time—that it was wrong to introduce this legislation without inviting submissions from the industry. Under this legislation there will be more public servants in the shape of inspectors. This State does not need more public servants, it needs fewer.

I turn now to some of the points that were raised by my constituents. They are concerned that higher fees or precepts for the industry will result from the legislation.

**Mr Casey:** Why do they think that will happen?

**Mrs McCAULEY:** No precepts are set out in the Bill. I can understand that, because the amount will obviously vary.

People are concerned that costs will increase because of increased changes and the cost of greater numbers of inspectors. They believe that their precepts will increase. As the Minister said, the cost increases will be 100 per cent funded by the industry. Those people know that they cannot bake or sell bread unless they pay their precepts. They will be caught in a cleft stick.

People in the industry have supported a minimum retail price, which would look after the small-businessman who is already trying to cope with other problems that he has faced during the very poor economic times of the past few years. A minimum retail price virtually puts a small business on an even footing with a bigger business.

The legislation contains no provision for trade-offs on extra lines such as bread rolls, bagels and cream buns. As well, it contains no provision for restriction in the extension of territory. That aspect was mentioned to me by a concerned baker.

This legislation will create the problem that has been common since this Labor Government came to power in Queensland. The bottom line is that it will probably cost more and will send small-businesspeople broke. It is most unfortunate that honourable members are debating this legislation tonight.

Debate interrupted.

#### **DISTINGUISHED VISITOR**

**Mr M. D. Cross**

**Mr DEPUTY SPEAKER:** Order! Before I call the next speaker, I recognise that the former Federal member for Brisbane, Manfred Cross, is in the public gallery.

**Honourable members:** Hear, hear!

**BREAD INDUSTRY AUTHORITY BILL**  
**Second Reading**

Debate resumed.

**Mr BEATTIE** (Brisbane Central) (7.59 p.m.): I am delighted to see my colleague Mr Cross in the public gallery.

When legislation such as this is debated in this Chamber, we hear the usual bleatings from Opposition members as they attempt to misrepresent the Bill. In common with the constituents of many other honourable members, my constituents have raised with me the relevance of sections of this Bill. The message that I have received is that people want this legislation passed and they want it passed quickly. Their concern was that any unnecessary delay would mean that they would be deprived of the benefits of this Bill.

Because many people in my electorate are actively involved in the bread industry, I am keen to support this Bill. Amongst other things, the purpose of the legislation is to repeal the Bread Industry Committee Act 1979 and replace the former committee with a new, effective body, namely, the Bread Industry Authority.

As usual, the honourable member for Warwick could not resist the opportunity to examine clause 3.3, which relates to members of the authority, to try to draw out some disparaging remarks about the Labor Party's colleagues in the trade union movement. The honourable member really drew a longbow. Clause 3.3 (1) (c) (ii) provides that two members of the authority shall be skilled in business and commerce, finance, accounting practice or industrial relations. The honourable member is stretching the argument too far.

When the National Party was in Government, it appointed every person who represented the white-shoe brigade in Brisbane. The honourable member for Surfers Paradise is immediately agitated because members of the white-shoe brigade are his friends. The Government wants a broad cross-section of intelligent people to be appointed to committees.

**Mr Borbidge:** Did you read what Ross Fitzgerald said about cronyism being rampant in Queensland?

**Mr BEATTIE:** Yes. He also said in another section that was not reported that the Government is one of the most enlightened Governments in the Western World. He was absolutely appalled by the performance of the Deputy Leader of the Opposition. In his life as an academic he had never seen such a wet fish in such a position. His comments therefore should be examined in their proper context.

The real question is: why is the Bill necessary? The answer is very simple: the original legislation has no teeth. One would think that the National Party would learn from that. Under the original legislation, arrangements were made whereby the retailers demanded special deals to discount bread. Those costs were being carried mainly by the vendors. We know what happened as a result of that. Cheap bread was not available for people such as pensioners. Pick'n Pay made special arrangements with its own manufacturer. As a result, the original legislation had absolutely no application or effect; it was totally circumvented.

The honourable member for Warwick did not refer to that. Perhaps later in the debate he may explain why, when he was in Government, the legislation was so ineffective. Because the honourable member knows that the Act did not work, he looks agitated and embarrassed. Under the original legislation, the pensioners and the ordinary people who tried to buy bread in Queensland did not benefit. This Bill does something about that.

Clause 3.18 (3) is important. At the last election, one of the promises made by the Labor Party was that it would have open, accountable Government. The clause provides specifically for public scrutiny of the pricing process. It states—

"The writing referred to in subsection (2) shall be available for public scrutiny at the office of the Authority during ordinary hours of business."

That is what the Labor Party stands for—open, accountable Government, public scrutiny and justification of the pricing system. The Government does not need to hide behind the fact that the legislation does not work. Members of the National Party can say what they like, but they have an atrocious track record with bread pricing. The original legislation contained no penal sanctions.

**Mr Harper:** The cheapest bread in Australia.

**Mr BEATTIE:** As a result, bread prices were going through the roof. The honourable member for Auburn is embarrassed because he was unable to do anything to reduce bread prices.

The National Party should examine carefully its opposition to the Bill. The member for Warwick said that the Opposition was not prepared to put forward amendments to the Bill but it simply opposed it. I say to members of the Opposition that the original legislation had no teeth. It did nothing to look after the pensioner. The Bill before the House will give the Act some teeth and will make sure that the bread prices in Queensland are regulated. The original legislation attacked pensioners and shop-keepers who were trying to enforce the stupid minimum price arrangement. The Government is not prepared to give inspectors the power to do that, nor is it prepared to intimidate shop-keepers and pensioners. The Bread Industry Authority will fix the price, and the methods adopted will be open to public scrutiny.

**Mr Booth:** That's only a maximum price.

**Mr BEATTIE:** As the honourable member knows, that is fundamental to setting the price of bread. The former National Party Government was not prepared to do that.

**Mr Booth:** We had a maximum and a minimum—both.

**Mr BEATTIE:** Indeed. The Government has done something about bread pricing. It is a matter for serious consideration. It is an appalling state of affairs that the Opposition should oppose the Bill and not be prepared to move any constructive amendments.

**Hon. N. J. HARPER** (Auburn) (8.06 p.m.): Let us briefly trace the history of the regulation of the bread industry. The member for Brisbane Central referred to the high cost of bread. Obviously he has not turned to the facts and figures, which clearly demonstrate that, over a long period, Queensland has had one of the cheapest bread sources in Australia. Over a period of time, the consumer in Queensland and the pensioner to whom the honourable member referred, and with whom I have a great deal of sympathy, has been able to buy the cheapest bread in Australia. That has been brought about by the National Party's philosophy of introducing regulation of the bread industry.

Let us ponder on the thrust of that legislation. Certainly, as has been said by other members during the debate, the Act did not have teeth. If it lacked anything, it lacked teeth. I would be the first to concede that, because I administered the Act for three years. The fact of the matter is that, over those years when the legislation was in place—and it is still in place—it was effective. One of the principal objectives of the legislation was to protect employment in decentralised areas. Consistent with National Party philosophy of decentralisation, one of the aims of the legislation was to protect employment through the small bakeries in country areas and, most importantly, to protect the bread vendors, those small-businesspeople whom the Labor Party hates. The Labor Party does not like private enterprise and resists these small-businessmen who comprise bread-vendors. Bread-vendors and milk-vendors are achieving something in their own right.



**Mr Booth:** They are decent people.

**Mr HARPER:** Decent people, as the honourable member for Warwick says. They are achieving and building something for themselves as small-businessmen.

From time to time, there were people who tried to manipulate the agreement and the Bread Industry Committee but, generally speaking, these people were pulled into line by the committee, by their own members and the industry itself. Because the committee did not have the teeth, people tried to manipulate the system and go against decisions made by it. For the most part they were soon pulled into line. It was not until this Minister and Government, through the introduction of this ill-conceived Bill, fouled up the stability that had been achieved that this problem developed—that is, over the last few months.

Previously, when we were in Government we were successful in maintaining stability and employment in country bakeries and bread-vendors and gave them something worth while. However, the Bill came on the scene and chaos broke out. There is no question about that. This Government has been toing-and-froing, with the net result—as previous speakers on this side of the Chamber have indicated—that there was a great deal of instability. Bread-vendors did not know where they were going. Their businesses suddenly became worth nothing and they could not sell. As I said, chaos reigned supreme.

This Bill is an unnecessary cluttering of the statutes and an interference in an industry that over the years has provided consumers with a quality product at a price that is more than competitive with the price paid by consumers interstate. The Opposition spokesman had a copy of the Bread Industry Committee's report and was able to establish quite clearly two or three examples quoted in the report of problems which had arisen and which were referred to the committee for resolution. They were readily resolved, and even the two or three examples mentioned by the Opposition spokesman were contained and finally resolved.

The work of the committee could have been eased and made more effective by simply giving the existing legislation the teeth that were possibly warranted. That is all that is needed. We do not need a new monstrous authority imposed on this industry with the escalating costs that will be borne by the industry and passed on to the consumer. That is how the pensioners referred to by the honourable member for Brisbane Central will suffer, and I am sorry that he is not in the Chamber to respond. Those escalating costs will certainly be passed on not only to the pensioners in the community, but also right across the board.

It might be appropriate to think of what will happen as a result of the world's greatest Treasurer's decision to take away the 1c and 2c coins. In future, when the price of a loaf of bread or carton of milk increases, it will not be possible for it to go up by 1c or 2c, there will be jumps of 5c or multiples of 5c every time. I am pleased that the member for Brisbane Central has come back into the Chamber. I do not like saying things about him behind his back. The fact is that the prices of these staple foods, such as bread, will not increase by only 1c or 2c. We do not have anything to thank Paul Keating for in that regard.

In the past the chairman of the Bread Industry Committee has taken a hands-on approach in helping to overcome problems when they arose. I certainly commend John McKnoulty for the constructive role that he played as chairman of the committee. Despite anything implied during this debate, the Bread Industry Committee had a great degree of success in achieving the objectives for which it was set in place.

The Gold Coast Bakery is the largest independent bakery and is a model for the industry. I advise all members who are genuinely interested in this industry and who want to see a model bakery to go down to the Gold Coast and look at this independent bakery. It would be well worth their while. The people there will look after any members who visit because they are proud of what they have achieved as an independent bakery. In addition, the bakery's work force is proud. Every one of the 80 employees of that

bakery and the 40-odd bread-vendors or small-businessmen who earn their living at the bakery are proud as well. If deregulation takes place in Queensland, that bakery will be forced out of the industry. We cannot afford to let that happen. That has not happened under the existing legislation; that independent bakery has prospered to the benefit of its employees and the community generally.

