

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 3 OCTOBER 1946

Electronic reproduction of original hardcopy

THURSDAY, 3 OCTOBER, 1946.

Mr. SPEAKER (Hon. S. J. Brassington, Fortitude Valley) took the chair at 11 a.m.

ADDRESS OF WELCOME TO THE
GOVERNOR.

PRESENTATION.

Mr. SPEAKER: I have to report that, accompanied by the hon. members, I this day presented to His Excellency the Governor the Address of Welcome passed by the Legislative Assembly on 2 October, and that His Excellency has been pleased to make the following reply—

“Mr. Speaker and Gentlemen,

“I thank the members of the Queensland Legislative Assembly for their kind welcome.

“Their wishes that I may have a long and prosperous stay in Queensland are a source of deep satisfaction to me. I trust that I may have the benefit of the advice and assistance of members in taking up new and strange duties.

“I feel sure that His Most Gracious Majesty, The King, will receive your renewed assurances of fidelity and devotion, expressed to him through me, as his representative, with the greatest pleasure. I shall endeavour to justify his choice of myself as the first Australian and Queensland native to hold the office of Governor of the State.

“(Sgd.) JOHN LAVARACK,

“Governor.”

QUESTIONS.

TRAVEL CONCESSIONS TO RETIRED
RAILWAYMEN.

Mr. AIKENS (Mundingburra) asked the Minister for Transport—

“Will he again give consideration to granting privilege travel concessions to retired railwaymen who had 25 years' service, instead of 30 years as at present?”

Hon. E. J. WALSH (Mirani) replied—

“This request has received consideration on several occasions during the past two years, and it is not proposed to extend the concessions.”

MAINTENANCE OF PATIENTS IN MENTAL
HOSPITALS.

Mr. PIE (Windsor) asked the Attorney-General—

“Relative to the Deputy Public Curator's statement that allowance was made in the case of hardships where relatives of a patient in a mental home could not meet the full cost of maintenance, will he inform the House—(a) how many such cases of

hardship exist among the 3,000 patients in mental institutions in this State; (b) what was the gross total extent to which relatives were relieved of the cost of maintenance in such cases for the last financial year?”

Hon. D. A. GLEDSON (Ipswich) replied—

“The information will be obtained.”

RICE-GROWING IN QUEENSLAND.

Mr. PLUNKETT (Albert) asked the Secretary for Agriculture and Stock—

“In reference to his statement on 3 September last that a supply of varieties of rice seed had been received from overseas, will he make some of this seed available to Mr. H. G. R. Swan, of Southport, before December, seeing that he has proved the suitability of conditions for rice-growing by successfully producing rice in the Southport area?”

Hon. H. H. COLLINS (Cook) replied—

“A limited supply of rice seed (amounting to approximately 12 lb.) has been received from overseas for experimental purposes, and it is proposed to conduct experiments in certain selected areas in this State and under official supervision. The importation of supplies of seed for commercial purposes will be considered in the light of information gained from these experiments.”

FLOOD DAMAGE IN NORTH QUEENSLAND.

Mr. PATERSON (Bowen) asked the Premier—

“1. What officers have made inspections of the Burdekin, Don, or Proserpine Rivers in connection with river erosion and damage to farms and other flood damage caused by the disastrous floods in March of this year?

“2. Will the Government make the reports of these officers available to members of this House?

“3. What action do the Government propose to take to provide against future river erosion, damage to farms, and other flood damage in each of these three areas?

“4. Will the Government expedite their plans so that the necessary action can be taken before the next wet season?”

Hon. E. M. HANLON (Ithaca) replied—

“1. Inspections have been made by departmental officers as follows:—Burdekin River: The Divisional Engineer of the Main Roads Commission, Townsville, two officers of the Department of Agriculture and Stock, and the Soil Conservation Officer of the Bureau of Investigation. Don River: The Division Engineer of the Main Roads Commission, Townsville. Proserpine River: An engineer of the Sub-Department of Irrigation and Water Supply.

"2. These documents are departmental reports, and it is not the practice to make them available.

"3. The Government is seriously concerned about the problem of erosion, particularly of our coastal streams. The Burdekin River Trust Act of 1940 provides for the formation of local trusts, whose functions are to carry out and maintain protective works. The Government has liberally subsidised erosion protection works which are undertaken by local trusts, but it is realised that in some cases it may be beyond the resources of such a trust to cope with the problem. Steps are being taken to interest the Commonwealth Government with a view to financial aid being given by both the Commonwealth and State Governments in cases which are regarded as beyond the capacity of the local administration.

"4. The Government is not unmindful of the position, and is taking all possible steps to deal with the question, as far as the availability of construction resources will permit."

ALLOCATIONS OF FISH, BRISBANE MARKET.

Mr. MARRIOTT (Bulimba) asked the Secretary for Labour and Employment—

"1. What are the names of the (a) personnel of the Fish Board, (b) members of the committee which issue licences authorising persons to purchase fish in the South Brisbane market, and (c) licensed buyers?"

"2. What is the method of allocating fish to licensed buyers?"

"3. What is the quantity of fish allocated to Fresh Food and Ice Co. from each consignment of fish entering the market daily?"

"4. Is he aware of the general dissatisfaction amongst the small retailers who are obliged to purchase, at an enhanced price, from the firms who have a standing allocation?"

Hon. V. C. GAIR (South Brisbane) replied—

"1. (a) R. F. Thompson, Acting Under Secretary, Department of Labour and Employment, representative of the Government (chairman); J. E. Lihou, representative of the fishermen south of Yeppoon; W. J. Kirkpatrick, representative of the fishermen from Yeppoon north to Townsville; C. Freeleagus, representative of the distributors; J. D. W. Dick, representative of the consumers south of Yeppoon; A. C. Wright, representative of the consumers from Yeppoon north to Townsville. (b) Licences were issued by the board on the recommendation of a committee which consisted of P. A. Kingston, General Manager, Fish Board (chairman); N. J. Cahill

and Miss K. Heritage, representatives appointed by the buyers' association; and F. W. Filer, Supervisor of Fish Marketing and Distribution when the National Security (Fish) Regulations were in operation. Mr. Filer is not now on the committee. (c) There are 99 licensed buyers operating on the metropolitan fish market. The list may be perused on application to the Chairman of the Fish Board.

"2. The daily supply of fish received at the market is divided among the licensed buyers on a percentage basis, based on the quota held by each. The quota in the first instance was based on the quantity of fish purchased by each buyer over a period of 12 months immediately prior to the quotas being determined.

"3. Twenty-eight per cent. from each consignment of fish except certain classes not purchased by the company.

"4. No. As far as the board is concerned, there is no dissatisfaction from straightout fish shops, as they are licensed by the board in most cases. As fish supplies are short during the present period of the year, some may not be satisfied with their supplies."

SCOPE OF QUESTIONS.

MR. SPEAKER'S RULING.

Mr. J. F. BARNES (Bundaberg) (11.8 a.m.) proceeding to give notice of a question of the Attorney-General concerning the case the King v. Thomas Dickson, ex parte John Francis Barnes—

Mr. SPEAKER: Order! The matter is sub judice.

Mr. J. F. BARNES: This part is not sub judice. I am not asking him to comment on the case; I am only asking what is holding up the case. It is not sub judice.

Whereupon the hon. member continued reading his question.

TREASURER'S FINANCIAL TABLES.

Hon. J. LARCOMBE (Rockhampton—Treasurer) presented the Tables relating to the Treasurer's Financial Statement for the year 1946-1947.

Ordered to be printed.

ESTIMATES-IN-CHIEF, 1946-1947.

Mr. SPEAKER announced the receipt of a message from His Excellency the Governor forwarding the Estimates of the probable Ways and Means and Expenditure of the Government of Queensland for the year ending 30 June, 1947.

Estimates ordered to be printed, and referred to Committees of Supply.

SUPPLY.

OPENING OF COMMITTEE—FINANCIAL STATEMENT.

(The Chairman of Committees, Mr. Mann, Brisbane, in the chair.)

Hon. J. LARCOMBE (Rockhampton—Treasurer) (11.10 a.m.), who was received with cheers, said:—

Mr. MANN,—

I have the honour to present to Parliament my first Financial Statement.

