

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Council**

**WEDNESDAY, 7 SEPTEMBER 1887**

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## LEGISLATIVE COUNCIL.

Wednesday, 7 September, 1887.

Loans to Local Authorities.—Divisional Boards Bill.—Real Property (Local Registries) Bill.—Motion for Adjournment.—Issue of Return Tickets on Railways.—Australian Joint Stock Bank Act Amendment Bill—committee.—Valuation Bill—committee.—Adjournment.

The PRESIDENT took the chair at 4 o'clock.‡

## LOANS TO LOCAL AUTHORITIES.

The HON. W. H. WALSH, in moving—

That there be laid on the table of this House, a Return showing all grants, endowments, and loans, received by the several municipalities, shire councils, divisional boards, and all other local bodies or authorities (if any) from the Government, from the 1st July, 1879, to the 30th of June, 1887; such return to specify—

- (1) The fund (whether consolidated revenue, loan, or trust) from which these payments have been made;
- (2) The rate of interest charged by the Government for the several loans or advances;
- (3) The amounts of interest paid by each local authority; and
- (4) The amount of principal repaid by each local authority in reduction of said loans and advances.

—said: Hon. gentlemen,—I ask for this return because I find that a good many municipalities in the colony are in the habit of borrowing money, not only from the State but also from private establishments. I wish hon. members to observe carefully the condition of local authorities in this respect. Municipal councils, shire councils, and divisional boards are not only becoming debtors to the State to a considerable extent, but are also becoming debtors to private institutions or banks. I think this matter is one which should receive full consideration, and that is the reason of my now introducing it in this public way, because I think the subject is one deserving of attention in view of the fact that we are called upon to deal with measures further manipulating or altering the Divisional Boards Acts. Ever since the first Divisional Boards Act was passed things have gone on from bad to worse, from a slight misunderstanding to a total misunderstanding of the position in which divisional boards are placed, until at last we do not now know whether boards are greater debtors to the State or to private financial institutions. I may preface my remarks on the subject by saying that we know very well that, however much divisional boards, shire councils, or municipal councils may become indebted to private institutions, such as banks—I say we know from past experience that the Government will be called upon to relieve the local authorities of their monetary obligations, as was the case, for instance, with regard to waterworks expenditure. Being satisfied on that point myself, I think that I should, for the benefit of the country, endeavour to find out to what extent the divisional boards are now probably transgressing their rights or duties, or, if not transgressing their duties, to what extent the powers conferred upon them by statute are inefficient, or how far the Government are lax in supporting divisional boards. We are

getting into a state of things which is certainly not satisfactory, and that is the reason why I ask for this apparently simple return. Interesting information is furnished in a return which I moved for some time ago, and which contains the report of the Auditor-General on the accounts of the Booroodabin Divisional Board. I shall not attempt to analyse these accounts generally, but they show what I consider to be a gross piece of bungling. The report shows that the divisional boards have been borrowing very large sums of money in the name and at the expense of the ratepayers. Probably hon. gentlemen have not seen the document, and I think I should be wiser if I postponed the consideration of this question till to-morrow in order that they may have an opportunity of reading it. The return was placed in my hands this afternoon, and it illustrates exactly what I wish now to convey to hon. members, and that is that, while we have passed some five, six, or seven Acts in connection with the establishment of divisional boards, not one seems to have been framed so as to contain any power to correct what I consider a most extraordinary blunder, a blunder which affects very greatly the ratepayers in the different divisions of the colony. I am just informed by my hon. friend the Postmaster-General that the return is being handed round to hon. members. It must be a fortnight ago since I moved for it, and I think it should have been printed and placed in the hands of hon. gentlemen within a very few days after the motion was passed by the House. However, they are now permitted to glance at it. It brings out one fact, to which I wish to call attention, and which is illustrative of others. The Auditor-General gives great credit for the way in which the business of the board has been conducted. I am not going to enumerate all the accounts. The audit inspector says:—

“I have the honour to transmit my report on the accounts of the Booroodabin Divisional Board, which have been examined from the 1st December, 1883, to the 30th June, 1887.”

Hon. members will therefore see that the report is brought down to a rather late date. The inspector then goes on to say that the debtor cash balance at the Queensland National Bank, after allowing for outstanding cheques, was £10,575 8s. 10d., and this bears very closely upon the point I am driving at. In the next part of the report, to which I will refer, it is stated that the interest on the overdraft is 8 per cent. This is the matter to which I wish particularly to call the attention of hon. gentlemen in this House and the people of the country, who are taxed to pay for the overdrafts of local authorities. And I would point out that while the Government are lending money to certain establishments at this moment at the rate of 3, 4, and 5 per cent. per annum, and I believe even lower, though I am not sure, and I wish to be well within bounds, we find that those establishments—for divisional boards borrow not only from one banking institution, but from many—charge local authorities at the rate of 8 per cent. for overdrafts. I believe that in some cases the Government are getting only 1 per cent.; at any rate they receive not more than 3 or 4, or perhaps 5 per cent. from banking institutions, and yet the people of the colony are charged 8 per cent. I make no accusation against private establishments, but I do against the Government, or against the wretched laws which allow such bungling to take place. If the people of the colony are justified in borrowing money, or rather, if the representatives of the people on divisional boards or shire councils are justified in borrowing, the Government should step in and see that they are protected in not having to pay too

high a rate of interest. No one, surely, can contradict that statement. I therefore think that this House is perfectly justified in calling attention to the matter. Now, I have another paper, which I will read to the House, to show what a state of things has been produced in connection with Divisional Boards Acts. I have in my hand a return from the Auditor-General in reference to this very question. It is addressed to me as a member of the Legislative Council. I wish particularly that this information should go forth to the country. The report says:—

"In compliance with your request I have compiled from the reports furnished to this office by our inspectors the following statements, showing the several overdrafts obtained from local banks by the undermentioned municipalities and divisional boards, viz.:

MUNICIPALITIES.