Bread factories rather than bakeries have developed. One sees a true bakery when one visits a hot-bread shop or some of the supermarkets. When people go out into country areas, they also see the true bakery and get the real product, that is, bread that has everything going for it, which is not made after the style of the bread produced in factories. The four major bakeries have developed—through necessity, no doubt—a line process and a bread factory which has resulted in deterioration of bread quality. I am sure that in the home town of Mr Deputy Speaker and many others, people go out of their way to buy bread that is baked in a true bakery rather than in a factory, and that is because of the deterioration in quality that has occurred.

It is interesting to note the competition that has been generated by hot-bread shops. It illustrates the point that these small-businessmen are able to compete with the four major bakeries and prosper. The member for Carnarvon mentioned that in the small community of Yelarbon, which has a population of only a couple of hundred people, a small business has developed through a hot-bread shop. Because that establishment provides a quality product, it is generating competition.

By virtue of this legislation, all people involved in the bread-making industry will be placed in a vulnerable position, particularly the vendors and small-business people who are connected with the industry throughout the State. I have discussed deregulation with all the major bakeries and many smaller bakeries. No-one wanted it. They all agreed strongly that the existing legislation was constructive in maintaining good quality bread that could be produced at a reasonable price to the consumer and in maintaining efficient bakeries. However, as I have said, the legislation would have been improved by an amendment that included penalty provisions. If anything, that was all that the Government needed to do. As the member for Warwick has said, the Opposition is opposed to this legislation that is undoubtedly unnecessary and high-handed.

**Mr DOLLIN** (Maryborough) (8.18 p.m.): I rise to speak to the Bread Industry Authority Bill. I listened to the member for Auburn with great interest, because it was just before last Christmas that I travelled to Monto, which is a small town in Mr Harper's electorate. Actually, I purchased some timber from the baker up there and, as I walked into the rear of the premises, I admired all the machinery and its cleanliness. I said, "I've never seen a place so clean." He said, "It hasn't worked for two years because I get all my bread from Brisbane." That example really shows how decentralised the existing scheme is, and what it has done for minor bakers.

**Mr Harper:** He doesn't. He gets it from Rockhampton, so you are wrong.

**Mr DOLLIN:** All right, but it certainly was not baked at Monto.

**An honourable member:** He changed his baker.

**Mr DOLLIN:** He probably did.

From my observations of the small towns I have visited, I would have to say that they have lost their bakeries because of the current toothless legislation. Maryborough's original six bakeries have been reduced to two, and the two that remain are hanging on by the skin of their teeth. At the moment, Brisbane companies are trying to put them out of business.

I do not know how many bakeries would have existed prior to 1979, but I would say that a tremendous number of bakeries in country areas have disappeared since the current legislation was introduced. That is one of the reasons that I am very pleased to support the legislation that is before the House.

The other question that must be asked in relation to this legislation is: who would not love to have a guaranteed minimum price? I have been involved in sawmilling most of my life, and I would have given all my teeth to have had a guaranteed minimum price. I believe that members of the National Party would feel the same about cattle and wheat. Is it any wonder that the people to whom members of the National Party have spoken are not happy? I would not be happy, either, if I had been involved in a similar racket.

The purpose of this Bill is to repeal the Bread Industry Committee Act 1979 and replace the Bread Industry Committee with the Bread Industry Authority, which is a new, effective body—and it has teeth. The new authority comprises five skilled members who will be appointed on merit and ability. There will be no jobs for the boys. The Bread Industry Authority will consist of an independent chairman, the Commissioner for Consumer Affairs and three other people who are well versed in the business of baking bread and who have gained experience in business, commerce, finance, accounting or industrial relations fields.

**Mr Harper** interjected.

**Mr DOLLIN:** I am still amazed at the manner in which members of the National Party go right off when they hear any mention of "industrial relations". For a number of years, I worked at Wilson and Hart as a production manager and I worked with 500 employees. The company always employed an industrial relations manager to ensure that the workers were happy and that matters ran smoothly. However, "industrial" seems to be a dirty word in the opinion of members of the National Party. I believe that they have always looked at industrial relations in the wrong light. I do not think that they would know what an industrial relations manager is. I remind them that the person to whom I refer was employed and paid by Wilson and Hart to ensure that productivity levels were maintained and that the interests of workers were being looked after. That is the way for businesses to really get somewhere, and that is what this legislation is all about. This Bill is not referring to an organiser who will be appointed as a member of the authority.

**Mr DEPUTY SPEAKER:** Order! The honourable member will come back to the Bill. The member for Southport!

**Mr DOLLIN:** The current legislation is not keeping up with the changing nature of the industry. It has been unable to maintain the code of trading practices that it was designed to enforce.

The principal duties of the new authority will be to fix a minimum wholesale and maximum retail price for standard loaves of bread, which are referred to as the 680 gram and 900 gram sliced and packed loaves that are the most commonly traded in the industry. Unlike the current board, the new authority will have teeth and its rulings will be enforceable. Penalties will be of sufficient magnitude to act as a very real deterrent.

The bread authority will be 100 per cent financed by the industry. Another important aspect of this Bill is public accountability, which will be introduced by virtue of this legislation. The authority's hearings in relation to price will be public and out in the open. The employees of those bakeries are paying off loans on houses and so on. I think that that should be taken into account.

The public and all industry groups will have the opportunity to ensure that the prices established are fair and above board. Under no circumstances will money be paid from consolidated revenue for the establishment or maintenance of the authority. As I stated earlier, the funding will be provided by the industry.

It was not an easy job for the Minister or his committee to arrive at a decision. Lobbying was pretty fierce and many conflicting proposals were put forward. At one time, the bakers wanted deregulation; however, when they thought that they would lose on their benchmark, they changed their minds. All the submissions were different.

**Mr Harper:** You wouldn't support passing it on to pensioners, though, would you?

**Mr DOLLIN:** No. I will come to that.

The Government has decided to review the effectiveness of the authority within 12 months and give it a tune-up if it is required.

Bread is one of our most staple food commodities and we must keep it at an affordable price.

**Mr DEPUTY SPEAKER** (Mr Campbell): Order! Other members have had the chance to speak in this debate. It is only fair that the honourable member be given his chance to speak. The cross-fire across the Chamber should stop.

**Mr DOLLIN:** We must endeavour to keep bread at an affordable price for our workers, a price that allows the bread industry to operate efficiently and to make reasonable profits. That will preserve the workers' jobs within the industry. It is a sad fact that, over the past 10 years, many of the small country bakeries have closed. I hope that this Bill will assist to keep open what is left of the country bakeries.

Maryborough has two bakeries that between them employ 80 people. That employment is very important to Maryborough.

Honourable members have commented that, as a result of this Bill, small businesses will go broke. I will relate a factual story. The honourable member for Auburn will certainly remember an incident in Maryborough involving a hot-bread shop. In Maryborough, a hot-bread shop was selling bread for 60c a loaf below the recommended price of the old toothless Bread Industry Committee.

**Mr Springborg:** Take it to the orthodontist.

**Mr DOLLIN:** That would not help. One could never put teeth in it.

That bread-vendor was bullied and threatened with a \$10,000 fine if he continued selling bread to the workers for 60c a loaf below the recommended price. That shows how good the original Act was. The Bread Industry Committee tried hard to close that bread-vendor down, and it would have closed him down if I was not electioneering at the time and had not taken up his case for him. Helping the bread-vendor gained me more votes than any other strategy I employed.

**Mr Nunn:** And he is very grateful, too.

**Mr DOLLIN:** My word he is. And he is very happy with this Bill.

That bread-vendor claimed that he could bake bread as cheaply as that because he did not have to throw 20 per cent of his bread away each day, which many of the big bakeries were doing. The other bakeries were supplying bread to pigs, dogs and chooks—not humans—and they increased the price to cover that activity. That baker claimed that it cost him 35c to bake a loaf of bread, and he was prepared to prove it. He lives in the largest house in Maryborough and drives a car that is worth \$90,000. He must have something going for him, unless he has another source of revenue. He will be delighted with this Bill. It will look after him and he will be able to continue to operate. He will no longer be threatened with \$10,000 fines by heavies who come up from Brisbane to bully him.

The original Act created many problems. I am not saying that this Bill is perfect, but at least it has attempted to address many of those problems. I think that this is the greatest Bill since sliced bread; and I support it.

**Mr JOHNSON** (Gregory) (8.28 p.m.): I rise to speak on the Bread Industry Authority Bill that has been floating around this House for some five months. In his second-reading speech, the Minister stated—

"Bread is the most staple of food commodities. It must always be available to consumers throughout Queensland at fair and reasonable prices."

If the legislation is passed this evening without taking account of the plight of small country bakers, many of them will go to the wall. Not only will they go to the wall, jobs will be lost and children will be taken away from schools. It will be the same old situation: the big fellow gets bigger and the little fellow is crucified.

**Mr Dollin:** That's the way it happened under yours.

**Mr JOHNSON:** I will take that interjection from the honourable member for Maryborough. I refer him to the final part of the Minister's second-reading speech which refers to a Government review of the authority and its effectiveness within 12 months. I hope that that occurs. We will see how the bread industry is operating in 12 months.

This Bill provides a battleground for price wars, and price wars are won by the big commercial bakeries. If recommendations are not made to look after the small bakers, that will be the result in this instance.

The Minister has ignored the many industry representatives who have told him about the problems confronting them. I am interested in protecting the fate of the small country bakers. As a result of this Bill, those people are under threat, as are their employees. Already, the commercial strength of the major bakeries has reached deep into the bush. The results can be seen in Longreach and Roma, and they will creep into Charleville. In the electorate of Gregory, there are four small bakeries that have not been affected yet. Fifteen families depend on those bakeries for a livelihood. If one were to multiply those 15 families by four, that leaves a fair few people who will be affected by the loss of jobs.

Under this Bill, the influence of the power of the major bakeries is sure to spread. That is my deep concern about this Bill. It does not offer any mechanism to protect the bakers in small towns—

**Mr DEPUTY SPEAKER** (Mr Campbell): Order! If the honourable member for Archerfield and the honourable member for Southport want to have a conversation, I suggest that they do so outside the Chamber.

**Mr JOHNSON:** In the same way, the Bill does not offer protection to consumers from the certainty of generally higher prices as bakers seek to claw back profits lost as a result of periodic price wars. These price wars are going to crush small bakers everywhere—in the cities as well as in the country towns.

I was pleased to hear my old sparring partner from Mount Isa, Tony McGrady, make mention of the small bakers in his electorate. He is concerned about them. The honourable member for Salisbury also mentioned the hot-bread kitchens and the other bakers in his electorate. There is no doubt that the hot-bread kitchens bake the best bread. People seek out these small bakers. They like their bread. The honourable member for Salisbury mentioned the plastic product that is produced in the east.