In my opening remarks, I wish to say that Queensland has moved smoothly and satisfactorily from war conditions to peace time economy. This has been due largely to the whole-hearted co-operation of ex-service men and women, and of the citizens of the State generally.

In the first place, I propose to discuss the transactions of the year 1945-46. It is pleasing to note that the Budgetary anticipations of my predecessor were realised, and that the year's operations resulted in a surplus of receipts over expenditure. That was the eighth successive surplus in the Consolidated Revenue Fund.

The Budget Tables, which are being made available to-day, will be, I feel sure, interesting to Honourable Members, as they show not only the details of the financial results of the year 1945-46 but also provide other useful information.

FINANCIAL YEAR, 1945-46.

THE CONSOLIDATED REVENUE FUND.

The following Statement discloses briefly the results of the year under review, and indicates that the surplus was £14,868, being £8,292 more than was anticipated:—

	Budget Estimate.	Actual.	Under Estimate.
Receipts	£ 25,072,275	£ 24,774,406	£ 297,869
Expenditure	25,065,699	24,759,538	306,161
Estimated Surplus	6,576		
Actual Surplus		14,868	

REVENUE.

The receipts under the respective Revenue headings are detailed in the subjoined Table, together with comparisons with the Budget estimates:—

Head of Revenue.	Budget Estimate.	Actual Receipts.	Over Estimate.	Under Estimate.
Amount received from Commonwealth	£ 1,096,235	£ 1,096,235	£ ..	£ ..
Taxation—				
States Grants (Income Tax Reimbursement) Act	5,821,000	5,821,000	..	..
Land Tax	385,000	375,404	..	9,596
Licenses	165,025	179,405	14,380	..
Succession and Probate Duty	750,000	890,782	140,782	..
Stamp Duty	750,000	885,816	135,816	..
Totalisator and Betting Tax	160,000	172,507	12,507	..
State Transport Act	100,000	107,837	7,837	..
Total Taxation	8,131,025	8,432,751	301,726	..
Land Revenue—				
Selection, &c.	711,500	714,609	3,109	..
Timber	451,000	349,152	..	101,848
Pastoral Occupation	397,600	395,874	..	1,726
Total Land Revenue	1,560,100	1,459,635	..	100,465
Mining	54,480	52,453	..	2,027
Railways	11,130,000	11,607,889	477,889	..
Other Receipts	3,100,435	2,125,443	..	974,992
Totals	£ 25,072,275	£ 24,774,406	£ 779,615	£ 1,077,484
Under Estimate		£297,869		£297,869

The Revenue for the financial year 1944-45 was £26,447,274.

A study of the figures for 1945-46 reveals that Succession and Probate Duty, Stamp Duty and Railways receipts were very largely responsible for increases over the Budget estimates, but these increases were offset by shortages in Other Receipts.

The receipts from Succession and Probate Duty were £140,782 more than the estimate, and £189,547 in excess of the receipts, in 1944-45. That revenue was entirely dependent upon the duty payable on the estates of deceased persons and was, therefore, difficult to forecast.

The revenue from Stamp Duty, which was £885,816, was £135,816 more than the estimate and £153,607 more than the receipts of the previous year. That increase was due to the greater business activity which followed the ceasing of the war in August last year. The following comparative figures of the income from stamp duties indicate that activity:—

	1944-45. £	1945-46. £
Stamp Duty on Mortgages and Conveyances	216,790	319,556
Cheques	129,348	143,928
Insurance Policies	68,912	75,041
Other Stamp Duties	317,159	347,291
	<u>£732,209</u>	<u>£885,816</u>

For obvious reasons, it was difficult to estimate Railway Revenue. Traffic was greater than was expected, and Railway receipts amounted to £11,607,889, which was £477,889 more than the estimate.

Some explanation is necessary in regard to the deficiency of £974,992 under the heading

Other Receipts, as compared with the estimate. When presenting last year's Financial Statement the Treasurer explained that it was proposed to transfer £880,000 to Consolidated Revenue from the Post-war Reconstruction and Development Trust Fund to meet expenditure on developmental works and deferred maintenance which could not be undertaken previously, and on machinery and equipment which could not be obtained during the war years.

However, as the year progressed, it became evident that, for the reasons stated elsewhere, the full programme could not be carried out. Because of this fact, and in view of the extra revenue that was collected by the Railway Department, as compared with the Budget estimate, it was not necessary to utilise the abovementioned amount of £880,000 to supplement Consolidated Revenue Fund. This is the chief reason for the disparity between the actual Revenue from and the estimated figure for Other Receipts.

The income from Timber Revenue was £101,848 less than the estimate.

The amount received from the Commonwealth under the Uniform Taxation scheme was £5,821,000, the same as in each of the preceding three years.

EXPENDITURE.

Disbursements from the Consolidated Revenue Fund aggregated £24,759,538, which was £306,161 less than the amounts appropriated for the year, and £1,118,521 less than the expenditure for 1944-45. The expenditure for the several Departments and Services is given hereunder and comparisons are made with the Budget anticipations:—

Heads of Expenditure.	Budget Estimate.	Actual Expenditure.	Over Estimate.	Under Estimate.
	£	£	£	£
Schedules	1,380,474	1,380,770	296	
Interest on Public Debt	4,399,060	4,377,887		21,173
Executive and Legislative	41,365	41,817	452	
Premier and Chief Secretary	359,475	596,446	236,971	
Health and Home Affairs	2,612,699	2,602,771		9,928
Public Works	243,317	247,147	3,830	
Labour and Employment	152,435	141,799		10,636
Justice	324,552	327,084	2,532	
Treasurer	2,071,848	1,836,563		235,285
Public Lands	292,200	298,281	6,081	
Agriculture and Stock	234,248	216,210		18,038
Public Instruction	2,508,677	2,412,165		96,512
Mines	159,334	142,588		16,746
Railways (excluding Interest)	10,250,000	10,102,062		147,938
Auditor-General	36,015	35,948		67
Totals	£ 25,065,699	24,759,538	250,162	556,323
Under Estimate		£306,161	£306,161	

As all Departments were called upon in 1945-46 to make considerable payments, in lieu of accrued recreation leave, to ex-service men and women returning to the Public Service, the savings shown are satisfactory.

The only notable excess of expenditure over the estimate was in the department of the Premier and Chief Secretary. A sum of £200,000 was provided for expenditure for the benefit of discharged members of the fighting

forces, the main disbursement being for the granting of free passes over the State Railways to all discharged service personnel for the period of their final leave. Owing to the acceleration of the rate of discharge, however, the expenditure was £219,293 more than estimated for that purpose. An amount of £8,812 was spent on Victory Day celebrations; this was not provided for in the Estimates.

The decrease of £235,285 under the heading of Treasurer was due mainly to savings on the Developmental Works Votes, because of the shortage of manpower and material. Opportunity was taken to fund portion of the debit balance of the Chillagoe State Smelters Trust Fund by writing off £15,000.

Considerable provision was made in the Estimates for the purchase of equipment by the Department of Public Instruction for Schools and Technical Colleges. However, it was not possible to purchase all these requirements and this accounted for much of the saving of £96,512 shown by that Department.

The Department of Health and Home Affairs showed savings on many individual appropriations, due to the impossibility of securing equipment for Institutions, but these savings were to a great extent counter-balanced by an expenditure of £127,000 in excess of the amount voted for Hospitals. The expenditure on Hospitals from Consolidated Revenue Fund was £477,000, being £77,000 greater than in 1944-45.

The aggregate cost of Hospitals maintenance to Consolidated Revenue and Trust and Special Funds, which was £1,229,894, was £229,894 more than the provision made. A comparison of the expenditure with the previous year is as follows:—

	1944-45.	1945-46.
	£	£
Consolidated Revenue Fund	400,000	477,000
Hospital, Motherhood and Child Welfare Fund	406,234	752,894
	<u>£806,234</u>	<u>£1,229,894</u>

The increased expenditure on public Hospitals is the direct result of the Government's policy of assuming full responsibility in respect of public Hospitals: by so doing substantial financial relief has been given to Local Authorities. The precepts paid by Local Authorities to Hospitals Boards during the year 1944-45 amounted to £224,539.