	£	s.	d.
29 Sept., 1886.—Allora, Australian Joint Stock Bank	171	17	0
29 July, 1887.—Brisbane, Australian Joint Stock Bank	40,610	8	3

It is not for me for a moment to say that the Brisbane Municipal Council are paying interest at the rate of 8 per cent. on that overdraft. I do not know what they are paying, but I say that they have a right to borrow money from the Government. If they have not that right they should have it; they ought not to have to pay 8 per cent. for an overdraft of £40,000. It is neither more or less than a robbery of the ratepayers of Brisbane. The next place mentioned is Bundaberg, of which the particulars are as follow:—

	£	s.	d.
14 March, 1887.—Bundaberg, Queensland National Bank	24	13	3
28 May, 1887.—Cairns, Queensland National Bank	613	19	9
19 July, 1887.—Charters Towers, Bank of Australasia	2,934	18	10
25 June, 1887.—Cooktown, Queensland National Bank	1,727	14	8
10 Nov., 1886.—Gympie, Royal Bank of Queensland	2,681	12	2
8 Sept., 1886.—Mackay, Commercial Bank	1,223	2	8
18 Feb., 1887.—North Rockhampton, Queensland National Bank	2,142	8	11
14 Feb., 1887.—Rockhampton, Australian Joint Stock Bank	11,642	4	3
30 June, 1887.—Townsville, Bank of Australasia	6,869	17	1

Those advances have been made to municipalities. Now we come to—

"DIVISIONAL BOARDS.

	£	s.	d.
20 July, 1887.—Booroodabin, Brisbane, Queensland National Bank	10,575	8	10
3 Nov., 1886.—Glastonbury, Gympie, Queensland National Bank	90	12	2
26 Jan., 1887.—Indooroopilly, Brisbane, London Chartered Bank	13	19	5
22 July, 1887.—Toombul, Queensland National Bank	1,584	6	4
7 Oct., 1886.—Wangaratta, Bowen, Australian Joint Stock Bank	18	14	11
2 Nov., 1886.—Widgee, Gympie, Queensland National Bank	1,503	16	2

We find that the Booroodabin Divisional Board have at the Queensland National Bank an overdraft of £10,575 8s. 10d. We have fixed in our calculations the fact that the Government are lending money to the banks at 3 and 4 per cent., and we have found that the Booroodabin Board is paying 8 per cent. If the board is not compelled, owing to our slovenly Divisional Boards Acts, to go to the Government, I think they ought to be compelled, and then they would save a large sum annually for interest to the ratepayers of their division, who are now suffering owing to the peculiar arrangements made between the representatives of the divisional boards and the representatives of the

bank. I am very anxious that these figures shall go forth to the country to show the imperfections of the Act relating to divisional boards and shire councils, and that they should be known to the taxpayers of the colony who are so severely burdened. I make no charges against any individual at all; I simply say that with our multiplicity of Acts, giving local management to the inhabitants of our towns and populous districts, we have left out entirely one chief ingredient—namely, proper provision for keeping down the expense or cost of carrying on the work of the local authorities. We are drifting then, owing to the negligence of the Government, or the imperfection of our laws, into a most costly way of raising money for carrying on the works which are absolutely required for the benefit of divisions. As I have said, I have not a single charge to make against anyone, but only against the patchwork legislation which we now seem to be carrying on in this Chamber. I do hope that these returns, and my few remarks upon them, will have some slight effect for the advantage of the country. I beg to move the motion standing in my name.

The HON. F. T. GREGORY said: Hon. gentlemen,—The question raised by the mover of this motion is one that has excited no small amount of attention amongst people connected with divisional boards. It has lately come within my knowledge that two or three of them are beginning to complain seriously of the large overdrafts that divisional boards and municipalities are getting with the banks. They now begin to see clearly that with a prospect at a no very distant date of the reduction of their endowments they are likely to be left in a state of hopeless insolvency. Under these circumstances I heartily agree with the motion proposed by the Hon. Mr. Walsh, because I think it is one that will lead up to the disclosure of a condition of things which is undesirable. I will go further and say that it may disclose very serious irregularities in the mode in which their business is conducted; that the borrowing of such large sums of money is not even provided for by the Act in any way. I have heard it suggested, and upon very good authority, that the members of these divisional boards and shire councils and municipalities, in case of any breakdown, will be personally responsible for the amount, and that the banks will sue them. I should be very pleased if my authority is correct, because the fact may possibly act as a check upon the wasteful and extravagant expenditure of boards over and above their present incomes. In addition to these remarks I wish to point out that the Hon. Mr. Walsh in moving the motion has furnished us with an amount of really valuable information in connection with the overdrafts at the different banks; but I did not catch from what source the hon. gentleman received his information.

The HON. W. H. WALSH: From the Auditor-General's office.

The HON. F. T. GREGORY: The hon. gentleman might amend his motion by saying that the information obtained from the Auditor-General's office in regard to the amounts of these overdrafts be included in it. It would render the return more complete if we could at once see not only the amount of loan from the Government, but also their indebtedness to the different banks. It would tend still more strongly to show the necessity of having the returns placed prominently before us.