Consideration is given only to the big fellow. We should forget about the big fellow and think about the little fellow out in the bush. Queensland has a Labor Government, which is supposed to be concerned about the little fellow. I suggest that the Government should think about him tonight. It should think about the small country baker and small bakers everywhere. I hope that in his reply the Minister will have something to say about the small fellows out in the bush.

**Mr WELFORD** (Stafford) (8.33 p.m.): It is my pleasure to rise in support of the Bill. Everyone seems to be rising in support of this Bill. It might have something to do with the yeast in the Chamber; I do not know.

The Bill provides for the establishment of a Bread Industry Authority. The authority is established under clause 3.1 of the Bill. The functions of the authority are subsequently set out in Division 2 of Part 3 of the Bill, in particular clause 3.10. Under clause 3.4, the Bread Industry Authority will take over the functions, as well as the assets and liabilities, of the former Bread Industry Committee. I note specifically that proceedings commenced by or against the Bread Industry Committee that are not completed at the commencement of this legislation can be completed by or against the authority. In effect,

the Bread Industry Authority will take over completely the functions, rights and liabilities of the former committee.

Clause 3.10, which deals with the functions of the authority, states that the primary functions of the authority are to regulate bread prices—that is obvious—and to ensure a fair price for consumers and a fair return to bread-manufacturers for their labour and capital investment. It further provides for the authority to report within 12 months to the Minister upon the efficiency and effectiveness of the regulation procedures provided by this legislation.

In the last few hours, I have heard many members of the Liberal Party and the National Party express concern about the way in which this legislation will operate to protect various interest groups within the bread industry. However, the one safeguard that the Minister has specifically provided in this legislation is for a review after 12 months. It seems to me that that process is eminently reasonable.

The clear functions of the authority, as set out in clause 3.10, give a direction as to the way in which the authority should conduct its deliberations and the factors that it should take into account. The assessment of fairness is not something that is ambiguous or uncertain; it is something that most reasonable people—certainly the people with expertise who will be appointed to the authority—would be able to determine with, I believe, quite some certainty.

In regard to the particular power to fix the price of a standard loaf of bread—I refer to clause 2.1, which refers specifically to prescribed categories of bread. It is only those prescribed categories of bread to which this Bill applies. In that respect, I will say something shortly about the small bakers and the hot-bread kitchens.

Clause 3.16 specifically provides the Bread Industry Authority with the power to fix and declare in respect of a prescribed category of bread, firstly, a minimum wholesale price to be paid to the bread-manufacturer and, secondly, a maximum retail price at which the bread can be sold. This formula is designed to provide the best protection possible for the major interest groups in the industry.

As other honourable members have said, one feature of the former committee is that it effectively provided tighter regulation, with a minimum retail price as well. Of course, there is some suggestion in some quarters that a minimum retail price should continue to operate. However, whatever the effectiveness of that formula in the past, the fact remains that over the last few months—and regardless of the introduction of this Bill—the procedures under the previous system broke down. The former Bread Industry Committee simply did not have the mechanisms or the wherewithal to enforce both a maximum and minimum retail price. In those circumstances, if it was not simply to allow the industry to go unregulated, it was essential that the Government act. No-one in either of the opposition parties has suggested that the industry should be totally deregulated. To that extent, the Government has some sympathy with the concerns of those players in the industry who feel that their interests would be most adversely affected—particularly by the large manufacturers—if the industry was totally deregulated. It is not an easy decision for the Government to make to provide a measure of regulation in this industry when one has regard to the fact that in the two other eastern States of Australia—the States in which the majority of bread is bought and sold—there is a deregulated market.

In circumstances in which the industry is working within the realms of a national economy, it is very difficult simply to regulate or deregulate according to State boundaries. This legislation, which effectively will operate for a 12-month trial period, does attempt to provide some protection to those operators within the industry who believe that they have benefited from protection in the past and indeed have obtained some measure of stability from that protection over the years.

In view of the recent instability within the industry, and particularly the vicious price-cutting and market manipulation that has occurred, I believe that the formula that the Minister has struck on this occasion goes as far as the Government can reasonably

go to provide some measure of stability and to restore the stability that the Government obviously prefers the industry to have.

I have spoken to a number of bread vendors in my electorate of Stafford. They have regarded themselves as being, in a sense, the meat in the sandwich. In a sense the manufacturers have been competing against one another. There does seem to have been some collusion between some manufacturers and some of the major retailing stores, and the bread-vendors are the ones in the middle who have been missing out.

The bread-vendors to whom I have spoken include Jack Hammer of Stafford, who is a bread-vendor for, I think, Cobbity Farm. Another bread-vendor in my electorate, David Summerville of McDowall, has also spoken to me about this issue. I understand and empathise with their concerns because, after all, they have invested large amounts of money in their small businesses and they do not want to see them rendered valueless overnight. To that extent, it is important, that in its operations, the Bread Industry Authority provide some measure of protection for those bread-vendors.

To some extent, that protection will be provided by the provisions requiring a minimum wholesale price. In addition, I note that the Bill, in clause 3.18, also provides particular authority in respect of the regulations of the market. In subclause (1) (b), the authority which the Bread Industry Authority is given includes the authority to fix the level of returns of bread.

As I understand it, at the present time, bread-vendors, at least in the Brisbane metropolitan area, are allowed to return up to 10 per cent of their weekly order without any penalty. However, they are, nevertheless, required to pay for any bread that they return above 10 per cent of their total order. In other words, they are refunded the cost of the first 10 per cent of their total order that they return, which is surplus to their sales for the week, but for any quantities above that, in effect, they lose what they have paid the manufacturer for that bread.

It seems to me that that is a rather arbitrary percentage and that there may be circumstances in which the Bread Industry Authority, having regard to the various markets in which bread-vendors work, should give them a greater measure of protection through the regulation of the level of returns. To the extent that the bread-vendors themselves are not protected by either the minimum wholesale price or the maximum retail price, it does seem to me that they can be protected through that mechanism, and I am sure that the authority will take that factor into account.

Earlier, I mentioned the question of market manipulation and collusion between major players. I note also that in clause 3.18 (1) (d), the authority includes an authority to control forms of inducement or disincentive that may be proffered to promote the sale of bread. I believe that is an important element of regulation, which again shows the extent of the Minister's commitment to the protection of players within the industry.

As I indicated, it would have been very easy for the Government to simply abrogate any responsibility at all for the regulation of this industry, as occurs in other States, but that has not been done. These measures have been put in place to achieve a compromise and, after 12 months, the Government will be able to review the operation of the authority and the way in which the industry itself is operating to see whether further adjustments are required.

I note also that clause 3.23 contains an overriding power of the Governor in Council to revoke, vary or amend any decision of the authority. To the extent that Opposition members are concerned that there is not enough regulation of this industry, I simply cannot see how the Government is not in a position under this legislation to protect the major players. At the end of the day, even if the Bread Industry Authority does not come up to scratch in its management of the industry, the Minister still has the authority to go to Cabinet and the Governor in Council to ensure that the industry is put in order.

The other bread-vendor to whom I have spoken is Mr Barry Allen, who lives at Stafford Heights. I am sure that he, along with Jack Hammer and Dave Summerville,

will appreciate that the stability that derives from the operation of these new provisions will protect them, as indeed it protects other players in the industry. After speaking with them at some length, I have been able to satisfy them that, in the first instance, they should give this new mechanism, this new procedure, an opportunity to work. It can be reviewed, as time goes on, to make the necessary adjustments. The Minister has already indicated that he is willing to be flexible about this legislation and to make adjustments if they need to be made, especially if any major aberrations in the operation of the industry occur.

A number of points have been made to the effect that, somehow, the previous system that operated provided Queensland with cheaper bread than the rest of Australia. I frankly do not know from where members of the Opposition are getting their information. During the last few weeks, my electorate officer telephoned people in the southern States to ascertain the cost of bread. In other States, unbranded bread is cheaper than bread that is currently bought in Queensland.

**Mr Beattie:** It is a shame Mr Harper isn't here to hear you say that.

**Mr WELFORD:** It is a shame that the member for Auburn is not here, because he made some comment about that. I am sure that his statements about the price of bread in Queensland compared with that in other States were totally off the top of his head and were put forward without any proper investigation on his part.

He also raised the matter of employment within the industry. Frankly, I cannot see how any legislation can be designed to give better protection to the employment of people within the industry than this legislation does. This Bill will restore stability to the industry, and it is that stability which will protect jobs. As members of a Labor Government, we are as concerned as any Government can be about the protection of people's jobs. I am sure that, in time, it will be proved that this Government's commitment far exceeds anything that the previous Government ever did.

The member for Auburn suggested also that this Bill clutters the statutes. I cannot see how this Bill clutters the statutes any more than any existing Bill does. For years, the conservative parties in this country, particularly at the Federal level, have been clamouring to deregulate industry and to deregulate just about everything they can get their hands on. Dr Hewson and his colleagues Howard and company are constantly calling for deregulation of all industries in this country. To me, it hardly seems to be consistent for the conservatives in Queensland to be calling for greater regulation, if that is possible, in the bread industry. I cannot see the consistency of their stand.

To the extent that this legislation clutters the statutes, I wonder whether the member for Auburn would prefer that the industry was not regulated and that the Hewson line was adopted, allowing the industry to operate on the principle of the survival of the fittest. In that circumstance, we would certainly see the demise of many small country bakeries.

The fact of the matter is that the previous system failed. If nothing else is a justification for the introduction of this Bill, it is the fact that the previous system failed, it was not operable, and it required some adjustment. I believe that the adjustments that the Minister has introduced by way of this legislation are fair. They protect the consumer and the manufacturer. The legislation contains mechanisms that allow the Bread Industry Authority to also protect the bread-vendors.

Small people will not be placed in any more vulnerable position than they were before. I mentioned the small hot-bread shops. The bulk of the product of small hot-bread shops is not the sort of bread that this legislation is designed to regulate. This legislation is designed to regulate prescribed categories of bread, namely, the 680 gram loaves. The bulk of business at hot-bread shops occurs on weekends, particularly on Sundays. In addition, the vast majority of products sold by those shops are non-standard items. In that sense, nothing that is in this Bill will prejudice the position of small hot-bread shops and small bakeries to the extent that they do produce non-standard products.



Indeed, if this Bill was not introduced, they would be in exactly the same position as if there was no regulation at all. We have already heard the arguments about the fight between the large operators in the retailing industry and the small operators. It is a difficult question for Governments to answer. The question is how much must a Government intervene to regulate a market. I suggest that Governments should intervene to a certain degree. To some extent, I believe in regulated markets so that there is a level playing field. I believe that there is a need for regulation in industry, at both State and national levels, to protect jobs. This legislation contains that regulation.