The Commonwealth Hospital Benefits Scheme came into operation on 1st January last, and under this Scheme the sum of £268,000 was paid by the Commonwealth Government to the Queensland Government in respect of the maintenance of patients in public Hospitals. As has been previously explained, the Commonwealth Scheme did not relieve the State of any Hospitals expenditure; the patients received the advantage.

The total disbursements of the Railway Department showed a saving of £1,190,968 as compared with the previous year.

The financial operations of the Railway Department, for the year 1945-46, resulted in a surplus of £1,503,627 in cash receipts over working expenses. After allowing for the interest charge of £1,485,581, a surplus of £18,046, on the cash basis, was shown for the year.

I submit an analysis of the total Governmental expenditure from the Consolidated Revenue Fund in the year 1945-46—

Statutory Payments	£ 1,378,570
Interest on the Public Debt (excluding Interest charged to Railway Department)	2,892,306
Departmental Expenditure, Generally	8,898,819
Railway Department (including Interest)	11,589,843
	<u>£24,759,538</u>

I present, also, an abstract which indicates the extent to which the Government was pledged to definite commitments:—

Particulars.	Amount.	Percentage to Total Expenditure.	Compared with 1944-45.	
			Increase or Decrease.	Percentage Increase or Decrease.
Interest on Public Debt	£ 4,377,887	17.68	Dec. 492,847	10.12
Sinking Fund	960,183	3.88	Inc. 64,112	7.15
Exchange	559,846	2.26	Dec. 242,378	30.21
	5,897,916	23.82	Dec. 671,113	10.22
Salaries and Wages	12,014,360	48.53	Inc. 264,855	2.25
Statutory Payments (excluding Sinking Fund)	372,234	1.50	Dec. 150,840	28.84
	<u>£18,284,510</u>	<u>73.85</u>	Dec. <u>£557,098</u>	<u>2.96</u>

In addition to the foregoing, other expenditure incurred, in 1945-46, amounted to £6,475,028, equal to 26.15 per cent. of the total expenditure, this being £561,423 less than the corresponding expenditure for the previous year.

In comparison with the expenditure for the year 1944-45, it will be noticed that during the year 1945-46 Interest on the Public Debt, and on the Exchange payments, each showed an appreciable decline, and that the Sinking Fund contributions increased by 7.15 per cent. I shall discuss these aspects further under the heading of Public Debt.

TRUST AND SPECIAL FUNDS.

The position of the Trust and Special Funds became more normal, during the year 1945-46, as the operations of the Defence Works and the Allied Works Authorities, which were financed through these Funds, during the war period, were reduced to a minimum.

The receipts for the financial year 1945-46 were £11,681,114 and the expenditure £10,720,376.

The receipts of the Main Roads Trust Fund amounted to £2,540,407 and the expenditure totalled £2,143,452. The receipts and expenditure of the State Insurance Fund were respectively £2,111,900 and £2,130,980. Sums totalling £1,263,748 were paid to the credit of the Queensland Housing Commission Fund and £513,146 was expended by the Commission from this Fund. Additional money was spent on Housing, as is shown later in this Statement under the heading of "Housing."

Full details of the receipts and expenditure, and of the balances of the Trust and Special Funds, are given in the Budget tables.

LOAN FUND.

The Loan programme for the year 1945-46 was prepared before the war ended and was approved at a meeting of the Loan Council held immediately after the cessation of hostilities. Although the Loan Council made provision for additional funds for the States, conditional upon any possible changing circumstances giving rise to greater requirements for Loan moneys, it was not necessary for Queensland to seek amendment of its approved spending programme of £3,850,500.

The following statement shows the Loan Fund transactions for the year 1945-46:—

	£	Cr.
Cash Balance, 1st July, 1945		1,918,598
Receipts—		
Repayments		1,116,496
Proceeds of Loan Raisings—		
Domestic Issues		850,000
Australian Conversion Loans	658,250	
Less Expenses	311	
	12,460,267	657,939
London Conversion Loan		
Less Expenses	27,094	
		12,433,173
Australian Loan to redeem London Loans		9,074,160
Expenses of Loan Raisings paid from Consolidated Revenue Fund		27,405
Repayment of English, Scottish and Australian Bank Extended Deposit		910
		26,078,681
Disbursements—		
Expenditure	2,408,667	
Australian Loans Converted	658,250	
London Loans Converted	12,460,267	
London Loans Redeemed	7,237,621	
Exchange in connection with redemption of London Loans	1,836,539	
	24,601,344	
Cash Balance, 30th June, 1946		£1,477,337

In addition to this cash balance, an amount of £133,324 is held on extended deposit by the Queensland National Bank Ltd. A deposit of £910, held for a number of years by the English, Scottish and Australian Bank Ltd.,

The expenditure for 1945-46 was £2,408,667 on account of the following works, etc.:—

	£
Railways	278,617
Public Buildings	386,411
Housing—Transfer to Housing Trust Fund	745,000
Main Roads Commission—Transfer to Main Roads Fund	409,798
Loans and Subsidies to Local Authorities	322,767
Land Settlement and Development	122,378
Burdekin River Bridge—Transfer to Trust Fund	60,000
Water Supply	44,197
Other Capital Works	39,498
	£2,408,667

In accordance with the established practice, the funds provided from Loan Fund for Housing, Main Roads and the Burdekin River Bridge were credited to the respective Trust Funds. Part of these funds was expended and the balances are available in the current financial year.

It will be observed that the major portion of the Loan expenditure was utilised for capital works of developmental value and of useful purpose generally.

Because of the shortage of material and labour, constructing authorities were beset with many difficulties in implementing the Loan policy. However, much useful work was carried out by Government Departments and Local Authorities.

The expenditure from Loan Fund for the year 1944-45 was £1,560,898.

Repayments to the Loan Fund totalled £1,116,496 and domestic raisings amounted to £850,000, leaving a cash shortage of £442,171 on the operations for the year 1945-46, but the cash balance of £1,918,598, brought forward from the financial year 1944-45, was more than adequate to carry this charge. I might add that the total repayments to Loan Fund for the five years ended 30th June, 1946, aggregated £6,432,056, which indicates that Loan Funds have been well invested.

was repaid by the bank in London at a premium. The premium, together with the profit on conversion to Australian currency, benefited Consolidated Revenue to the extent of £267.

PLANNED WORKS AND DEVELOPMENT—1945-46.

There was a considerable improvement in activities under the Co-ordinated Works Plan in 1945-46 as compared with the year 1944-45.

I now outline details of the expenditure on certain Capital Works, Developmental Schemes and other works, carried out in 1945-46:—

	£
Main Roads	653,729
Railways (including deferred maintenance and renewals)	584,174
Land Settlement and Forestry	281,712
Rural Development, Cotton Stimulation, and Irrigation	496,430
Water Facilities on Stock Routes	7,547
Mining	44,920
Loans and Subsidies to Local Bodies (other than Brisbane Harbour, and Malaria Prevention Works)	306,340
Somerset Dam	34,749
Brisbane Harbour and Port Development	104,624
Mosquito Eradication Works	44,182
Buildings	405,879
Housing	264,106
Burdekin High Level Bridge	16,991
Sundry Works	7,467
Total	£3,252,850

The sources from which the funds were provided were:—

	£
Consolidated Revenue	477,092
Loan Fund	1,340,665
Post-war Reconstruction and Development Trust Fund	305,573
Trust and Special Funds	1,129,520
	<u>£3,252,850</u>

In addition, a sum of £328,536 was expended by the Queensland Housing Commission, on houses for rental, from Loan Funds provided by the Commonwealth.

Supplementing the expenditure on capital works and developmental schemes, Local Authorities and Local Bodies expended, in 1945-46, approximately £865,000 from Debenture Loans.

CASH BALANCES AND INVESTMENTS.

At the close of the financial year 1945-46 the cash balances and investments of the State aggregated £21,637,470 as shown hereunder:—

CASH BALANCES AND INVESTMENTS AT 30TH JUNE, 1946.