The HON. W. H. WALSH said: Hon. gentlemen,—I may explain to the hon. gentleman that the report I received will be published, because I read it verbatim and have handed it to the *Hansard* reporter; so that there is no actual

necessity for including it in the motion, unless the hon. gentleman has some other object which I have failed to understand.

The HON. F. T. GREGORY: It will have the advantage of being a parliamentary return.

The PRESIDENT: Really this discussion is very irregular in the House; it is all very well in committee.

The HON. F. T. GREGORY: I think I will not make any amendment to the motion. My having drawn the attention of the House to the matter may possibly cause some hon. members to pay attention to the matter, and they may see something further which may be necessary.

The POSTMASTER-GENERAL said: Hon. gentlemen,—I have only one remark to make in connection with the matter, and that is in regard to the delay which the Hon. Mr. Walsh says has occurred in the printing of this paper. There has been no delay whatever. He stated that the paper was placed in our hands for the first time this afternoon; but hon. gentlemen know very well it was circulated some days ago.

The HON. A. C. GREGORY said: Hon. gentlemen,—The matter brought before us by the Hon. Mr. Walsh is somewhat important when we take into consideration the other measures that are likely to come before us shortly. When we look at the return which has been laid before the House we find that in the Booroodabin Board they have expended a sum of £10,500 which they had borrowed from a bank. Now, if we look over the Divisional Boards Act we do not find any provision whatever permitting them to borrow from anyone except the Government. We find, however, in the collateral Act (the Municipalities Act) which has no doubt been the cause of divisional boards getting overdrafts at the banks, that, by clause 232, municipalities may borrow from the banks as temporary accommodation, irrespective of the loans from the Government, any amount not exceeding the annual income. Now, a very grave question has been raised as to what the annual income is. Of course, those who have large overdrafts at the bank contend that the annual income is not only the actual amount really derived from rates, but also the endowment. But the endowment is an uncertain quantity, and they have no legal claim for any amount of the endowment whatever. It is true that there has been an understanding that they will get it; but they have no legal right to it, and they have no right to borrow more money than the amount of their actual rates from land or premises. The return asked for would show us whether, when we come to further legislation concerning divisional boards, some further provision in that direction is not necessary. There is another very important matter. By the Act, every local authority is bound when it has levied a special rate to show its account, debtor or creditor, upon that particular item, in a separate account, and that account ought to be audited separately, because, although a local authority may be in credit at the end of the year upon its total accounts, still some accounts may be debtor. Some municipalities have had these separate accounts; but I never saw any statements of them. Now, that is a distinct breach of the law, and I think something ought to be done to prevent its being continued. I do not say there has been the slightest intention of impropriety on the part of any municipal authority, but those irregularities will lead them into such a hopeless state of things that the Treasurer will have to step in, in a great many cases, and levy rates himself. I mention these matters because I think they are very important and

should not be lost sight of, especially when we will have other important measures for consideration before us touching upon the same question.

Question put and passed.

#### DIVISIONAL BOARDS BILL.

The PRESIDENT announced that he had received a message from the Legislative Assembly, forwarding for the concurrence of the Legislative Council a Bill to amend the laws relating to local government outside the boundaries of municipalities.

The POSTMASTER-GENERAL moved that the Bill be read a first time.

Question put and passed.

The POSTMASTER-GENERAL moved that the second reading of the Bill stand an Order of the Day for to-morrow.

The HON. F. T. GREGORY said: Hon. gentlemen,—I think the Postmaster-General might defer the second reading of this Bill for a few days, until we have gained a little insight into it. At present we know nothing about it. The hon. gentleman might defer it until this day week.

The HON. T. L. MURRAY-PRIOR said: Hon. gentlemen,—On principle I would always object to the second reading of a Bill coming on before several days have elapsed after the first reading, and I trust the Postmaster-General will postpone the Bill.

The POSTMASTER-GENERAL: I will amend my motion by making the second reading of the Bill an Order of the Day for Wednesday next.

Question—That the second reading of the Bill stand an Order of the Day for Wednesday next—put and passed.

#### REAL PROPERTY (LOCAL REGISTRIES) BILL.

The PRESIDENT announced that he had received a message from the Legislative Assembly, forwarding for the concurrence of the Legislative Council a Bill to make provision for the establishment of branches of the office of the Registrar of Titles in the Central and Northern districts of the colony.

The POSTMASTER-GENERAL moved that the Bill be read a first time.

Question put and passed.

On the motion of the POSTMASTER-GENERAL, the second reading of the Bill was made an Order of the Day for Wednesday next.

#### MOTION FOR ADJOURNMENT.

##### ISSUE OF RETURN TICKETS ON RAILWAYS.

The HON. W. D. BOX said: Hon. gentlemen,—I desire to trespass upon the time of the House for a few minutes to bring forward a question which I think deserves your consideration, and before I sit down I will move the usual motion. The matter I wish to bring forward was referred to by me in a question lately to the hon. gentleman who represents the Government in this Chamber, and that was the issue of return tickets to passengers on our railways. In every other country which I have had the pleasure of visiting, you can go to the railway station and obtain a return ticket; you can go to the ticket office, pay your money and get your change, making only one operation of it; but in this country a friend of mine, a certain John Smith, an elector, resident near the Exhibition Building, is taken by his work about the places in the vicinity of Brisbane. I will tell you his experiences. He goes to the station at the Exhibition and asks