**Mr Katter:** No, it does not.

**Mr WELFORD:** The member for Flinders suggests that this legislation contains no regulation. It is obvious that he has not read the Bill. As I said, it provides protection for manufacturers, and it provides some protection for bread-vendors. The authority has the power to oversee that provision. The legislation also contains protection for the consumer by ensuring that a maximum retail price is set.

I believe that the Minister has struck a sound balance in the formula that is contained in this Bill. I reiterate that, at the end of the day, the opportunity to review the operation of the Bread Industry Authority after 12 months will ensure that this Government will continue to protect jobs, protect the major players in this industry and also ensure the continued stability of the industry.

**Mr GILMORE** (Tablelands) (8.51 p.m.): Judging by the comments made in this debate, I am sure that if hyperbole baked bread, none of us would ever go hungry again. I would like to take a few moments to wander through this Bill and to make a couple of comments.

I do not like to begin by agreeing with the honourable member for Stafford. During his speech he said that nobody in the Parliament tonight has suggested the bread industry should be fully deregulated. Of course, that is true.

As the honourable member pointed out, it is not easy for National Party people, or conservative people, to ask for price control or regulation. It should not be in our dictionary at all. However, as the honourable member pointed out, there are times when Governments must intervene to ensure that there is stability in the marketplace and also stability within an industry. This appears to be one such occasion.

In relation to the price control of bread, over the years we have tried to stop monopolisation of the industry, and we are still trying to achieve that. Neither this State nor any other State in this country has a monopolies commission. The United States has a monopolies commission that looks after these sorts of things and ensures that an industry is not taken over by large monopolies.

The end result of monopolisation of an industry has to be the creation of some difficulty in the marketplace, and stability. But that stability is at the highest end of the economic range and is not the type of thing that the bread industry in Queensland needs to indulge in.

For many years, the Opposition has supported a form of price control in Queensland. On a number of occasions during this debate it has been said that the previous legislation has failed. The member for Stafford mentioned how seriously it had failed. However, during the past 20 years people have always had bread on their tables. The Act did not fail.

The Opposition recognises that the legislation lacked some teeth. It was a sorry day when the former National Party Government did not add some molars to the Act to ensure that it was adequately enforced. Although I believe that this Government has moved further than it should have, I do not intend to delve too deeply into that issue. I intend to mention some of my concerns about the clauses of the Bill.

It seems that the Minister is trying to concern himself with the short-term benefits that may be gained for the Queensland consumer from this legislation. It seems that the

old catchcry that there are more consumers than there are bakers has blinded the Minister's vision and certainly that of his backbenchers. That is fair enough. Those young, inexperienced people in Government want to support legislation that the Minister places before the House. I accept that. However, it would be more appropriate if they were to consider it a little further before they get too deeply into it.

This Bill creates some problems. Bakeries in rural Queensland are a very important part of the local economy of any small town. They are unique because they are probably the only real secondary industry in many small, rural towns. Bakeries take a product and add value to it right there in the town. They do that to the benefit of the people who work for them and the people in those towns. They produce a fresh product on a daily basis.

Some concerns have been expressed about distances in Queensland. Even though the Minister represents a rural electorate, he appears to fail to understand that Queensland is a very large State that is subject to natural disasters. It is okay for the Minister to shake his head. However, on many occasions during the wet season it is not possible to drive a semitrailer from Townsville to the tableland.

If the full ramifications of this Bill are felt by small bakeries throughout north Queensland, there will be occasions during each wet season when people in small communities will not be able to obtain fresh bread on a daily basis. When that happens, I will get them to ring the Minister. I am sure that he will receive many calls. That is of major concern to people in rural Queensland.

Let me point out why I believe that that scenario is possible. A very successful independent baker operates in my home town of Mareeba. He has a new bakery. That magnificent edifice, which cost more than \$400,000 to build, has a very large floor area and the most modern equipment available. The bakery produces approximately 20 000 loaves per week. However, that bakery competes with another bakery in Townsville that produces 20 000 loaves per day.

**Mr Palaszczuk:** How much for the prison?

**Mr GILMORE:** The prison bakes its own bread.

That small bakery does not have the benefit of size and the ability to purchase flour and other produce at favourable rates. However, it employs eight people in the town and plays a very important role in the daily function of the local economy.

It is easily possible for large operators such as the Townsville bakery to pick off small towns one at a time and say, "Okay, for the next month we are going to provide subsidised bread to Mareeba." That could occur, even though a minimum wholesale price is written into the Act. If such a bakery were to operate continuously at the minimum wholesale price, it would do irreversible harm to local bakeries. There is no question about that. The Minister might shake his head and say, "That is not going to happen. It is most unlikely." However, the truth is that the administration and policing of the Bill will be a nightmare.

Recently in this House, my colleague the member for Southport mentioned that bakers traditionally have not been able to count. There has always been 13 in a baker's dozen. I do not know how the Minister will get around that.

**Mr Prest:** That was Vince Lester. It used to be 11 to the dozen with him.

**Mr GILMORE:** I am quite sure that the honourable member touched anybody with whom he ever dealt.

The bread industry is most competitive. A large bakery can determine that it is going to become competitive on a regular basis in a small, rural community. Inducements in relation to the amount of bread purchased and returned will be provided. It is most unlikely that the Minister will have that brought to his notice so that he can police it. Those things happen as easily as things fall off the backs of trucks. I am quite sure that it will create serious problems as the year goes on.

I turn now to some of my concerns about the Bill. Clause 3.10 provides for the functions of the authority. Subclause (a) states that the function of the authority is—

"to regulate bread prices, industry discounting and non-price incentives, to ensure a fair price for consumers and a fair return to bread manufacturers for their labour and capital investment."

That is a most noble statement of intent. However, as I said, it will be almost impossible for the Minister to enforce this legislation. All the nobility and fine statements really amount to very little.

Clause 3.10 (b) provides that the authority should report back to the Minister within 12 months. That clause also has noble intent, but there is no indication that the authority should also report back in two or three years' time. It is a once-only report. Who are we to know whether the report of the authority will be appropriate?

Clause 3.16 deals with powers to fix and declare prices. It states—

"(1) The Authority, of its own motion or at least at the request of any person, after such enquiries as it considers appropriate, may by its order fix and declare in respect of a prescribed category of bread . . ."

It may fix the minimum wholesale price and the maximum retail price at which bread will be sold.

As clause 3.20 will be withdrawn, the Bill will contain no provision that, upon the receipt of an application—indeed, the Bill contains no indication as to how one might make an application—the authority must react. So an authority exists to whom people may apply for a price increase but, because the Bill contains no "must", the authority may simply thumb its nose at them. Interestingly, clause 3.20 (b) contained such a provision, but it will be withdrawn. That clause provides that upon receipt of a request for hearing and payment of the prescribed fee, the authority must do certain things. Clause 3.20 will be withdrawn from the Bill, but it has not been replaced by any provision that the authority must act.

Although the Opposition opposes the Bill in its entirety, I ask the Minister to consider putting a safeguard in the Bill so that the authority cannot be manipulated by self-interested persons under this Government; that surely, would not happen. However, before an election, another Government might put pressure on the authority, which might then decide not to approve an application for a price rise. That is a very important point.

Clause 3.17 (c) provides that the possible effect of any variation in price on consumption of bread is a factor to be regarded in fixing prices. The price elasticity of demand for bread is well established. It is interesting that the members of the authority, who have no indicated skill in that area, should be given such an onerous task. The Bill provides that those members must somehow gauge the possible effects of any variation in the price of bread. Can the lady down the street any longer afford to buy bread? Is the price rise going to affect her ability to put bread on the table? Such an assessment is probably outside the capacity of the authority.

Clause 4.3 relates to offences with regard to bread returns. It will be very difficult for the Minister or the Bread Industry Authority to police those provisions. Once again, they are noble sentiments. It is wonderful to have a Bill containing all those provisions. However, it has always been my view—and I know it has been the view of most honourable members—that if legislation cannot properly be enforced, it should not be enacted.

I oppose the Bill. It is poor legislation, which has been poorly considered and poorly drafted. The Bill has been on the table since 29 March, and one and a half pages will be deleted by a single amendment. That is an indication that the Government is rushing in on ideological rather than firm grounds. I believe that the Minister has acted improperly. I ask him to consider the points that I raised.

**Hon. R. C. KATTER** (Flinders) (8.06 p.m.): The Bill does not provide for either a minimum retail price or a minimum wholesale price. The omission of those two provisions means that the Bill achieves absolutely nothing for anyone.

For the benefit of those honourable members who are not familiar with the bread industry, during the last decade a Queensland miller endeavoured to take over a milling company that was collapsing. In the only anti-monopolist initiative ever taken in Australia, that company was stopped. For those honourable members who are cynical about such manoeuvres, the Queensland company was prevented from taking over the small company because it was said that the milling company would then hold almost a monopoly in the Queensland bread industry. That company from across the border, came in and snapped up that mill. Country Style Bakeries was approximately three times the size of the Queensland milling firm. It immediately moved aggressively into the Queensland marketplace and endeavoured to take over a large sector of the entire Queensland market.

**A Government member:** It did.

**Mr KATTER:** I was told that 146 bakeries in Queensland were wiped out by the initiatives taken by Country Style Bakeries. I think that in New South Wales it was called Allied Mills. The protection that was required at that time was graphically illustrated. In Beaudesert, evidence of the operations of that New South Wales milling company was presented to National Party members.

At the time when the New South Wales milling company decided to go into Beaudesert—and I believe that these figures are roughly correct—a loaf of bread cost 70c and there were three or four bakeries operating in that town. Country Style went into Beaudesert and sold bread for 46c a loaf. Within approximately four months, three of the bakeries had gone broke and closed their doors, and the one that remained was bought out by Country Style bakery for a nominal figure. No bread was baked locally whatsoever, and when people bought bread it was one day old. The price did not return to 70c, it increased to 72c and 73c a loaf. That practice is known as predatory pricing. It is wrong to say that this is a laissez-faire capitalist society with free competition, because a little baker with assets of only \$100,000 cannot compete with and stand up to operations such as Country Style, or Allied Mills of New South Wales, which, at the time, had some \$150m-worth of asset backing. It is puerile to put forward such a proposition, but that proposition is put forward constantly and consistently. I regret to say that some of our colleagues in the Federal Parliament are unfortunately guilty of that, but the Federal Government is far more guilty of it because it is in office and one can see its operations.

Today, in this House, the Minister has been given an opportunity to provide some element of protection for those bakeries. There were two ways of providing that protection. One was to zone the country bakeries to allow franchising similar to that existing in the milk industry. This would have protected all of the small country bakeries—and the bakeries in the Minister's own electorate of Mackay fit into this category—from the sort of competition that was foisted upon Beaudesert. The Government chose not to adopt zoning. This is the practice used in Victoria to protect country bakeries and to ensure that the local community receives fresh bread on a regular basis that is produced by a local producer and industry. The Government felt that zoning was overregulation of the marketplace. However, a minimum retail price could have been adopted as a means of protection, or, at the very least, a minimum wholesale price. It has been very effectively argued with me personally that a minimum retail price should have been set. The rest of the Bill is worthless without the introduction of a minimum retail price for protection. The Minister has chosen to adopt neither of the procedures that have been adopted in other States, countries and industries to protect the small producers and industries that Queensland has in so many towns such as Mackay.