	£	£
Cash—		
Consolidated Revenue Fund		Dr. 2,884,528
Trust Funds		Cr. 7,980,437
Loan Fund		Cr. 1,477,337
Total Cash Balance (as shown below)		Cr. 6,573,246
Investments—		
Assurance Fund, Real Property Act		45,500
Main Roads Fund—		
Commonwealth Loans		1,000,000
Post-war Reconstruction and Development Fund—		
Commonwealth Loans	3,385,000	
Fixed Deposits	5,050,000	
		<u>8,435,000</u>
States Grants (Local Public Works) Act Fund		50,000
Stock Routes and Pests Destruction Fund		400
Trust Funds Generally—		
Commonwealth Loans	1,600,000	
Fixed Deposits	3,800,000	
		<u>5,400,000</u>
Extended Deposit		133,324
Total Cash and Investments		<u>£21,637,470</u>

The Cash Balance was held as follows:—

	£
Commonwealth Bank—	
Current Account	4,264,383
Debenture Deposit Account	2,104,073
Commonwealth Savings Bank	20,264
Agent-General, Current Account	184,062
Bank of England, Current Account	1
National City Bank of New York, Current Account	463
Total Cash Balance (as above)	<u>£6,573,246</u>

A sum of £1,300,000 was invested on account of Trust Funds generally, and the interest from this investment was credited to the Post-war Reconstruction and Development Trust Fund.

In addition to the investments set out above, a sum of £7,125,000 was held by the State Insurance Commissioner in Commonwealth Government Securities, and he had on loan with Semi-Governmental Authorities and Local Bodies, at 30th June, 1946, a sum of £2,247,144.

PUBLIC DEBT.

At the 30th June, 1946, the Gross Public Debt of the State was £133,294,769, which exceeded the Debt at the end of the previous year by £1,861,359.

The amount standing to the credit of the Sinking Fund was £1,544,326, leaving a net Loan liability of £131,750,443, as compared with a net Loan liability of £130,299,671 at 30th June, 1945.

It is worthy of note that although the Gross Public Debt of the State increased by only £3,200,176 from 30th June, 1941, to 30th June, 1946, the debt per head of population actually decreased by £2 14s. 8d., notwithstanding that, during the same period, £10,638,663 was expended on works by the State, from Loan Fund, alone.

The Public Debt transactions for the year 1945-46 are summarised as follow:—

Gross Debt, 1st July, 1945	£	131,433,410
<i>Add—</i>		
Loan from Commonwealth Savings Bank	850,000	
Loans raised in Australia—		
To convert Australian Loans	658,250	
To redeem London Loans	9,074,160	
Loan raised in London—		
To convert London Loans	12,460,267	
		<u>23,042,677</u>
		154,476,087
<i>Deduct—</i>		
Loans converted in Australia	658,250	
Loans converted in London	12,460,267	
Loans redeemed in London	7,237,621	
Redemptions by National Debt Commission	825,180	
		<u>21,181,318</u>
Gross Debt at 30th June, 1946		<u>£133,294,769</u>

In 1945-46 the Commonwealth did not issue any Loans for State public works, and the only Loan money received during the year by Queensland, other than Loan Fund repayments, was £850,000 from the Commonwealth Savings Bank, in the terms of the Savings Bank Amalgamation Agreement.

As a result of the policy adopted by the Loan Council of repatriating overseas Loans whenever opportunity offers, there has been

a steady movement of the State's Debt from overseas to Australia and the transfer of Loans to Australia has resulted in reduced annual requirements for exchange on the transfer of funds abroad to meet interest.

The following Table shows the percentage of the Gross Public Debt held in Australia and overseas at 30th June, 1946, as compared with 30th June, 1936:—

Domicile of Loans.	At 30th June, 1936.	Percentage of Total.	At 30th June, 1946.	Percentage of Total.
Australia	£ 52,297,766	42·64	£ 76,442,375	57·35
Overseas	70,338,285	57·36	56,852,394	42·65
	£122,636,051	100·00	£133,294,769	100·00

The National Debt Commission, on behalf of Queensland, redeemed, during the year, Inscribed Stock and Bonds, Debentures and Instalment Stock to the total of £825,180,

which was £1,069,676 less than the redemptions in 1944-45. However, the Commission is carrying forward a substantial cash balance of £563,427.

Interest on the gross Public Debt together with exchange and sinking fund charges are inescapable commitments. I have had com-

plied, and now submit, Tables on the subject which are informative:—

TABLE SHOWING THE ACTUAL AND THE PERCENTAGE EXPENDITURE ON PUBLIC DEBT CHARGES FOR CERTAIN YEARS.

	1935-36.		1941-42.		1942-43.	
	Expended.	Percentage to Debt.	Expended.	Percentage to Debt.	Expended.	Percentage to Debt.
	£	%	£	%	£	%
Interest on Public Debt	4,930,730	4·06	5,061,309	3·86	4,962,152	3·86
Sinking Fund	477,170	·39	753,973	·57	799,111	·62
Exchange	810,185	·66	838,053	·64	791,327	·62
Total	6,268,085	5·11	6,653,335	5·07	6,552,590	5·10
Debt at end of Year	£122,636,051	..	£131,171,642	..	£128,568,475	..

	1943-44.		1944-45.		1945-46.	
	Expended.	Percentage to Debt.	Expended.	Percentage to Debt.	Expended.	Percentage to Debt.
	£	%	£	%	£	%
Interest on Public Debt	4,913,218	3·80	4,370,734	3·71	4,377,887	3·28
Sinking Fund	823,815	·64	896,071	·68	960,183	·72
Exchange	779,412	·60	802,224	·61	559,846	·42
Total	6,516,445	5·04	6,569,029	5·00	5,897,916	4·42
Debt at end of Year	£129,179,066	..	£131,433,410	..	£133,294,769	..

TABLE SHOWING THE PERCENTAGE OF EXPENDITURE ON PUBLIC DEBT CHARGES TO THE TOTAL CONSOLIDATED REVENUE EXPENDITURE FOR CERTAIN YEARS.

	1935-36.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.
	Percentage of Revenue Expenditure.	Percentage of Revenue Expenditure.	Percentage of Revenue Expenditure.	Percentage of Revenue Expenditure.	Percentage of Revenue Expenditure.	Percentage of Revenue Expenditure.
	%	%	%	%	%	%
Interest on Public Debt	30·69	21·45	17·00	17·03	18·82	17·68
Sinking Fund	2·94	3·19	2·74	2·85	3·46	3·88
Exchange	4·99	3·55	2·71	2·70	3·10	2·26
Total	38·62	28·19	22·45	22·58	25·38	23·82

It will be noted that the percentage of expenditure in respect of the Public Debt to the total of the expenditure from the Consolidated Revenue Fund declined from 38·62 per cent. in 1935-36 to 23·82 per cent. in

1945-46; this was a very satisfactory movement.

I now supply an abstract which shows the reductions which have been effected in total interest payments in Australia and overseas:—

Domicile of Loans.	1935-36.		1944-45.		1945-46.	
	Interest Payments.	Percentage.	Interest Payments.	Percentage.	Interest Payments.	Percentage.
	£	%	£	%	£	%
Australia	1,777,645	35·69	2,164,200	44·43	2,489,301	56·86
Great Britain	2,799,650	56·21	2,443,641	50·17	1,625,693	37·13
United States of America ..	408,435	8·10	262,893	5·40	262,893	6·01
	£4,980,730	100·00	£4,870,734	100·00	£4,377,887	100·00

As will be seen in the following statement, satisfactory conversions and the decline in interest rates have reduced substantially the

average rates of interest payable on the Public Debt:—

	30th June, 1941.	30th June, 1944.	30th June, 1945.	30th June, 1946.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<i>Including Exchange—</i>				
Overseas Debt	5 17 0	5 5 0	5 7 10	4 12 8
All Debt	4 15 4	4 8 5	4 7 2	3 17 11
<i>Excluding Exchange—</i>				
Overseas Debt	4 11 1	4 2 1	2 10	3 12 11
Australian Debt	3 10 7	3 9 11	3 7 6	3 6 11
All Debt	4 1 6	3 16 4	3 14 11	3 9 6

This Table indicates the soundness of the Loan Council's policy in its handling of Debt conversions and redemptions and in its Loan raisings.