for a ticket to Brisbane, which he gets, and on his return he has to go to the ticket office in Brisbane and get another. His next day's work takes him to Indooroopilly, which is beyond Brisbane on the other side. He goes to the ticket office at the Exhibition and asks for a ticket; but is told that he can only take a ticket to Brisbane and must get another for Indooroopilly on his arrival at Brisbane. He finds that he cannot get any return tickets, so that in the course of that day he has to go four times to the ticket office, and for that simple journey he has to take four tickets. The next day his work takes him to, say, Yeronga. He gets a ticket for Brisbane, then another at Brisbane for South Brisbane Junction, and another for Yeronga; so that in the course of that day he has been six times to the ticket office. That is simply the result of not issuing return tickets. The Government are quite right, there not being any competition, in not granting return tickets at reduced rates. Passengers are carried at a very reasonable rate on our railways; but I do not think the Government have any right to put the electors of this colony, whose railways they really are, to the trouble of going to six ticket offices when they might get their tickets by applying once. The figures we have before us in the Commissioner for Railways' Report tell us that during last year there were 1,579,648 tickets issued in the colony, and it is perfectly fair to infer that one-third of those tickets would be return tickets, as I have shown a case where a man had to get six tickets for one journey. Not only are six tickets destroyed where one would be sufficient, but those six tickets have to be operated upon by the officers of the department in checking the revenue. Six tickets have to be handled instead of one. If my inference is correct there are 526,822 visits to the ticket offices in this country every year put upon the electors of this colony that need not be. We are told in the Commissioner's Report that the railways are not paying. They say that "a feather will show how the wind blows," and this is a simple thing that comes under our observation in connection with the management of the Railway Department; but it shows the way in which our railways are managed. We have no means of seeing how the work is generally done; but if this is a fair example of the way in which it is done, I do not wonder that the railways do not pay. I maintain that if the members of this House and members of the Assembly were compelled to submit to this operation themselves it would not hold water for a single day. Do hon. gentlemen who have not these inconveniences ever think of the working man, who has to go to the crowded window, or of those men's wives and children? I tried to get from the Government some assurance that they would consider the question; but I received a reply that there was no intention whatever of doing so. I think the subject wants ventilating, and I hope some hon. member more able than I am will give his opinion on the question. I think Mr. John Smith is badly treated by the Government, and that the Government is treating us all very badly in the management of the railways. I trust the House will pardon me for the time I have taken up. I beg to move the adjournment of the House.

The POSTMASTER-GENERAL said: Hon. gentlemen,—The answer that I gave the Hon. Mr. Box was, of course, an official one from the department; but, as a traveller by the railway, I entirely sympathise with him in his desire to bring about the reform he speaks of. It is a matter of great public importance, and I should recommend the hon. gentleman to head a deputation to the Minister for Works, and lay the

matter before him in as eloquent a way as he has done before this House. The Minister for Works has not a seat in this House, and is not in a position to reply to the hon. gentleman, and all I can say is that I should be glad if the reform were brought about. I should be glad also to assist in bringing it about, and I think the best way in which it could be done would be by a deputation in the form I suggest.

The HON. F. T. GREGORY said: Hon. gentlemen,—I would add a suggestion, although there is no motion before the House that can be amended. I wish to bring what is a great grievance prominently before hon. gentlemen, and make a suggestion that would be well worth the consideration of the Railway Department; and that is, that they should sell tickets as they do upon tramways, for all the shorter journeys round the principal towns, and especially round the metropolis. The system would hardly answer for longer journeys; no one would buy twelve tickets for Warwick or Roma; but anyone who resided near a town, and who had occasion to use the railway very frequently between his residence and the town, I am sure would be glad to buy, say, twenty tickets at once. The system would not entail any expense upon the department; it would rather do otherwise. Lots of tickets might be destroyed or lost, and in that direction it might actually add to the revenue. Many people would willingly take the risk of losing their tickets if they could buy them twenty at the time; or say 2s. worth or 1s. 6d. worth, or whatever it might be. They would be able to send them to people in messages, and when there was a crowd at the railway station they would not have to get their tickets. The subject is well worth the consideration of the department. The system answers perfectly well in other colonies upon tramways, and I cannot see why the Government should not adopt it.

The HON. T. L. MURRAY-PRIOR said: Hon. gentlemen,—As the sympathy of the Postmaster-General seems to be with us, I would suggest that the hon. gentleman might communicate with his colleagues and settle the matter, in lieu of having a deputation. I hardly think a deputation would be necessary.

The HON. G. KING said: Hon. gentlemen,—According to figures quoted in another place our railways lose about £530,000 a year, and they will continue to lose it while the department is a political one, and is administered as it is. To obviate that loss they must cease to be a political department, and be managed by a board or commissioners, irrespective of political opinion.

The HON. W. GRAHAM said: Hon. gentlemen,—I quite agree with what has fallen from the last speaker. I think it is high time, from what we have seen of the Railway Department during the past few years, that it should be managed by a board and taken out of the sphere of politics. I agree also with a great deal said by the Hon. Mr. Box. It is an extraordinary anomaly that things cannot be arranged so that people can go from one station to another and back without taking another ticket. There must be something very wrong or wanting in the department. I agree with what the Hon. Mr. Gregory has said as to the issue of tickets. In America you can buy tickets in shops and use them, but I would point out that in that case we would need to transgress a rule here which says that tickets cannot be transferred. If they were bought in the way suggested, of course they would be transferable, and that point would have to be considered in dealing with the question.