**Mr Prest** interjected.

**Mr KATTER:** That is an interesting interjection from the honourable member for Port Curtis. He says that the southern States have cheaper bread than Queensland has. Victoria, which has a zonal system, does have cheaper bread. A number of speakers have said that Victoria has cheaper bread, and I accept that. I do not think they were telling lies to the House. Victoria also has zoning.

**Mr Dollin:** No, the other way round.

**Mr KATTER:** The honourable member will have to disagree with his blond-haired friend up at the back, because he said exactly that.

If this Government does not want to get into regulation of any type or adopt these policies, it could adopt the previous policy of moral suasion, which is the term that was used. On three or four occasions in this House I argued very cogently and aggressively that the National Party Government at the time should have gone further with the legislation than it did and that there were no teeth in it. I can remember the honourable member who is now the Minister for Primary Industries in this State arguing in exactly the same way and saying that the legislation should have teeth. The Government has put teeth in the legislation, but it has no bite at all and is totally ineffective because it has nothing to grasp. The Government has not adopted this policy of moral suasion. It would not have cost taxpayers any money, created a bureaucracy to make life more unpleasant for every baker in the State of Queensland or imposed extra costs upon them.

This is the worst of both worlds. We have no protection, yet the Government has applied a cost. If honourable members on the other side of the House do not want to listen to me, they can read the speeches made by none other than the member for Mackay. At the time, his own speech centred on the fact that the legislation had no teeth to enforce either minimum pricing to protect small bakers or zoning. Now the industry will have this great bureaucratic monstrosity foisted upon it with neither of the protections that would be afforded by minimum pricing or by—

**An honourable member:** Zoning.

**Mr KATTER:** Zoning. I do not have any difficulty choosing the word. I know exactly what it is.

This is one of the few times that I have seen unanimity in the industry in Queensland, and the Minister has achieved this. There is unanimous opposition to the Bill that has been introduced. The small bakers say that they are getting no protection, that they are having another cost imposed upon them and that another team of bureaucrats will wander around policing them. The big bakeries have asked for a free-fire zone and deregulation. They are not getting that, so they are not happy, either. Those consumers who are intelligent enough know that when the dust settles only two or three bakers—or bread-manufacturers, which is the more operative term—will be left standing in Queensland. There are bakers who are professional men and who take pride in the ownership of their businesses, but from now on all that will remain will be wage slaves manning the bread-manufacturing industry in this State. They are the only people who will be left in the industry if this Bill is passed.

The franchise to protect country areas is a method utilised in the milk industry. I would have thought that this was a very similar industry. Bread is a perishable commodity, and exactly the same arguments could be put forward for the same kind of regulation to be introduced into this industry as that which exists in a neighbouring industry. Those members who live in a town that is some distance from the coast, as I do, will know that situations occur when the roads are cut and vans carrying bread and bread-vendors simply cannot get through. Often there are times when we simply do not get the opportunity to have fresh bread in towns such as Charters Towers.

As the honourable member for Tablelands said, Queensland will lose one of the very few secondary industries that is left in country areas. This Government will have

presided over the loss of a secondary industry that presently exists in even tiny towns in this State.

I suppose this Government can take delight in the fact that it has abolished the fire brigade boards, the hospitals boards and the ambulance boards and, in my own electorate, has removed the geology unit, the rail motor service, the mines office and the Northern Development office. Moreover, all DPI offices in the area have been ordered to reduce their budgets very significantly. In the first eight months of this new Government, that is not a bad achievement! I thank the present Government, because it is ensuring that those areas will be very strong National Party areas until the end of time, especially after they have seen the face of a socialist Government in power in the State of Queensland.

This Government is now moving to abolish the only secondary industry in country areas—at least the only secondary industry of which I am aware. The previous Government was able to protect and keep alive, by one method or another, the bakeries in country towns, and the tendering process was one of the ways in which that was done. Under the system, hospitals were managed by a local board that made decisions on tenders. No longer are those decisions made locally. They are now made in Brisbane and result in small bakeries in local areas losing contracts to the big bread-manufacturers that operate out of the large coastal cities. The profits are going south and they do not remain with the person who baked the bread locally—where they rightly belong. This Government has presided over the destruction of local decision-making. One of the casualties will be the local bakeries.

This Bill is a typically socialist piece of legislation that creates a vast, top-heavy bureaucracy that will provide no protection at all for the small owner/operator. In fact, it will leave him prey for the big sharks in the business world who, in the space of five or six years, have already destroyed 146 bakeries and who are now waiting to gobble up the few heroes who are left. This is a dreadful Bill.

**Mr ROWELL** (Hinchinbrook) (9.18 p.m.): It gives me a great deal of pleasure to join in this debate. I have noted with great interest that a number of Government members are very wobbly in their support for this legislation. I view that very seriously.

**Mr Beattie:** Who was wobbly?

**Mr ROWELL:** A number of Government members expressed doubts about the validity of introducing this legislation.

A number of bread-vendors in the Hinchinbrook electorate have expressed concern about the attitude of the Queensland Labor Government in implementing this legislation. They are hard-pressed to understand why a Labor Government, which is supposed to be supportive of the battlers, should give protection to large companies with substantial funds. They feel genuinely ignored. They find it difficult to comprehend why a minimum wholesale price is to be arrived at to protect bread-manufacturers, whereas no support is given to the corner stores and bread-vendors who want to establish a floor price to protect the viability of their businesses in the event of price wars.

At the request of bread-vendors, I attended a meeting to hear their doubts about this legislation. Their concerns were submitted to the Minister's department but, as yet, they have received no response. They had a number of concerns. There were nine bread-vendors involved. I understand that there are approximately 2 000 bread-vendors in this State and that they are concerned about the lack of a minimum retail price. They are also concerned about whether or not there is economic room for all of them, about job losses in small country towns and about costs of operating the authority. They believe that while the Government has controlling power over the authority, its financial support should be provided by the Government and not by the industry.

The Labor Party should be the people's party and not a party that assists big business and large corporations. This Bill supports the larger corporations.

**Mr Hayward:** How?

**Mr ROWELL:** Inevitably, they will push the small baking enterprises out.

**Mr Hayward:** How?

**Mr ROWELL:** It is quite simple. They will not be able to compete in a discounting war. If the honourable member has any logic as far as money is concerned——

**Mr Hayward:** Just explain it to me. How?

**Mr ROWELL:** Because there is predatory pricing, as the member for Flinders has already pointed out.

**Mr Hayward:** How do you reckon that?

**Mr ROWELL:** I reckon that. That is what I am saying. Can't you understand that that is what this is all about?

**Mr DEPUTY SPEAKER** (Mr Hollis): Order! The honourable member will address his remarks through the Chair.

**Mr ROWELL:** That is competitive business, and predatory pricing will bring that about.

**Mr Katter:** We will try to make it simpler for you next time.

**Mr ROWELL:** It is a little bit difficult for the member for Caboolture to understand.

**Mr Hayward:** Do you understand it?

**Mr ROWELL:** I understand it quite well. I am just wondering whether the honourable member does. If he is questioning me, he must have some doubts.

**Mr Hayward:** I don't understand it.

**Mr ROWELL:** Then you cannot have much of an idea of economics.

**Mr DEPUTY SPEAKER:** Order! The honourable member for Hinchinbrook will address his remarks through the Chair.

**Mr ROWELL:** Thank you, Mr Deputy Speaker.

**Mr Katter:** They were provoking him, Mr Deputy Speaker.

**Mr ROWELL:** I think that the honourable member for Flinders is right.

The bread-vendors to whom I spoke were also very concerned about remote areas. In the event that small contractors act as vendors in country areas, they were wondering how a service can be provided to people such as pensioners. I point out that these bread runs are very often supplemented by milk runs, etc., which enable these people to not only sell bread in the electorate but also make a business out of combining bread deliveries with milk deliveries. They provide a service to a number of people who, because of distance, are disadvantaged in rural towns.

Initially, the consumer may derive some benefit, but in the long term when competitive forces are eliminated in the marketplace, the services provided by small vendors will be reduced. The convenience of having country and urban bread-vendors, during the "off" times of corner stores and similar establishments, may well be lost. The benefits of discounting may very well become an illusion.

Many of the vendors have their life's savings tied up in their assets. Their prospects of sustaining a price-discounting war are not good. They feel extremely vulnerable.

In Queensland, the one overriding factor is that, at present, we have amongst the cheapest bread prices in Australia. I have heard differently from some members; perhaps they visited pet shops to obtain those cheaper prices. The committee made a decision in its code of trading for a minimum selling price of no more than 4c to 5c less than the recommended selling price. Prior to the introduction

of the code, various outlets used bread as a loss leader to draw customers to their establishments. It allowed smaller retailers to sell bread products at a recommended price, knowing that the larger retailer, no matter what discounts were extended, could not undercut bread sales by more than 4c to 5c, thus allowing the small retailers to make a fair margin of profit. With the introduction of this legislation, once again bread will be used as a loss leader to attract people to large retail outlets, putting pressure on their suppliers, because of volume selling, to give substantial rebates on sales in accordance with their bulk throughput.

With an associated company of the bread manufacturer handling a variety of lines, especially where vertical integration of manufactured products occurs, rebates on sales will be untraceable. As the Bill only covers trading within Queensland, discounts could be disguised with interstate trading. It is important to note that the big vendors who come across the border will not be covered by the legislation. They will be able to bring bread over the border and they will not be covered by any law.

Queensland consumers will not pay a premium on bread simply because it is made in Queensland. In fact, Queensland companies will be paying to have inspectors fossicking around for irregularities and breaches of the Act, while interstate competitors will be immune from that cost factor.

Some doubt exists as to how the re-used bread trade will be interpreted under clause 2.1 (f). Snack bars, take-away establishments, restaurants, clubs and so on do not appear to be covered by the legislation.

The actual cost of implementation of the Bread Industry Authority in its first year of operation has been estimated by the industry at approximately \$1.4m, compared with \$90,000 to run the Bread Industry Committee.

The Bill will dissipate much of the stability in the industry that has been built up over the past 10 years. The general consensus is that most of the small-businesspeople, including many manufacturers, were quite happy with the existing legislation, but believed that stronger penalty provisions for breaches of the Act were needed.

This Bill is totally discriminatory towards Queensland-based manufacturers and is totally unfair to small, independent manufacturers and retailers. Although it is essential to create a competitive climate in the marketplace, if market forces wipe out that competitive spirit, leaving the consumer at the mercy of dominating interests, that can have long-term detrimental effects.