SINKING FUNDS.

In accordance with the terms of the Financial Agreement, the State, during the year

1945-46, paid Sinking Fund contributions amounting to £960,183 to the National Debt Sinking Fund; the Commonwealth's contribution was £222,231.

I submit a return showing the amounts provided for Debt redemption by the State and by the Commonwealth, on behalf of Queensland, during the past five years:—

Particulars of Contributions.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.
	£	£	£	£	£
5/- per cent. on Debt	338,604	342,991	338,817	370,128	360,272
4½ per cent. on Cancelled Debt	365,477	406,227	435,106	476,051	550,019
4 per cent. on Revenue Deficit Loans	49,892	49,892	49,892	49,892	49,892
Total by State	753,973	799,110	823,815	896,071	960,183
Commonwealth Contributions	211,303	215,691	211,516	232,086	222,231
Total Contributions	£ 965,276	1,014,801	1,035,331	1,128,157	1,182,414

The National Debt Commission purchased and cancelled Securities to the face value of £599,267 and redeemed Commonwealth Instalment Stock amounting to £225,913. Contractual Sinking Fund contributions of £20,549, payable during the year 1945-46, on the 6 per cent. 10,000,000 dollar American Loan, were provided by the Commission. No purchases of Bonds of this issue were made in New York, and Sinking Fund instalments were accordingly invested in Australia, in terms of the Loan Contract entered into between the Queensland Government and the lenders.

The National Debt Sinking Fund transactions and debt redemptions have reached very substantial figures, as this brief statement indicates:—

NATIONAL DEBT SINKING FUND.		£
QUEENSLAND.		
1ST JULY, 1927, TO 30TH JUNE, 1946.		
<i>Receipts—</i>		
Contributions by State .. .. .	.. .. .	11,279,306
Contributions by Commonwealth .. .. .	.. .. .	3,485,783
Interest on Investments, &c. .. .. .	.. .. .	98,067
		<u>£14,863,156</u>
<i>Expenditure—</i>		
Redemptions and Repurchases .. .. .	.. .. .	13,607,613
Payments to American Loan Sinking Fund .. .. .	.. .. .	390,424
Discount and Expenses, London Conversion and Redemption Loans .. .. .	.. .. .	227,392
Exchange on American Loan Remittances .. .. .	.. .. .	74,300
		<u>£14,299,729</u>
Cash Balance, 30th June, 1946 .. .. .	.. .. .	£563,427

DEBT REDEMPTIONS AND CONVERSIONS.

Only two small Queensland Loans of £552,000 and £281,000 matured during the past year. These were Australian Loans and carried interest rates of 3½ per cent. and 2¼ per cent. respectively.

The National Debt Commission redeemed £193,000 of this debt as it matured and the balance of £640,000 was converted into £472,000 2½ per cent. Stock maturing in 1950, and £168,000 3¼ per cent. Stock maturing in 1961. This was a profitable transaction, as, even with the added Sinking Fund charges on the redeemed securities, an annual saving results to Consolidated Revenue. In addition, a further amount of £18,250, being portion of the Loan which matured on 1st January, 1945, was converted during the year. The residue of this Loan still unconverted is £146,985.

As was intimated in the Financial Statement last year, certain 5 per cent. Loans in London which had a maturity date of 1975, and an optional date of 1st July, 1945, had been partly converted and partly redeemed on the 1st July, 1945.

This operation was finalised satisfactorily with considerable financial benefit to the State. Further details are as follow:—

	£	£
Amount of Loan		19,697,888
Loans raised—		
In London to convert		
£12,460,267		12,460,267
In Australia—		
To redeem £7,237,621 in		
London	7,237,621	
To meet exchange on		
transfer of redemption		
funds to London	1,836,539	
		9,074,160
		21,534,427
Deduct—		
Expenses of flotation		27,094
Net proceeds		£21,507,333

Both the London and the Australian Loans bear interest at the rate of 3¼ per cent. and were issued at par.

Although an increase of £1,836,539 in the Public Debt resulted from the repatriation of portion of the Debt, no extra sinking fund contribution is involved as the Financial Agreement excepts this particular type of additional Loan raising from the liability to sinking fund. The reduction in interest rate and the relief from exchange payments will save the State, annually, £285,025 in interest and £147,159 in exchange.

A general view of the Public Debt conversions and redemptions for the last five years which shows the resultant annual saving in interest is presented herewith; the redemptions did not include repurchases by the National Debt Commission.

Year.	Debt Converted or Redeemed.	Debt Raised for Conversion or Redemption.	Increase in Debt.	Annual Interest on Old Debt.	Annual Interest on New Debt.	Annual Saving in Interest.
	£	£	£	£	£	£
1941-1942	21,532,317	22,077,740	545,423	1,071,942	761,570	310,372
1942-1943	2,207,750	2,207,750	..	81,891	70,050	11,841
1943-1944	873,750	873,750	..	30,582	24,762	5,820
1944-1945	8,815,360	9,819,560	1,004,200	298,400	306,032	Loss 7,632
1945-1946	20,356,138	22,192,677	1,836,539	1,005,529	717,722	287,807
Total	£ 53,785,315	57,171,477	3,386,162	2,488,344	1,880,136	608,208

Loans maturing during the present year include Instalment Stock £1,028,024, of which £411,200 was satisfactorily converted on 1st July, 1946; £643,232 Stock and Debentures in Australia; £4,255,913 Stock in London, and the 6 per cent. 10,000,000 dollar (£2,054,865) Loan, which will mature in New York in February next. It will be pleasing to hon. members, I am sure, to know that the accumulated Sinking Fund available, at 30th June, 1946, for the redemption of the New York loan, was approximately £981,000.

POST-WAR RECONSTRUCTION AND DEVELOPMENT TRUST FUND.

The only amounts credited to this Fund during the financial year 1945-46 were on account of interest on investments of the Fund itself, and of Trust and Special Funds generally, which amounted to £139,373 and £77,486 respectively.

In 1945-46 £305,557 was expended by the Railway Department on deferred maintenance and renewals.

The credits in the Fund have been carefully invested and an adjustment of investments made to ensure the provision of cash when required, to meet current expenditure from this Fund.

The subjoined is a precis of the transactions of the Fund from its inception to 30th June last:—

	£	£
Credits to Fund—		
From Consolidated Revenue—		
For General Purposes ..	5,320,000	
For Railways	3,350,000	
For Harbours and Marine	200,000	
For Main Roads	100,000	
	<u> </u>	8,970,000
Interest on Investments—		
Post-war Reconstruction and Development Fund	341,835	
Trust Funds generally ..	145,605	
	<u> </u>	487,440
		<u>£9,457,440</u>
Expenditure—		
Railways, 1945-1946 ..	305,557	
Harbours and Marine, 1945- 1946	16	
	<u> </u>	305,573
Balance, 30th June, 1946 ..		<u>£9,151,867</u>
		£
The above balance is held as—		
Cash	716,867	
Fixed Deposits	5,050,000	
Commonwealth Loans ..	3,385,000	
	<u> </u>	£9,151,867

In the Estimates, provision is made, for the current financial year, for expenditure from the abovementioned Fund, as follows:—

	£
Railway Department—	
Deferred Maintenance and Renewals ..	1,172,700
Rolling Stock Renewals	250,000
Irrigation and Water Conservation Works	222,850
Forestry	226,000
Burdekin River Bridge	200,000
Main and Access Roads	333,000
Purchase of Equipment for Departments generally	188,000
Other Works and Miscellaneous ..	125,550
	<u> </u>
	<u>£2,718,100</u>

ESTIMATES FOR THE YEAR 1946-47.

REVENUE.

I have estimated the receipts of the Consolidated Revenue Fund, for the financial year 1946-47, at £24,652,335, this sum being £122,071 less than the actual revenue for the year 1945-46.

The principal variation is in respect of the Income Tax Reimbursement Grant, which will amount to £6,601,000 for the year. This will be £780,000 more than the sum received for the year 1945-46.

The revenue of the Railway Department is expected to be £10,350,000, which is £1,257,889 less than the actual receipts for 1945-46, the decrease being anticipated on account of the diminishing transport requirements of the Commonwealth services and the dry conditions of the country.