The HON. A. H. WILSON said: Hon. gentlemen,—The Hon. Mr. Graham has just said that tickets here are not transferable. I have often wondered at that, because if people buy them I do not see why they should not be transferable. The railway does not carry people by weight; a man of nine stone is carried at the same rate as a man of sixteen stone, and I fail to see why we should be bound hand and foot in this way. We find that the system works very well in America, where you can get out at any station you like and buy tickets or transfer them. The matter wants revising altogether, and I hope the Postmaster-General will take the Hon. Mr. Murray-Prior's suggestion.

The HON. J. C. HEUSSLER said: Hon. gentlemen,—It appears to me that hon. gentlemen are labouring under a mistake in regard to tickets not being transferable. If I go to a railway ticket office to buy three or four tickets for my family, I always distribute them amongst them, and that is transferring them. I agree with all that has been said except that these tickets are not transferable.

The HON. A. C. GREGORY said: Hon. gentlemen,—Some years ago when this question was raised I took the trouble to make inquiries as to the possibility of issuing tickets, not only at the railway office but also at suitable places in town, and I then found that such a plan would be a great saving of expense. I also found that although almost all those who had to conduct the business of the Railway Department stated that there would be some difficulty in regard to accounts, and that a new set of books would have to be adopted, yet they considered the chief difficulty was that in reference to the tickets not being transferable. When I remarked, "Surely that is not enforced," the Commissioner replied, "It is only a week ago we had a man fined because he had taken a ticket for Warwick, and when he got to Clifton—I think that was the place—he stayed there and gave his ticket to a friend who wanted to go from Clifton to Warwick." No doubt a great many people think that the tickets are transferable. It is the rule we want to amend, and if the practice shows that the department have a regulation they ought not to keep, I think that is a very strong argument in favour of our contention. I think the tickets ought to be made transferable. There is no question about it, but that by a proper arrangement a great deal of money would be saved and there would be a great convenience to the public, and what we must look upon as a most inadequate and useless provision would be abolished. The question should at any rate be ventilated, and now the attention of the Government has been called to it so broadly it ought not to be necessary to take up the time of the Minister by deputations. If, however, the Minister does not see his way to make such a change as is desired, then I think we might give him such a dose of deputations that he will be very glad to escape anything further in that way by granting the request.

The HON. A. J. THYNNE said: Hon. gentlemen,—I felt a little bit surprised at hearing the suggestion for a deputation to be got up to wait on the Minister in reference to a matter that has been introduced publicly in this House. I do think the suggestion must have been unconsidered by the Postmaster-General when he made it; and I believe all hon. gentlemen will agree with me that when any hon. member brings forward any matter in this Chamber, by motion for adjournment or otherwise, it is entitled to consideration without getting up a deputation outside the House to wait on the Minister. I think that a certain amount of respect ought to be paid to any suggestion made in this Chamber, without any adventitious aid outside.

The POSTMASTER-GENERAL said: Hon. gentlemen,—I trust that no hon. member will for one moment think that the suggestion I made was made from any want of respect to the House.

The HON. A. J. THYNNE: I do not think so.

The POSTMASTER-GENERAL: I may at once explain—

The PRESIDENT: The hon. gentleman has already spoken, and can only speak in explanation.

The POSTMASTER-GENERAL: With the permission of the House I would simply say that I shall be happy to adopt the suggestion of the Hon. Mr. Murray-Prior, and bring the matter before my colleagues and see if something cannot be done.

The HON. W. D. BOX: I desire to correct one statement I made, as I find that I was wrong. There is a process by which a man can, if he insists upon it, get a through ticket, and that is called a book ticket, which is written out by the station-master on a proper form; but a return ticket cannot be obtained. I beg to withdraw the motion for adjournment.

Motion, by leave, withdrawn.

#### AUSTRALIAN JOINT STOCK BANK ACT AMENDMENT BILL.

##### COMMITTEE.

On motion of the HON. P. MACPHERSON, the House resolved itself into Committee of the Whole to consider this Bill in detail.

The several clauses of the Bill and the preamble were passed as printed.

On motion of the HON. P. MACPHERSON, the CHAIRMAN left the chair, and reported the Bill to the House without amendment.

The report was adopted, and the third reading of the Bill made an Order of the Day for tomorrow.

#### VALUATION BILL.

##### COMMITTEE.

On the Order of the Day being read, the House resolved itself into a Committee of the Whole to further consider this Bill in detail.

Question—That clause 2, as read, stand part of the Bill—put.

The HON. A. J. THYNNE said his opinion was that they ought not to proceed any further with the Bill this session; they ought not to deal with it in its present form. It was not, he believed, considered a proper thing for that Committee to alter a measure which made provision for levying taxation. He would point out that the incidence of the proposed taxation under that measure would fall very unfairly indeed, and he thought that was a good reason why they should allow time for further consideration. In view of that fact, therefore, it would perhaps be as well if he now said all he had to say on the Bill, because it would be unnecessary for them to pass clause 2 if they came to the conclusion that they would allow the measure to stand over for further consideration. The provisions of the Bill were somewhat similar to the provisions generally in force at the present time with regard to the valuation of lands in municipalities, and after the very serious questions which had been raised that afternoon by the Hon. Mr. Walsh, he was quite sure they would all hesitate before passing a measure which would in any way affect the financial position of divisional boards. He would just indicate one or two matters, which he thought would rather surprise hon. members, showing the effect the passing of that Bill would have upon some people who had to pay rates. In the first place he considered that a very unfair