I ask the Minister to review the legislation to bring about a fairer and more equitable situation in the bread industry.

**Mr STONEMAN** (Burdekin) (9.27 p.m.): Mr Speaker—

**Government members** interjected.

**Mr SPEAKER:** Order! It does not appear as though the honourable member is a popular choice.

**Mr STONEMAN:** I am delighted to inform my enthusiastic supporters from the other side of the House that I will attempt to fit my remarks within the 30 minute time limit. However, if necessary, I know that Mr Beattie will move for an extension of time.

I rise to join my colleagues in expressing great disquiet at the implications of the Bill and in demonstrating the lack of need for the passage of this Bill. I say that because of my understanding of what is contained in the Bill and, more particularly, of the sorts of things that were requested by the grassroots of the bread industry in this State—the bakers, the people about whom Opposition members have been speaking and whom they support.

Honourable members would acknowledge that there are far more consumers of bread than bakers of bread. In his second-reading speech, the Minister stated that bread is a staple, an important commodity. I pay tribute to the bakers who have maintained



their art and supplied the basic commodity that all Queenslanders take for granted will be available in shops. We complain if it is not fresh, but we always assume that it will be available.

The local bakers are close to the consumer. As a result of the Government's action with this Bill, those bakers are at risk. In my electorate, the Crowdey brothers are part of a tradition of 64 years of baking in the Burdekin. The Minister will be the person whom the Crowdeys, their customers and that community will look upon as having brought to an end 64 years of tradition. They will probably struggle on for a short time, but there is no shadow of a doubt that the big operators will be able to cut their prices, to move in concert with the big chains and to—if I can use the term—bastardise the bakers' dozen to such an extent that it could end up being two dozen. In the mean time, as has occurred in other States, the consumer will lose out, because, as my colleagues have said, Queensland has had the cheapest and most stable bread prices in this nation. That is being put at risk. I think that consumers should be aware of that. I am sure that the Government believes that it is winning votes by creating a situation in which bread prices will fall in the first instance. However, in the long run, the prices will rise.

The member for Tablelands made a point in his address that I want to enlarge upon. This State is prone to cyclones. My electorate has experienced a cyclone each year for the last three years. It is interesting to note that the big bakery outfits in Townsville have a bread truck that runs through my electorate and delivers to the smaller towns in the south and the west. The member for Mount Isa would be aware of that. When some act of God occurs, such as a cyclone, the truck stops and the bread is not delivered. That means using aeroplanes or people baking their own bread. However, as has already been said, baking bread is a lost art.

There are three bakeries in my electorate: one owned by the Crowdey brothers, the Augustus bakery in Ayr and the Home Hill bakery. Regardless of circumstances, they have continued to bake and supply bread to the local community and to the small corner stores which, along with the traditional baker, are at great risk. Honourable members must understand that they are not just talking about the bakers; they are also talking about the corner stores. Corner stores exist on two commodities—bread and milk. They open early in the morning before anyone else and they close late at night. These stores are operated by families. You, Mr Speaker, would be well aware of that—

**Mr SPEAKER:** I can well understand what you are saying, Mr Stoneman. I married a grocer's daughter.

**Mr STONEMAN:** Yes. So your family traditions are at risk, Mr Speaker.

**Mr Booth:** You'd know that they'd be dangerous people to upset. You wouldn't think the Premier would be game to upset them.

**Mr STONEMAN:** Exactly.

What this Government does not understand—and what the Speaker, in his wisdom, obviously does understand—is that this legislation will have a tremendous effect on the community. It has the capacity to impact on families, on every member of the community in the usual day-to-day sense.

The Minister has made the statement that bread is a staple. So is milk. Once the continuity of the supply of bread and milk is taken away from the corner stores, the next thing there will be no more corner stores. What will happen then? A service to the community will be lost. The ability of people to get their loaf of bread or carton of milk after hours—at a time convenient to them—will be gone. I acknowledge the role that Woolworths and Coles have played in the community and the competition that they have fostered. However, the fact is that they are not interested in having competition, they want to wrap up the whole show.

Under the guise of providing cheaper bread, the bigger suppliers will wipe out the local bakers, who will disappear—they will lose their assets. A bakery cannot be used

for any purpose other than baking bread, so the value of the shop disappears. I refer again to the Crowdey brothers, who came to see me the other day. They took out half-page advertisements in the local newspaper to draw to the attention of the community their concerns about the long-term implications of this type of legislation. Mr Katter mentioned the fact that no minimum price means that no way in the world is there any protection under any circumstances for local bakers.

The continuity of supply is a major factor. As I have said, my electorate has suffered a cyclone every year for the last three years. After the cyclone before last, the then Leader of the Opposition and the then Premier, Mr Ahern, arrived in my electorate to find total devastation. The power lines were wiped out; the roads were wiped out. The bread truck that goes up and down the coast and out west to Mr McGrady's electorate ceased operation. The big boss said, "Don't take the truck out there." In any event, the road was closed—it was under water. However, the Crowdey, Augustus and Home Hill bakeries kept on baking. With the use of portable power plants they had the capacity to supply 20 000 people with bread. It was almost two weeks before power was reconnected. As I say, those bakeries had the capacity to heat their own ovens, and they continued to supply bread. There was no problem getting bread in that community.

The central part of my electorate is only an hour's drive from the second-largest city of this State. What would happen in Longreach, Roma or other parts of the State that are more distant from the bread truck deliveries? That bread lasts only till about mid-afternoon. After that, it is stale. It has to be bought every day. That takes me back to the art of baking bread. I am reminded of my days in Winton. The local baker out there, Dougie Douglas, was a great bloke. He could bake bread that would stay fresh for a week or ten days, even if it was left out in the open. He knew the art of maintaining the quality of the bread. It was able to be sent out on the mail trucks, in the blazing heat, for some 120 or 130 miles and thrown onto the side of the homestead veranda until someone came home and put it in the bread-box, and it would remain fresh. Those days are gone.

I admit that the bread from the hot-bread kitchens is great and that those establishments provide a service. However, the bread that they produce is not a staple like the normal bakery-style bread that we are used to. Under this Bill, all of those things are at risk. Because it cannot think through the management processes, this Government does not understand this legislation. It does not have the capacity to do that.

That takes me back to the fact that the deliveries of bread by truck are spasmodic. The delivery of bread to the large supermarkets is the thin end of the wedge. I admit that it will bring prices down. I do not think that any member would disagree with that. However, when the corner stores and the local bakeries, like the three in the lower Burdekin, disappear, up will go the price. Why else is the price of bread higher in every other State than it is in Queensland? Why has Queensland had no problems, as Mr Harper said—and he was a Minister for a considerable period of time? All the previous legislation needed was a top up—some teeth. In the long run, the consumers will be the losers.

**Mr Palaszczuk** interjected.

**Mr STONEMAN:** if Mr Palaszczuk wishes, I can continue for another 90 minutes.

I wish to compare what is being done under this legislation with the closing down of the stock routes. When that happened, people said, "We have transport. We do not need stock routes. People do not use them any more."

**Mr Harper:** And closing the railways, too.

**Mr STONEMAN:** "We do not need the railways, because we have road transports. Members should remember what is happening in the Middle East. People may not be able to afford to transport stock. They may have to use those stock routes that have not disappeared. Those comments also apply to the corner shop and the baker. They are at risk under this legislation."

Members may wonder what a stock route has to do with a bakery. Exactly the same process is involved. The problem is that members cannot look far enough down the road.

**Mr Harper:** We know it is going to be a monopoly, though.

**Mr STONEMAN:** Exactly. We know what will happen under a monopolistic structure. We know that the bakers will disappear and that the Crowdey brothers will lose 64 years of tradition. It is interesting to note that most people who buy bread do not realise the degree of tradition, stability and certainty that is inherent in bakeries.

The attitude that I believe is inherent in this Bill is very disturbing. I know that Queensland must move with the times. From time to time, readjustments must be made. The previous Government was moving positively towards giving the Bread Industry Committee some legislative teeth. The people of Queensland were being well serviced by the legislation that ensured stable, secure and cheap bread prices in this State.

I take my hat off to those bakers who continue to support small towns and also the larger towns. One cannot compare the size of towns in my electorate with the size of towns in the electorates of Gregory and Flinders. The fact is that the basics are still there. Those people have provided a service that is now at risk. Their traditions and their assets are at risk; but, because there are more consumers than bakers, in the long run the consumers will live to regret the day that the Government introduced this legislation.

**Hon. E. D. CASEY** (Mackay—Minister for Primary Industries) (9.42 p.m.), in reply: I thank all the honourable members who have contributed to this debate. I will comment on only a few interesting points. I had intended to give detailed responses to all of the speeches. However, because of the lateness of the hour, the length of the debate and the repetitious nature of the speeches, particularly from the last four or five Opposition members, I will not do so.

A group of members opposite admitted in this House this evening that the original legislation was an absolutely toothless tiger. One after another they got up and said, "All we want to do is put some teeth in the legislation." I am absolutely amazed, because, in years gone by, those members endeavoured to introduce legislation that was designed to do the very things that this Bill has been introduced to stop, but they did not have the intestinal fortitude to move ahead with their legislation.

Opposition members cannot deny that, over the last 10 or 15 years, the previous Government prepared two different and separate bread Bills to replace the original toothless legislation. Why was it toothless? No penal clauses were included in that legislation; that is why it was toothless.

The previous Government set out to introduce that legislation, but what happened? The major bread-manufacturers applied pressure to the previous Government. Those major bread-manufacturers were not based in this State; they were based in other parts of the nation. In fact, they were international consortiums. That pressure was designed to try to screw things down in Queensland so that those major bread-manufacturers could continue to push Queensland bakers, flour-millers and vendors out of the system and secure a monopolistic position in the bread industry in this State.

That is what the former Government in this State did. Tonight in this House, this hypocritical group of members were mouthing off their stories about the little country bakers and what they were trying to do for them. Under the National Party Government in this State, country bakers closed down in their hundreds. In the House this evening, even Mr Katter was honest enough to admit that. Certainly those country bakers closed down, and, because of changing trends in retail trading in the future, others will close, too.

What the Government is trying to achieve by introducing this legislation is control of bread-pricing in this State. Unless those regulations are introduced, Queensland will go to total deregulation. If it does that, the first group of people to disappear will be the

vendors. This State will no longer have vendors, which is the position in some other States.

The second thing that will occur is that the pressures that will be brought to bear by monopolies in other States will be such that the major Queensland company involved in flour-milling and baking, which is holding the line for and on behalf of Queensland against those international consortiums, will be pushed out.