In regard to Other Receipts—Miscellaneous, provision is being made, under this heading, for an apportionment of repayments from Loan Fund to meet Sinking Fund charges, as provided for in the Financial Agreement.

With reference to the remaining revenue headings, estimates do not vary to any great degree with the actual receipts for 1945-46.

EXPENDITURE.

The expenditure for the current financial year is estimated to aggregate £24,641,585, or £117,953 less than the disbursements for 1945-46, and, therefore, the anticipated surplus of revenue over expenditure is £10,750.

In preparing the estimates of expenditure due regard was paid to the efficient functioning of the various State Departments and to the requirements of social services.

I shall make brief reference to the main items of anticipated expenditure, and explain any substantial variations with the actual expenditure for 1945-46.

The increase under the heading of Schedules is required to meet the Sinking Fund charges payable under the Financial Agreement, and the additional amount required for Interest on the Public Debt is due to the fact that, owing to the change in the interest date on certain London Loans converted during the financial year 1945-46, interest for seven months, only, on those Loans was payable during that year, whereas a full year's interest is required for the year 1946-47.

The expenditure by the Railway Department is expected to be £9,566,500, or £535,562 less than the disbursements in 1945-46.

The Department of the Treasurer will require £302,244 less than the expenditure for 1945-46, this being mainly due to the decreased amount set down for expenditure for developmental works and services. However, substantial provision is made under other votes for additional works and services.

The Department of the Premier and Chief Secretary will require £255,991 less than was expended in 1945-46, owing, largely, to the very much lessened requirements for Railway passes for ex-service men and women.

It will be noted that the estimates of the Department of Public Instruction include additional sums of £29,000 for Scholarship Allowances, £7,000 for Adult Education and a new provision for a Grant, not exceeding £10,000, to extend the Symphony Orchestra movement in Queensland.

The requirements of the Department of Public Lands exceed last year's expenditure by £51,543.

The Department of Agriculture and Stock will need £114,070 more than was expended in 1945-46.

Consideration has of necessity been given to the requirements for salaries and wages consequent on the recent basic wage increase, classification increases to officers and provision for salaries of ex-service men and women returning to the Public Service. The amount required for salaries and wages for all Departments, including Railways, is £12,276,143, being £261,783 more than the expenditure in this regard in 1945-46.

Money will be made available from the Consolidated Revenue Fund for developmental works, maintenance works, and for the purchase of machinery and equipment.

In addition, funds will be provided from the Post-war Reconstruction and Development Trust Fund for developmental works, deferred maintenance, and for the purchase of machinery and equipment which could not be obtained for State institutions during the war years.

LOAN FUND.

A gross loan works programme, for Queensland, of £6,397,000 for the financial year 1946-47 was endorsed by the Loan Council at the meeting held on 21st August, and is set down as the estimated Loan expenditure for 1946-47.

An immediate borrowing programme of £3,364,000 was approved by the Council, this sum representing 75 per cent. of the gross works programme endorsed, less repayments to Loan Fund, and available cash balances.

The decision of the Loan Council to limit temporarily the borrowing in this way was made having in mind shortages of materials and manpower and on the understanding that the full loan allocation would be made available later in the present financial year, when applied for.

The borrowings approved for Semi-Governmental Authorities and Local Bodies, which total £6,980,000, include an amount of £1,951,816, which it is estimated will be required by Regional Electricity Boards for capital expenditure during the current financial year.

It was approved by the Loan Council that the funds required to finance the borrowing programmes, of the Commonwealth and the States, would be made available from Loans to be raised on the market during this financial year.

Particulars of the proposed State Loan expenditure will be found in the Loan Fund Estimates, and are included in the Plan of Works which I shall now outline.

PLANNED WORKS AND ECONOMIC DEVELOPMENT—1946-47.

The State's Works Programme has been planned in accordance with Section 12 of "The State Development and Public Works

Organisation Acts, 1938 to 1940," and the details are as follow:—

	£
War Service Land Settlement	500,000
Rural Development and Agricultural Bank Advances (including loans to ex-service men)	1,510,979
Main Roads (exclusive of Maintenance) ..	1,698,047
Railways (including deferred Maintenance and Renewals)	1,950,200
Land Settlement and Forestry	819,502
Water Facilities on Stock Routes	49,736
Drought Relief	200,000
Irrigation	428,473
Mining	126,826
Loans and Subsidies to Local Bodies (other than Brisbane Harbour, and Malaria Prevention Works)	808,510
Erosion Prevention Works	51,700
Somerset Dam	100,000
Brisbane Harbour and Port Development and Shipbuilding Facilities	543,500
University Works (including Temporary Accommodation)	129,198
Mosquito Eradication Works	191,249
Buildings	963,908
Housing	*942,000
Burdekin High Level Bridge	254,384
Purchase of Rocklea Munitions Factory Property, and Equipment	500,000
Purchase of Equipment for Departments Generally	188,000
Sundry Works and Miscellaneous	167,214
Totals	<u>£12,123,426</u>

* NOTE.—Not including £1,673,000 Commonwealth Loan Funds authorised to cover requirements under the Commonwealth-State rental housing scheme.

The funds for this proposed development and these proposed works will be provided as set out hereunder:—

	£
Consolidated Revenue	250,137
Loan Fund	6,397,000
Post-war Reconstruction and Development Trust Fund	2,718,100
Trust and Special Funds	2,758,189
	<u>£12,123,426</u>

This programme, which provides for an expenditure much greater than was possible in 1945-46, has been planned in anticipation of a substantially increased supply in materials and in the expectation that more labour will be available for Public Works. Provision is made, too, for increases in the cost of construction.

The foregoing works proposals, for the year 1946-47, have for their objects the giving of employment, the increasing of production, the encouraging of private enterprise, the carrying out of public works and services, the increasing of the national income, the raising of the standard of living and building stronger the assets of the State.

I shall now make reference to some of the items included in the plan of works.

IRRIGATION AND WATER SUPPLY.

Work on Irrigation and Water Supply was seriously interrupted during the war period but the Bureau of Investigation has made intense study and definite progress in its investigations of irrigation projects. An important Irrigation and Water Supply Bill will be presented for the consideration of

Parliament this session. General plans have been formulated for progressive work, in the year 1946-47, and in succeeding years.

Work is proceeding on several small weir schemes and a sum of £428,473 is being made available this financial year from Consolidated Revenue, Loan Fund and from the Post-war Reconstruction and Development Trust Fund, for the continuation of these schemes; and for other schemes.

The approximate area under irrigation in the year 1945-46 was 78,000 acres, as compared with 37,000 acres in 1935-36.

DROUGHT RELIEF.

To meet drought conditions the Government has provided relief measures which consist of the making available of loan moneys to dairy farmers, through butter factories, for the purchase of fodder and the provision of water. The amount provided is £200,000, and loans will be interest-free for the first twelve months, and thereafter carry an interest rate of 2 per cent. per annum.

£50,000 in grants, also, have been made to dairy farmers, under the Commonwealth-States Drought Relief Scheme, to compensate them for losses of income, through drought, in the financial year 1944-45. £25,000 of this sum will be refunded to the Queensland Government by the Commonwealth Government.

Rebates of freight, equal to 50 per cent. of the rates ordinarily payable, are allowed by the Railway Department on consignments of fodder for starving stock, and specially reduced freight rates are given for the carriage for starving stock to and from relief country.

FORESTRY.

The end of the war and the consequent easing of the manpower position has enabled the Forestry Department to resume active reforestation operations after an enforced postponement.

The field strength of the Department was increased from 351 at 30th June, 1945, to 1,174 at the 31st August, 1946.

On the estimates of the Loan Fund for the current financial year a sum of £400,400 is provided for Forestry Works, and an amount of £226,000 is provided from the Post-war Reconstruction and Development Trust Fund, also, for this purpose.

COAL PRODUCTION.

Understanding the importance to industry, and to the State as a whole, of increasing coal production, the Government is energetically promoting measures which will have that effect.

Negotiations are proceeding between the Commonwealth Government and the Queensland Government with the object of developing, on a large scale, the enormous deposits of coal at Blair Athol, Central Queensland.