distinction was proposed to be drawn between the holders of grazing farms under the Land Act of 1884 and the holders of agricultural farms under the same Act. The holders of grazing farms were going to be favoured in the same way as the holders of pastoral leases, to the extent that no matter what might be the value of their holdings, they would not be called upon to pay rates upon a higher amount than the rent which they paid to the Government for their land. The distinction he referred to would be found in clause 7. In the 2nd subsection of that clause there was a provision to the effect that the holders of agricultural farms would have to pay rates, not according to the rent paid to the Government, but upon the capital value of the land, whatever that might be, whether it was £5 or £10 per acre, or any other sum; and they would probably have to pay as much for a 160-acre farm as a neighbouring grazier for thirty square miles of country. He felt rather indignant when he noticed the attempt that was made in that Bill to draw a distinction between the agricultural and the grazing parts of the community, and the matter was one he had alluded to in that Committee before. He had on previous occasions reason to remark that the present Government seemed, to a great extent, to have forgotten the farming classes in their legislation. He had had to speak oftener upon that subject than any other subject, especially when the Land Act of 1884 was passing through committee. Nevertheless, that class seemed to have been forgotten, unless there was an absolute intention to mulct agricultural farmers because they might have the design ultimately to make their farms into freeholds. He could see no other reason for the distinction introduced in that Bill. He would give one instance to show how it would operate in a district partly agricultural and partly pastoral. There were a great many runs in the coast districts in which the unresumed halves combined an area of thirty or forty square miles, and those were leased for twenty-one years at a rental of £2 per square mile per annum. If they took a run of thirty square miles at £2 per annum rental, they found that the annual value for the purposes of rating under that measure was £60. At the ordinary rate levied by divisional boards—namely, 1s. in the £1, the pastoral lessee, in such a case, would pay some £3 a year as his contribution towards the expenses of the division for his thirty square miles of country. Outside the boundary of his run were some people of that deluded class—as probably some people would call them—who took up land under the Act of 1868 and the Act of 1876. Suppose one of those men had five square miles of country—which was a pretty large selection—he, having made his land freehold, must pay rates upon the capital value of the land, and taking the value at £1 per acre, which was a very small estimate, he would have to pay as rates £8 a year, while the grazier adjoining, who held thirty square miles of country, would only have to pay £3. The selector, therefore, would pay nearly three times as much as the grazier for one-sixth of the land. Let them take another instance of the operation of that portion of the Bill. If any person took up a grazing farm adjoining a freehold selection, assuming that he would pay about 1½d. per acre as annual rent to the Government, his yearly rental would be £20. Taking the same rate of 1s. in the £1, it would be found that his contribution to the expenses of the divisional board would be £1 a year for five square miles, or about one-eighth of what the neighbouring freeholder had to contribute. Those illustrations showed very clearly the unfairness of the incidence of the proposed taxation under that portion of the Bill. He would now take

another illustration. Supposing an agricultural farmer had taken up, say, 640 acres, and in the course of three or four years that land became worth £5 an acre, and really could be sold for that sum, then he would have to pay as much for it in the way of rates as the holder of 3,200 acres. That was very unfair, and he thought it might very properly be described as a mean way of attempting to oppress the agricultural farmers. He would point out another very serious way in which that part of the Bill would operate in a good many divisions. Not far from Brisbane there was a shire council, and from information that he had received, with regard to one portion of the shire, he was led to believe that there was a holder of land there who had an area of about 80 or 100 acres attached to his house. That land was worth £700 or £800 an acre if sold in the market, but it was assessed last time as being a gentleman's residence, and the land was considered as a park or paddock, whatever people might choose to call it, and really escaped fair taxation, having only to pay on an assessment of what the house and grounds would be likely to let for in their present condition, which was set down at something like £75 a year. So that there was a freeholder owning land worth at least £50,000 who was only paying £3 or £4 a year as his contribution to the expenses of the shire, and at the same time the council found it very difficult to collect sufficient money to enable them to carry out necessary works. He thought in view of such an illustration hon. members should hesitate before they passed a measure which would put divisional boards in the same position as shire councils with regard to such properties. But while large owners escaped with a very small payment, small owners who had very little cottages were mulcted in very heavy assessments. The bulk of the burden of providing funds for carrying on the works of the division fell upon the smaller occupiers; people who had barely enough ground for the houses in which they lived. He had some instances which had been kindly supplied to him by a gentleman near Brisbane, which would show the extraordinary results that might be arrived at under that Valuation Bill. There was one instance of an owner of property of about seven acres in extent. On it there was a large house, and the capital value of the property, taken at a very moderate estimate, was £5,800, the assessment on which, under the present Act, would be £290. Under the Valuation Bill before the committee it would be £104, so that the divisional board would lose on that one property an assessment of £180. The owner would, under the present Act, pay on what would be 1½ per cent. of the capital value. He would take as another illustration a piece of land adjoining that gentleman's property. It was a sixteen-perch allotment with a four-roomed house upon it, which was let for 10s. a week, thus bringing in £26 a year. Upon that there were certain allowances amounting to, say, £10 a year, which would make the assessment £16, whereas under the proposed arrangement the property would be assessed at £17. The owner of that land had to pay on what was about 12 per cent. of the capital value, which was very severe as compared with the large owner adjoining, who had only to pay on 1½ per cent. He could give a large number of similar instances, but he did not think it necessary to take up the time of the Committee by going into further details. Those were really cases taken from the books of divisional boards, and the assessments under the present Act were calculated after very careful examination of the Valuation Bill. Great surprise had been expressed that when those Bills were going through the Legislative