Members opposite have a choice: regulation or deregulation of the bread industry. In either case, there are problems. I am the first to admit that there are problems. If the bread industry in this State is regulated and if a positive step such as the implementation of this legislation is taken, Queensland will reach the stage at which it ought to be able to hold the line again.

Many things are dependent on the success of this legislation. First of all, there is a requirement that every member of this Parliament get behind this legislation and that every person associated with the bread industry in Queensland act responsibly. If they are prepared to give it a go, it will succeed.

If they are not prepared to give it a go, in 12 months' time when it is reviewed, the legislation can go out the door and total deregulation will be introduced, which will cause real problems. I do not want to see total deregulation in this State. I want the bread industry to be regulated so that manufacturers receive a fair return for their product, their employees' jobs are protected, and so that the vendors who distribute bread are able to do so in a safe and a free manner which will provide them with a return.

If the retailers in this State want to make bread a loss leader, as an honourable member suggested earlier, they can. But they will do so at their expense, not at the expense of a vendor, not at the expense of a wholesaler and not at the expense of the employees of the wholesaler or of anybody else along the chain. That is what this legislation is designed to do.

Several members raised concerns in relation to hot-bread shops. The hot-bread shops became a success throughout Australia because they provided specialty products. Their products were not competing with the 680 gram white or wholemeal loaf of bread. The hot-bread shops produced and sold different types of bread. This legislation does not need to provide for any price control of those products.

In fact, one of the amendments that I intend to move at the Committee stage really firms that up and ensures that the hot-bread shops can continue to trade in the same way as they have in the past. Yet we hear this hypocrisy from the group of people opposite who, on most other occasions, like to espouse themselves as great free-enterprise people. They are without exception. Every member who spoke in this debate insisted that there had to be regulatory controls. I do not deny that there ought to be regulatory controls. As I have already said, I support them. I want to see this legislation work.

All I am asking of the other 88 members of this Parliament is to give this legislation a go. If they want to see a hold on the line in the bread industry in Queensland, they should give it a go. On the admission of members opposite, their own legislation did not work. If they want legislation that has some teeth in it, this is it. It will not cost the bread industry in Queensland any more than the present legislation is costing it. The precept system is the same; the precept charges will be charged on the same basis and the inspectorial basis will be the same as it always has been.

But this legislation provides a fair go, which is all any Australian asks of legislation which comes before a Parliament. That is what the Government is endeavouring to do in this legislation, which I commend to the House.

Question—That the Bill be now read a second time—put; and the House divided—

AYES, 48  
NOES, 32

## DIVISION

Resolved in the affirmative.

**Committee**

Hon. E. D. Casey (Mackay—Minister for Primary Industries) in charge of the Bill.

Clauses 1.1 to 1.3, as read, agreed to.

Clause 2.1—

**Mr CASEY** (9.58 p.m.): I move the following amendments—

"At page 2, line 35, before 'bread' insert—

'white or wholemeal' ";

At page 2, line 36, before 'bread' insert—

'white or wholemeal'."

The purpose of these minor amendments is to tighten up the definition of the type of loaf over which there will be controls by the Bread Industry Authority. As I mentioned in my reply, that is for the benefit of hot-bread shops more than anything else.

Amendment agreed to.

Clause 2.1, as amended, agreed to.

Clauses 3.1 and 3.2, as read, agreed to.

Clause 3.3—

**Mr CASEY** (9.59 p.m.): I move the following amendment—

"At page 3, omit lines 35 to 45 and substitute—

'3.3 Members of Authority. (1) The Authority shall consist of—

(a) a presiding officer;

(b) the Commissioner for Consumer Affairs appointed for the purposes of the Fair Trading Act 1989, who shall be a member ex-officio;  
and

(c) not more than 3 other members who have qualifications or experience in the business of baking bread or in business and commerce, finance, accounting practice or industrial relations.' "

The purpose of this amendment is to enable a change in the composition of the authority if a future review recommends a reduction in its numbers. The major change relates to the words "not more than 3 other members" rather than the previous specification for three other members. Basically, the qualifications are still the same as in the Bill. However, the wording has been run together to make it easier to read.

During the second-reading debate, some members criticised the fact that the words "industrial relations" are included. Many Opposition members spoke about the people who work in baker shops in little country towns. If a trade-union representative can become a member of the authority, that is well and good. If the selection is made in other ways, that is also well and good. Those workers are just as entitled as anybody else to have somebody representing them on the authority.

**Mr HARPER:** I take the Minister's point about reducing the number of members of the authority in the future. However, it seems strange that the Minister and the Government obviously are thinking only of reducing the number of non-public servants who are members of the authority. It would have been much more appropriate to include a provision that, should the Minister want to reduce the number of members of the authority, he may determine that he does not need the Commissioner for Consumer Affairs. As it is, the Minister is bound to keep the commissioner there, irrespective of whether he or she is providing the skills that are really needed.

I do not take exception at all to the inclusion on the authority of a person who is skilled in industrial relations. Indeed, when the National Party was in Government, it introduced legislation with exactly the same phraseology, or certainly the same intent. I do not take exception to that.

What does concern me, though, is that the amendments that have been introduced in regard to the ex officio member—the Commissioner for Consumer Affairs—have taken away the need that existed previously for a member of the authority to be knowledgeable in the business of baking bread. Surely, in addition to a member having skills in consumer affairs, the Bread Industry Authority should include a member who has knowledge of and skills in baking. That sector of the community should be represented. I know that the Minister can say that the ability is still there to appoint a person who has skills in baking, but the fact is that, by the amendment, that provision has been taken away. Quite frankly, that is a slight on the bakers of Queensland. I hope that it was not intentional and I hope that a person who is knowledgeable in that business will always be on the authority. The Minister and I both know people who have that knowledge and who are experts in business and commerce. They could serve both roles.

I hope that the Minister will take on board the thrust of what I am saying; that is, surely the Bread Industry Authority should include as a member a person who is knowledgeable in baking.

**Mr BOOTH:** I support what the honourable member for Auburn has said. Clause 3.3 (1) (c) is probably the loosest piece of drafting that I have ever seen. There could be three trade unionists——

**An honourable member** interjected.

**The CHAIRMAN:** Order! The honourable member will interject only from his correct seat.

**Mr BOOTH:** There could be three members who have industrial relations qualifications and not one baker on the authority. It may not be necessary then to have members with commerce, finance or accounting experience. I would like the Minister to give an assurance that the Bread Industry Authority will not have three members with industrial relations experience and no member with baking experience.

**Mr CASEY:** I give the member that assurance. There is no intent there whatsoever, nor is there anything illicit or underhanded. The drafting was done deliberately. If the honourable member looks closely at clause 3.3 (1) (c), he will see that it spells out three

distinct categories of people. My own feeling, and the initial intent, is that a person from each of those three groups be put on the authority. When the model is set up, there may be no need for the member with accounting experience, the member with industrial relations experience or the member with trade union experience to remain on the authority. To effect that change, the legislation would not have to be amended. It may not even be necessary. However, I give the member that assurance. The authority will certainly not contain three members with experience in the one field.

I take the point raised by the honourable member for Auburn. One of the major reasons why the Commissioner for Consumer Affairs was chosen to be an ex officio member was to include on the authority a representative of all consumers. At some stage, the former Minister administered this legislation, and he would realise the difficulty in obtaining such a representative. The Government will be reliant to a certain degree upon the Consumer Affairs Bureau to follow up any complaints that are made.

So that full responses could be given, the Bill was deliberately left on the table for a considerable period. Those responses went the full circle, not once but twice. One group that was initially established to oppose the legislation finished up writing a letter of support. Some of the changes that I am proposing were prompted by other recommendations that were received. In all of that correspondence, I would be willing to bet that not one honourable member received a complaint about the primary production aspect of the Bill or about the quality of the grain or anything else. Basically, it is consumer affairs legislation, and that is what it always ought to have been.

Because the legislation was sitting in my portfolio, the Government decided that I would be the person to sort the matter out and introduce a Bill into Parliament. If it is thought necessary during that 12-month review, the matter will be transferred to the portfolio of the Minister for Justice, who has responsibility for consumer affairs. That is another simple explanation for that provision. There is no hidden agenda, as I said earlier, and no great problems or drama.

**Mr CONNOR:** As to clause 3.3—the industry working group came up with a potential amendment, which the Minister already has, and made the recommendation that the members of the authority be appointed on a part-time basis. I ask the Minister: will he give me his thoughts on that matter?

**Mr CASEY:** They are all part-time.

Amendment agreed to.

Clause 3.3, as amended, agreed to.

Clause 3.4—

**Mr CONNOR** (10.10 p.m.): Again, in relation to clause 3.4 (2), the industry working group suggested that under the first constitution of the authority the Bread Industry Committee must fulfil all its legal obligations and liabilities before it ceases to exist. No outstanding actions of any kind should be carried forward to the authority. Effectively, that means that the new Bread Industry Authority would not take over the debts of the previous committee. I ask the Minister to comment on that.

**Mr CASEY:** It is difficult to spell things out clearly enough for the honourable member. I do not know who is on the working party that he has referred to, but they did not work too darned hard. If the honourable member looks down the Bill at clause at 3.4 (3) (b), he will see that it states—

"(b) the Authority shall assume and discharge the liabilities of the Bread Industry Committee."

Clause 3.4, as read, agreed to.

Clauses 3.5 to 3.15, as read, agreed to.

Clause 3.16—

**Mr GILMORE** (10.12 p.m.): The Minister has flagged his intention to withdraw clause 3.20 from the legislation and I wish to ask him a couple of questions on the point I raised earlier about the lack of compulsion in the Bill for the authority to act once clause 3.20 has been taken out. It is a matter of some concern to me that this authority could have no compulsion to act.

The words used in clause 3.16 are "after such enquiries as it considers appropriate". Therefore, the authority has a free and open hand as to the number of inquiries it might receive. There is no indication from whom it might receive inquiries. However, the Bill refers to "any person", and there is no indication in the Bill as to the question of vexatious application. For instance, if an application for a price rise is knocked back, the Bill does not indicate whether the authority may or may not receive another application for a period of time or until a certain figure is reached. There is no indication in the Bill that there is any appropriate form on which applications are to be made, and it is obviously done by letter. I would like the Minister to cover those points for me.

**Mr CASEY:** If the member goes back to clause 3.10, the authority is charged with this function and duty. In that clause the functions of the authority are quite clearly set out as follows—

"(a) to regulate bread prices, industry discounting and non-price incentives . . ."

This is clearly set out as the function of the authority and it is a new system altogether. The authority does not have to be told to act. It is given that power and it is ongoing. It just continues with its work.

**Mr GILMORE:** However, I am concerned that there is no indication that the authority must act. It could simply ignore petitions for a price increase forever. Nowhere does the Bill set out that the authority must react to an application. It is my suggestion that the authority could be misused and put under pressure not to act in certain circumstances as well.