Geological investigations and drilling operations are being carried out in Southern Queensland, principally in the West Moreton district, with the object of maintaining and

increasing production. Investigations are also being made in the Callide Valley district and the Byfield district.

It is expected that when these measures are consummated they will not only increase coal production but also increase industrial expansion and further promote decentralisation.

While discussing coal problems it is interesting to note that in 1945 the production of coal reached the high figure of 1,634,746 tons as compared with 1,113,426 tons in the year 1938.

In addition to coal, the Government is assisting to expand the mining industry generally.

ELECTRICITY SUPPLY AND DEVELOPMENT.

Considerable progress has been made, and continues to be made, under the Government's scheme to modernise electric power equipment and to develop and expand electric power supply.

In country districts new and improved plant will provide electric power for decentralised industries; assist to promote irrigation and also provide better amenities for people who live beyond the cities.

The extent of the projected regional electricity development in Queensland, and the progress to date, can be gauged from the fact that the Electricity Commission, on behalf of Regional Electricity Boards alone, has already placed contracts to the value of £1,604,182 and has called tenders for other contracts.

In the Loan Estimates for the year 1946-47 provision is made for an expenditure of £871,199 by way of Treasury advances, as loans and subsidies to Local Authorities, and, in addition, Loan Council approval has been obtained to enable the State Government to guarantee loans amounting to £2,430,830, for electricity supply and development.

The cost of this modernising and developmental policy within the next ten years is estimated at £11,000,000.

The Government has given consideration to the financial difficulties associated with the supply of electric power by Local Authorities in far Western Queensland, and has agreed, in respect of such areas, that the subsidy made available on capital expenditure for electricity plant additions and extensions shall be raised from the maximum of 33½ per cent. to 50 per cent., of the required expenditure.

Attention is being paid to the development of Hydro-Electricity Schemes also, and a survey of the possibilities of the Tully River Scheme is nearing completion.

RAILWAYS.

Provision is made in the Estimates for the current year for funds for substantial additional Engine Power and Rolling Stock; also for an extensive programme of engine, rolling stock and track rehabilitation, reconditioning of bridges, and deferred maintenance work generally.

£527,500 is provided on the Loan Estimates and £1,422,700 on the Post-war Reconstruction and Development Trust Fund Estimates for work such as I have just mentioned.

The modernising of passenger transport, including the air conditioning of trains and the provision of more efficient refrigeration for goods transport, are matters that are receiving consideration.

Queensland's beauty, sunshine, climate and other remarkable features are attracting visitors from other States and other parts of the world.

In July, 1946, the Cabinet appointed a Board to make recommendations in regard to the development of Queensland's tourist resources, with the object of increasing to a maximum the tourist industry of our State.

MAIN ROADS.

The amount provided under the programme of works for the year 1946-47 to meet the cost of permanent road works is 1,698,047 and the estimated requirement for maintenance is £1,050,000.

Work is proceeding on the high level road and rail bridge over the Burdekin River, upstream from the existing low level structure which is subject to serious flooding. When completed, this bridge will provide a much strengthened link and much more satisfactory transport, generally. Another major bridge project under construction, in conjunction with the Rockhampton City Council, is the new traffic bridge over the Fitzroy River.

HOUSING.

During the year 1945-46 a sum of £592,642 was expended by the Queensland Housing Commission in advances to borrowers from the Commission, in the erection of houses for rental, and in improvements and repairs to existing dwellings; the expenditure may be classified as follows:—

	£
Advances to borrowers under—	
State Housing Act	231,989
Workers' Homes Acts	18,613
Building Improvement Act and Dis-	
charged Soldiers Settlement Acts ..	964
Building costs of houses for rental ..	328,536
Costs in regard to temporary housing at	
Kalinga and Rocklea	12,540
	<hr/>
	£592,642

The above figures are exclusive of the administrative costs of the Queensland Housing Commission.

It must be borne in mind that in addition to the erection of dwelling-houses the Government has to build new hospitals, educational buildings and other public buildings.

It is expected that a more extensive home-building programme will be capable of completion during the year 1946-47, and accordingly provision has been made for the expenditure of £2,615,000 on housing, which will comprise £942,000 for the erection of homes by the Queensland Housing Commission and £1,673,000 to meet the costs of houses for rental.

LOANS AND SUBSIDIES TO LOCAL AUTHORITIES AND LOCAL BODIES.

In addition to providing funds, direct, for development, and for other works, the Government provides funds and guarantees for semi-governmental bodies to carry out works and services. This policy is proving very satisfactory and popular, and has had a stimulating effect on employment and Local Authority progress.

Works and services are being carried out which are essential to the health and the convenience of the community, including water supply, sewerage, roads, electric light plant, recreational facilities and mosquito eradication.

During the ten years ended 30th June, 1946, a sum of £2,821,794 was advanced by the Treasury as loans to Local Authorities and Local Bodies, and in addition £4,716,325 was granted as subsidy on capital works expenditure. The amount advanced as loans is exclusive of £984,000, representing that portion of the construction costs of the Somerset Dam, which has been apportioned as loans to the Brisbane City Council and the Ipswich City Council.

In addition to the loan advances made by the Treasury, substantial sums have been borrowed from financial institutions, over a number of years, by Local Authorities and Local Bodies under Treasury guarantees (which have been equal to direct loan advances). The contingent liability of the Government at 30th June, 1946, in respect of those loans was £26,632,653.

Ample provision is made for loans, subsidies and guarantees for the current financial year.

EMPLOYMENT OF LABOUR.

It will be observed that substantial provision is made in the various Estimates for the providing of employment by the Government and by the Local Authorities, and also for assisting private enterprise to employ labour fully.

This action is fundamental. Financial stability, greater national income, industrial progress and a reasonable standard of living depend, largely, upon full employment.

The Government is determined that unemployment such as has occurred in particular periods of the history of Queensland shall not occur again.

The number of employees in Queensland at the 30th June, 1946, was 316,700, as compared with 297,500 at the 30th June, 1945.

The number of employees engaged on capital works which were being carried out, under the State co-ordinated programme, at 30th June, 1946, showed an increase of 123 per cent. as compared with the number of men so employed at 30th June, 1945.

Employment on Local Authority works also showed a marked improvement.

GENERAL.

UNIFORM TAXATION.

When the Uniform Taxation scheme was enforced in 1942, it was anticipated that, twelve months after the termination of the Great World War, Uniform Taxation would cease to operate and that the States would again exercise their rights to collect Income Tax. The Commonwealth Government stated, however, early in 1946, its intention of continuing to impose income taxation, and, in April, 1946, despite the strong protest of the States, passed Commonwealth legislation accordingly. At a Premiers' Conference, held in January of the present year, an arrangement was arrived at by which the Commonwealth will continue to be the sole authority collecting Income Tax and the States will receive reimbursement grants from the Commonwealth.

Recently I laid a statement on the Table of the House which contained full information on Uniform Taxation legislation; reviewed the schemes which were framed under that legislation, and also explained the agreements made. I refer Honourable Members to that statement.

I might add that at the Premiers' Conference held in August, 1946, the following resolution was carried:—

“As a preliminary to the appointment of some body to conduct a review of the financial relations of the Commonwealth and the States, this Conference approves of an early meeting of Commonwealth and States Treasury and other appropriate officers, for the purpose of examining and reporting upon the financial relationships as between the Commonwealth and the States.

“The report of the officers be submitted to a Premiers' Conference to be held before the end of June, 1947.”

SAVINGS BANK AMALGAMATION AGREEMENT.

The modified arrangement under this Agreement, which was mutually agreed to by the Commonwealth Bank Board and the Queensland Government with regard to the disposal of any increased balances of Savings Bank deposits, was explained in previous Budget Statements. In accordance with this arrangement the State received only £850,000 by way of loan, in 1945-46, instead of 70 per cent. of the increase in depositors' balances which would have been available under the original Agreement. However, Queensland obtained sufficient loan moneys for public works purposes.