Assembly they had not been treated by members with a sufficient knowledge of the working of the Divisional Boards Act, and he thought the more they studied the subject the more they all had to learn about it. There might be a few members in that Committee and in the other House who had had considerable practical experience, but their number, in relation to the whole, was really very small; scarcely anybody seemed to have laid himself out to study the question, and he really did not think the measure had received anything like the amount of attention it deserved. Deputations had been formed outside by the divisional boards, and representations had been made to the Government as to the effect of that Valuation Bill, but their representations had been disregarded. He therefore thought that the further consideration of the matter should be deferred until after the next election, which would probably take place shortly, so that divisional boards and the people who would be ultimately affected by it had an opportunity of thoroughly considering the practical operation of the Bill. He did not think he could add much to what had been said by the Hon. Mr. Walsh as to the serious danger there was of involving the boards in financial difficulties, but he would mention one thought that occurred to him while the hon. gentleman was speaking. He thought the fact that such a large number of divisional boards were indebted to local financial institutions in considerable sums for advances for which they had to pay a high rate of interest was a certain indication that the boards as a rule were not in a position to carry on their work satisfactorily if their incomes were further reduced. He was of opinion that instead of going in for reduction—and there would undoubtedly be a very considerable reduction if that measure was passed—they ought to protect the boards from what might be called rather hasty legislation.

The Hon. T. L. MURRAY-PRIOR said he was one of those who opposed the Bill being brought forward before he had seen the other Bill. Since then he had had an opportunity of seeing and reading that Bill. He could not altogether agree with what had been said by the Hon. Mr. Thynne about the different valuations. He was not going into that matter, but at the same time it seemed to him that that was not the fault of the Bill that one person should pay more than another; but it was the fault apparently of the valuator, who did not value the land properly. If he valued the land at its proper value the matter might be entirely different. From what they heard to-day from the Hon. Mr. Walsh and others it might be desirable that they should not proceed with the Bill, but before he registered his vote he would like to hear what others in that Chamber, who knew more about divisional boards than he did, had to say upon the subject. He should therefore wait until he had heard a little more on the matter. At the same time, for his own part, he could not see very much to object to in the Bill.

The Hon. W. F. TAYLOR said the Hon. Mr. Thynne had certainly brought some very strong arguments against the Bill—that was, allowing that his statements were to go unchallenged, and certainly from what the hon. gentleman said there appeared to be a great deal of truth in what he said. He thought, however, that the proposition to shelve the Bill altogether was rather a premature one. They had already had the Bill before them on two occasions, and the consideration of it was deferred ostensibly for the purpose of giving hon. gentlemen an opportunity of studying the provisions of the Divisional Boards Bill. He should like to see the

Bill deferred until next week in order that hon. gentlemen might have that opportunity. He had not read the Bill yet, and should like to do so before coming to any definite conclusion as to what should be done in the matter. He could not say at present how he should vote.

The POSTMASTER-GENERAL said if the Bill had come before them that afternoon for the first time he might have understood in some respects the arguments of the Hon. Mr. Thynne, who wished the Bill to be again postponed. But he must remind hon. gentlemen that the Bill was simply the outcome of the Divisional Boards Bill which passed through that committee last session, and that the valuation clauses in it were substantially the same. The only difference that was to be found was in subsection 2 of clause 7 in respect to country lands. When the Divisional Boards Bill came before them last session the annual value mentioned there was to be taken at not less than 8 per cent. nor more than 10 per cent. upon the capital value. That was the only difference between the Bill that passed through the committee last session and the one before them now. It was then objected that the rating was too high, and it was thought that 5 per cent. should be the minimum, and 8 per cent. the maximum. That alteration was actually made, and when the Bill was returned to another place it was laid aside on that account. Under the circumstances they could not say the Bill had come suddenly upon them. The whole principles of rating which were laid down in clause 7 were before them last session and were agreed to by them. As he said a few days ago, unless hon. gentlemen had changed their minds, he could not understand the objection they raised to the Bill; and it appeared to him that the principle laid down for rating was exceedingly fair. The lands were divided into town and suburban lands, and country lands, and in regard to town and suburban land the annual value was to be two-thirds of the rent at which the land might reasonably be expected to let from year to year on the basis that, all rates, taxes, etc., were payable by the owner; or, in other words, that the gross value of the rent should be taken in the first instance, and one-third should be deducted for outgoings. It simply rendered valuation more easy, and gave an opportunity to the valuer to value with less difficulty. Another principle laid down in the Bill was that persons who fully improved their properties were most to be favoured. If a person fully improved his property there was only that one system of rating that could be applicable to him. Then, coming to the grade below that—the man who fairly improved his property—if they could get a fair rent of two-thirds the annual value, that would be the valuation, but if they could not, the property would be valued at a rate of not less than 5 per cent. If he fully improved his property, of course he would come under the first class, but if he only partly improved it he would be rated at 5 per cent. That seemed to be fair, because a person might have a large paddock of great value, with a house upon it which would not let for more than 10s. a week, and it would not be fair to divisional boards that they should only be able to rate that at two-thirds of the annual value. The consequence was that that section gave the boards power to rate at 5 per cent. on the capital value. Then we went on to a degree below that—namely, the men who had not improved their property at all. They were the people who ought to be taxed, and under the second subsection of clause 7 it was laid down that the annual value of rateable land which was unimproved and unoccupied should be taken at not less than 8 per cent. nor more than 10 per cent. upon the fair capital