**Mr CASEY:** I have already pointed out quite clearly for the honourable member that clause 3.10 sets out the functions of the authority, and it acts on those functions. It is a continuing and ongoing function. Whether the honourable member inserts the word "must" or "mustard" in the clause, it will not make any difference.

Clause 3.16, as read, agreed to.

Clause 3.17—

**Mr CONNOR** (10.15 p.m.): As the Minister is well aware, the industry working group to which I referred earlier represents manufacturers, large retailers, small retailers and vendors. He is well aware of the number of amendments that have been put together and he has a copy of them. They were distributed to him many months ago. The group is very worried about the implications of this clause because it is believed that it will have a derogatory effect on the vendors. When the retailers apply for a minimum wholesale price, they will write the vendors out of the contract. In other words, they will apply for the minimum wholesale cost, without any distribution costs attached, and write the vendors out of the deal. I ask the Minister to indicate his view.

**Mr CASEY:** Clause 3.17 (a) states—

"the costs of production, distribution and marketing of bread."

"Distribution" happens to be something that vendors do.

**Mr CONNOR:** The vendors are well aware of that. Obviously, if the retailer can reduce the costs of distribution to zero by doing away with the vendor, the vendors will be out of a job, and that is what worries them.

Clause 3.17, as read, agreed to.



Clause 3.18—

**Mr CASEY** (10.17 p.m.): I move the following amendment—

"At page 8, line 25, after 'prices' insert—

" , including the form of any cost of production model'."

Again, the purpose of this amendment, as I have already clearly pointed out to the Committee, is to set up a production model for prices. When that is accepted by the industry, it will simplify any application made on any occasion by any group that wants to apply for a price increase. On those occasions, if the model is in place, it will be observed and it will be an automatic process for the authority to undertake. It cuts out much of the work to be done to prepare an application that must be submitted to the authority.

It must also be borne in mind that this clause also includes the provision that will allow the authority, if at any time it wishes to change the model, to undertake a further and more detailed examination.

Amendment agreed to.

Clause 3.18, as amended, agreed to.

Clause 3.19—

**Mr CASEY** (10.19 p.m.): Because of the change in format of clause 3.18, to which I referred earlier, this clause becomes redundant. I therefore move the following amendment—

"At page 8, omit lines 29 to 35."

Amendment agreed to.

Clause 3.19, as amended, agreed to.

Clause 3.20—

**Mr CASEY** (10.19 p.m.): I make the same point as I made earlier. I move the following amendment—

"At page 8, omit lines 36 to 41, and at page 9, omit lines 1 to 42."

During the debate, members commented that the Government is taking out the whole clause. This amendment will delete the clause to prevent the authority from being compelled to take certain action in relation to prices hearings. It was the opinion of most people concerned with this Bill that, as long as the Government amended clause 18 in the way in which it has been amended, there would be no need for this clause.

Amendment agreed to.

Clause 3.20, as amended, agreed to.

Clause 3.21—

**Mr CASEY** (10.21 p.m.): I move the following amendment—

"At page 10, omit lines 1 to 6 and substitute—

'3.21 Report upon increase in bread prices. Whenever the Authority fixes an increase in prices of bread the Authority shall, as soon as practicable thereafter, submit to the Minister a written report upon the increase.' "

The practical aspect of this amendment is that, instead of following the procedures set out in clauses 3.20 and 3.21, the authority will indicate that it intends to effect a price rise. The authority must submit a written report to the Minister in relation to the increase so that that may be gazetted, tabled in Parliament or be subjected to whatever action is necessary.

**Mr BOOTH:** I seek more information on this amendment because the Minister has withdrawn two fairly vital clauses. The amended clause will read—

"3.21 Report upon increase in bread prices. Whenever the Authority fixes an increase in prices of bread the Authority shall, as soon as practicable thereafter, submit to the Minister a written report upon the increase."

The clause is expressed in vague terms. Earlier a member queried the procedure to be adopted when applying for a price increase. What will the Minister do after he receives the report? Will he allow the authority to go ahead and make a decision?

The Minister has already deleted a page and a half of provisions relating to open hearings and open government. The effect of this amendment will be to vest much more authority in the Minister. I think the Minister knows that I am not one who worries unduly about that because it is my belief that it is the role of the Minister to accept responsibility. However, I wish to have this matter cleared up. I will be raising this issue again in relation to clause 3.23, because only today there was talk of the Minister being relieved of his responsibilities.

**Mr CASEY:** There is nothing sinister in relation to this clause. The functions of the authority are set up in clause 3.10. The functions of the authority will be to regulate bread prices.

The original clause was a reporting mechanism. The report had to be presented both to the Minister and to the Parliament. It relates to the clauses that have now been deleted. As a matter of fact, the original clause contained most of the words contained in the amendment, which was expressed in virtually the same way. It is only a repetition of those words.

The other matter that was raised related to what happened after the annual report was made. Because the members are appointed by the Governor in Council, the authority is brought under the definition of a statutory authority under the Financial Administration and Audit Act. Under that Act, the authority is compelled to publish an annual report to be tabled in Parliament each year. I repeat that that point is covered in other Acts.

**Mr BOOTH:** I am happy with that reply as far as the Minister went. However, I want to know what he does when he receives the report. If he thinks it is a frivolous report, does he throw it in the wastepaper basket? If he thinks that it is a report with some substance, does he order the committee to examine the model?

**Mr CASEY:** I take the honourable member's point. If he refers to clause 3.23, he will notice that, if necessary, the Minister has the power, through the Governor in Council, to overturn any determination of the authority.

Amendment agreed to.

Clause 3.21, as amended, agreed to.

Clause 3.22, as read, agreed to.

Clause 3.23—

**Mr BOOTH** (10.25 p.m.): This clause gives Cabinet the right to overturn anything that the authority does. If the Minister thinks that this Bill vests less authority in Cabinet and the Minister, he is wrong; it is the opposite. This clause gives Cabinet an overriding power. Although I have stated that I believe Ministers should take responsibility—I am not a great exponent of the theory that Cabinet should not, either—this clause gives Cabinet power to revoke, change or amend decisions. The Government should be honest about this provision.

**Mr CASEY:** I am surprised at the honourable member's objection to this clause. This is a reserve power that is normally available to all Governments in relation to all authorities that are set up. It reserves powers in almost every aspect of current legislation except, perhaps, that relating to the COD and the Cannery Board of Queensland. There

is a need for the Government to have that control. The previous Government gave total power for price control to the Minister, not to the authority.

Clause 3.23, as read, agreed to.

Clauses 3.24 to 3.32, as read, agreed to.

Clause 3.33—

**Mr CONNOR** (10.28 p.m.): The working group had many reservations about the powers of the inspectors. It proposed that clause 3.33 be deleted and replaced with—

"Inspectors. For the purpose of this Act an inspector shall be an inspector employed by the Bureau of Consumer Affairs and shall have powers of inspectors accorded to him under that Act."

Earlier, the Minister said that in future that was likely to be the case so far as bringing the Act under the control of the Bureau of Consumer Affairs was concerned. Would the Minister care to comment?

**Mr CASEY:** I already have.

Clause 3.3, as read, agreed to.

Clauses 3.34 to 4.7, as read, agreed to.

Clause 4.8—

**Mr CASEY** (10.29 p.m.): I move the following amendment—

"At page 16, omit lines 43 and 44, and at page 17, omit lines 1 to 9 and substitute—

'4.8 Vicarious liability for agent's or employee's offence. (1) If a person contravenes or fails to comply with any provision of this Act as an agent or employee, the principal or employer of that person shall be deemed to have contravened or failed to comply with the same provision.

(2) It is a defence in proceedings against a principal or employer pursuant to subsection (1) to prove that the contravention or failure to comply by an agent or employee occurred without the consent or authority of the principal or employer and contrary to instructions and that the principal or employer had used due diligence to prevent the commission of the offence.

(3) Nothing in this section affects any liability of a person for an offence against this Act committed by that person.' "

This is a new clause that provides a cover for the employer. The Queensland Law Society pointed out a need to have this clause included in the Bill. I was happy to have it included, because that protection ought to be in all legislation. It provides protection for the employee if the employer does something wrong, and there is protection for the employer if the employee does something wrong.

Amendment agreed to.

Clause 4.8, as amended, agreed to.

Clauses 4.9 to 5.5, as read, agreed to.

Clause 5.6—

**Mr CONNOR** (10.32 p.m.): I draw the Minister's attention to paragraph 3 of the Schedule, which deals with records and returns, and I ask him for a sensible answer to my question. Will the bread-retailers be required to fill in monthly returns in relation to their bread sales?

**Mr CASEY:** It is a fairly simple process. Most members would understand that when a sale is transacted a docket is issued for the sale. The retailer, or whoever it may be, has the records and dockets, which are readily available. No extra work is imposed upon the small-business person.

Clause 5.6, as read, agreed to.

Clause 5.7, as read, agreed to.

Schedule—

**Mr BOOTH** (10.34 p.m.): I want to ask a fairly simple question. Paragraph 7 of the Schedule, which is headed "Classes of manufacturers of bread", states—

"Prescription of classes of manufacturers of bread for the purposes of specified provisions of this Act."

When I spoke to bakers, vendors and retailers, one question that I was consistently asked was, "Will the classes of bread be announced at an early stage?" As soon as the authority is set up, it should know which classes are prescribed. If it does not, many hot-bread shop operators will be severely inconvenienced.

**Mr CASEY:** It is worked on exactly the same basis as in the existing legislation. The precept is determined having regard to the size of the bakery and its throughput. Therefore, the small fellow pays only a small precept and the big fellow pays a big precept.

**Mr BOOTH:** I did not know that that is what that meant.

**Mr CASEY:** It relates to the determination of the class of manufacturer of the bread.

**Mr BOOTH:** I thought it meant that the bread rolls and so on were to be prescribed.

**Mr CASEY:** No. It is the class of manufacturer of the bread. All of the manufacturers will pay precepts, just as they do under the existing legislation. The determination will be made on the weekly tonnage of flour, the number of loaves, or whatever.

**Mr BOOTH:** I do not think there will be any quarrel about the prescribed loaves. However, what will be the position in relation to bread rolls and raisin bread? Will the authority prescribe exactly what will come under its control? If so, could it be done as soon as possible?

**Mr CASEY:** That is done in clause 2.1—Interpretations—at the beginning of the Bill. The clause talks about the "prescribed category of bread", and it is all set out.

Schedule, as read, agreed to.

Bill reported, with amendments.

### Third Reading

**Hon. E. D. CASEY** (Mackay—Minister for Primary Industries) (10.36 p.m.), by leave: I move—

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

Question put; and the House divided—

AYES, 47  
NOES, 24

DIVISION

Resolved in the affirmative.  
The House adjourned at 10.43 p.m.