value of the fee-simple. That, he thought, was perfectly fair, because if a man in a suburb chose to hold a large area of property and neither occupied or improved it, nor allowed anybody else to occupy or improve it, it was only fair that he should be taxed as high as possible. The result would simply be that that man would find that it would not pay him to keep the property doing nothing, and he would cut it up into farms or allotments, but the people who came after him would improve the property, and the divisional boards would fall back upon the first rate. The man who did not improve his property was the man who ought to pay, and that was the reason why he thought that the Bill was fair. The divisional boards would lose no money at all; on the contrary he thought that they would gain by it. There were large areas of suburban land near Brisbane that at present paid very little in rates, and he thought that he knew something of a particular instance which was referred to by the Hon. Mr. Thynne, and he could agree with him that the property mentioned was insufficiently and improperly rated. However, he thought, if the Bill passed, that property would be rated exactly as it ought to be, and as he was sure the Hon. Mr. Thynne would like it to be.

The Hon. A. J. THYNNE said the Bill was assimilating the valuation system to the present system under the Local Government Act, so that instead of altering that particular instance it would be confirming and extending it to other places at the same time.

The POSTMASTER-GENERAL said that in regard to country lands under the clause as it stood at present, they would be valued in future at not less than 5 per cent nor more than 8 per cent. upon the capital value; that surely was a fair burden of taxation. The object appeared to him to be that improvements should not be taxed. That might be a good principle or a bad principle; at any rate the Government took occasion to send circulars round to the different divisional boards, and asked them for their opinion as to what would be the proper principle to adopt, and there was a universal cry of "Do not tax improvements whatever you do." It appeared to him that the Government had merely given effect to that cry, and they proceeded now to tax unimproved land at a certain rate. Section 177 of the present Local Government Act stated that properties should be rated at their net annual value. That was the gross amount of the value less insurance, and so on, but it should not be less than 8 per cent. of the actual value. That provision, of course, by a later Act, was not applied to fully improved properties. There the principle of fully improved properties was recognised, and he wished to point that out to hon. gentlemen, because they had already recognised the principle that fully improved property should not be rated upon the capital value but upon the annual value, and having accepted that principle he asked them to accept it in the Bill before them. The first section of clause 7 said that the annual value should be two-thirds of the rent, and clause 60 of the Divisional Boards Act said the property should be rated at its net annual value, that was the gross rent minus half the rent for improvements. Then there was a proviso that the amount should not be less than 5 per cent. upon the capital value. That was the difference between the principle before them and the Divisional Boards Act. Of course, if the Bill before them did not pass, the rule as to rates would remain, assuming that they passed the Divisional Boards Bill, as it was now contained in the Local Government Act of 1878, and the Divisional Boards Act of 1879. Rather than postpone the consideration of the Bill inde-

finately, he would accept the suggestion of hon. members and postpone the further consideration of the Bill until after the consideration of the Divisional Boards Bill.

HONOURABLE MEMBERS: Hear, hear!

The POSTMASTER-GENERAL said he did not want to see the Bill entirely shelved for the session, because after the consideration of the Divisional Boards Bill, and having had more time to devote to the subject, hon. gentlemen might find that the Bill now before them was as reasonable and fair a Bill for the valuation of property as could possibly be suggested.

The Hon. T. L. MURRAY-PRIOR said there were a great many Acts bearing upon the subject, and certain portions of them had been repealed, and it appeared to him that it would be much better if they made a clean sweep of them, so that they might have one complete Act that they could see at once. Now, he noticed in the schedule that there had been repeals in the first Act of sections 176, 177, 180, 181, 182, 183, 184, 185, and 186—namely, the valuation clauses, and there were two clauses in the middle of the original Act which had not been repealed. Then there was another Act, 43 Vic. No. 17, of which there were certain sections repealed, leaving a number of others unrepealed on the same subject. Now, should the Bill before them and another Bill be passed in due time it would be difficult to say where they would find out what the law really was, for there might still remain certain sections of old laws upon the Statute-book, and he would recommend hon. gentlemen to look well into the matter before passing the Bill.

The Hon. G. KING said under the Bill the Government had virtually adopted the recommendation which the Council made in the Divisional Boards Bill last session, and he did not think they could find any fault with the Government in that matter. His reason for moving at that time that the Bill should be read that day six months, was because it struck him that there was an amount of uncertainty as to the mode of arriving at the valuation. He did not think the Bill should be thrown out upon that account this time, and, as the Postmaster-General had suggested, when the other Bill came before them they would be in a position to discuss the one before them now.

The Hon. F. T. GREGORY said he had deferred rising to deal with the matter until other hon. gentlemen had had time to express their opinions more generally. Under the circumstances he should strongly recommend the Postmaster-General to adopt the course he suggested. He would not move in any direction which would tend to throw out the Bill, but would give those gentlemen who had not seen the Divisional Boards Bill an opportunity of perusing it before coming to any definite decision. He thought no time would be lost by so doing, as they would be able to go at it then fully prepared. He hoped the hon. gentleman would adopt the suggestion.

The POSTMASTER-GENERAL moved that the Chairman leave the chair, and report no further progress.

Question put and passed.

The House resumed; the CHAIRMAN reported no further progress, and obtained leave to sit again.

The Hon. F. T. GREGORY: I move that the Committee have leave to sit again on Thursday, September 15.

The POSTMASTER-GENERAL: I have no objection to that.

Question put and passed.

## ADJOURNMENT.

The POSTMASTER-GENERAL: I move  
that this House do now adjourn.

Question put and passed.

The House adjourned at five minutes to 6  
o'clock.

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