The original and the modified Agreements expired on 20th June, 1945, and negotiations ensued with the Commonwealth Bank Board as to the terms of a renewal Agreement. Finally, the Queensland Government agreed that the terms of the original Agreement should remain unaltered, except for the important proviso that fifty per cent. of the annual amount to which the State may be entitled, up to a total of £500,000, may, if the State should so desire, be diverted to debenture loans for the Queensland Housing Commission and/or the Agricultural Bank.

Otherwise it was decided that the temporary modified arrangement which existed on 20th June, 1945, should continue for five years after the termination of the war.

STATE INSURANCE.

This Office continues to fulfil very important functions. During the year 1945-46 £675,351 was disbursed in Workers' Compensation claims and £27,797 distributed under the Mining Diseases provisions of the Act.

The Life Assurance funds totalled £6,177,761, at 30th June, 1946, and in view of the satisfactory position of this Account reversionary bonuses have been declared at the same rate as in the previous financial year.

The profit distributions of 33½ per cent. allowed last year on Fire renewal premiums, and 20 per cent. on Comprehensive Motor Car renewal premiums, will be continued for twelve months as from the 1st November, 1946. In addition, the holders of Marine policies will again be allowed a profit distribution of 33½ per cent. on premiums paid during the year ended 30th June, 1946.

At 30th June, 1946, the Office had investments amounting to £7,125,000 in Commonwealth Loans and £2,247,144 in loans to Local Authorities and other Bodies.

The figures shown below in respect of operations since the establishment of the Office to 30th June, 1946, emphasise the importance of the State Government Insurance Office and the success it has attained:—

	£
Total Income	34,005,678
Claims Paid	17,909,670
Amount Insured (including Fire, Miscellaneous, Accident, and Life) ..	83,000,000
Bonuses Paid	1,035,370
Total Profits	3,399,956

Further, the State Insurance Commissioner recently estimated that, since the establishment of the Office, the aggregate saving to the insuring public, following reductions and profit distributions by the State Insurance Office, at £10,100,000. This was due to the lower rates quoted by the Office, and the consequential reductions which private companies were compelled to make as a result of the action of the State Government Office.

REDUCTIONS IN THE RATE OF INTEREST; IN CHARGES; ALSO GENERAL CONCESSIONS.

The question of interest charges on loans advanced by the Treasury to Local Authorities, Local Bodies and other Authorities was recently reviewed by the Government and it was decided to reduce the maximum interest rate of 4½ per cent., payable by Local Authorities, to 4 per cent. per annum, as from 1st July, 1946. This will result in a saving to these borrowers, in 1946-47, of approximately £56,000.

Reductions, also, have been made in the rate of interest applicable to loans advanced by, and to be advanced by, the Agricultural Bank and the Queensland Housing Commis-

sion, the rate chargeable to borrowers being fixed at 3½ per cent. per annum as from 1st July, 1946, as against 4 per cent. applying prior to that date. The aggregate annual benefit to borrowers by this reduction will be £11,000.

The State Insurance Commissioner, too, has decided to reduce the maximum rate of interest to 4 per cent. per annum on loans to Local Authorities and other Bodies, and on loans to holders of life policies. This reduction will take effect as from 1st July, 1946.

The abolition of land tax on undeveloped land, in 1943, has relieved taxpayers of the payment of a sum of approximately £33,000. The abolition of tolls on the Pacific Highway and other roads has given financial relief to those concerned.

The decision of the Government to accept full financial responsibility for the construction and maintenance of public Hospitals has given very great financial relief to Local Authorities. The estimated amount of Hospital precepts which would have been paid in 1945-46, but for the Government's action, was approximately £317,000; and the estimated amount of saving for the year 1946-47 is £340,000.

Reviewing other reductions in charges granted by the Government, I might mention that two reductions, of 5 per cent. in each case, were made in 1943 in Railway fares and freights, which were, in 1945-46, equal to a sum of £1,266,000. The aggregate savings to users of the Railways in this respect on 30th June, 1946, was £4,634,000.

The foregoing concessions have been equivalent to a substantial reduction in taxation; and similar concessions will be of benefit in the year 1946-47.

Other concessions, also, in freight, &c., have been granted for many years by the Railway Department and the value of these concessions has been substantial.

PRODUCTION OF WEALTH.

There is no need to stress the vital importance of increasing wealth production. It is from such a source that we must look, largely, for the higher standard of living we desire.

Therefore it is pleasing to note that production in Queensland has increased substantially in the past decade. In 1934-35 the net value of production was £45,086,000; in 1940-41 it was £68,197,000 and in 1944-45 it had increased to £87,107,000. The aggregate value for the five years ended 30th June, 1945, was £396,484,000.

The volume of production, too, has increased largely. One proof of this is the greatly increased tonnage of goods and live stock carried on the Queensland Railways. The increase at 30th June, 1946, as compared with 30th June, 1936, was 1,307,000 tons. The aggregate weight of the goods and live stock carried in the five years ended 30th June, 1946, was 36,204,000 tons. The number of Railway passenger journeys in 1945-46 was 38,149,000, being an increase of 12,905,000 as

compared with the year 1935-36. These are remarkable figures, despite air travel competition in recent years.

The organised marketing system has given protection and encouragement to the primary producers and enabled them to manage their own marketing business. From the 1st July, 1923, until 30th June, 1945, it is estimated that the aggregate sum of £374,552,000 was distributed to primary producers, through the organised marketing systems set up, including the returns from wheat and sugar cane. These figures include also bounties and subsidies, where such were payable.

The approval of the Loan Council was recently obtained to enable the Queensland Government to guarantee for the Committee of Direction of Fruit Marketing a loan of £330,000 to meet the cost of the construction of a pineapple cannery and for the expansion of the Committee's fruit-selling businesses. Other financial assistance, also, will be granted to the Committee of Direction of Fruit Marketing.

The Government has given close and careful attention to the expansion of Secondary Industries as well as Primary Industries. Recently the Chairman of the State Secondary Industries Committee (Mr. S. F. Cochran) visited the United Kingdom and interviewed leading industrialists concerning the prospective establishment of new industries in Queensland.

Many Queensland manufacturers have already decided to establish new industries, and others to extend existing industries. A survey made by the Director of Employment in 1945 showed that Queensland Manufacturers proposed a capital expenditure of approximately £4,000,000 to expand secondary industries in this State.

The average number of employees engaged in factories (excluding working proprietors) increased from 43,194 in 1935-36 to 62,018 in 1944-45. During the same period the value of the output increased by £45,054,000.

The foregoing facts and other information are pleasing evidence of confidence, greater investment, generous encouragement of private enterprise, and the general progress of the State. To the Government this advancement is an inspiration to promote still greater progress, and measures are being implemented to further stimulate settlement, production, industry, and expansion.

MIGRATION—DECENTRALISATION.

Realising the importance of decentralisation, the Queensland Government has joined with the Western Australian Government to promote the development of the northern part of our continent. The Commonwealth Government, also, is assisting. A highly competent Committee was appointed and at the present time is engaged on useful investigation. Broadly speaking, the area being investigated is north of the Tropic of Capricorn right across the continent.

Discussing the work of the Committee the Premier of Queensland (Hon. E. M. Haulon) remarked recently—

“They (Governments concerned) recognise that as part of the defence of this country we must populate and develop northern Australia. Therefore, to this Committee was given the job of reporting on suitable work for the development of the North. The objective is to increase population; that is the first thing to be done. Then there are the welfare and development of the people, an increase in the value of production, and the best utilisation of the land and mineral resources. . . . We shall need migrants to help in the development of the area. . . .”

In its lines of action and in its policy the Queensland Government is exerting every effort to provide for migration; to increase the population of Queensland, generally, and to expand the work of decentralisation.

EX-SERVICE MEN AND WOMEN.

The Government has on several occasions expressed, on behalf of itself and the people of Queensland, as a whole, sincere and unbounded thanks to the ex-service men and women, and others concerned, who defended this country in the time of dire peril, and who vindicated the ideals of freedom and justice.

Provision has been made, and continues to be made, for the absorption, again, of ex-service men and women into civilian life.

The War Service Land Settlement scheme, which is the joint responsibility of the Commonwealth and the State, has been retarded by limited technical staff. However, the examination and classification of suitable land is proceeding and a sum of £500,000 is provided on the Loan Estimates to meet the costs of acquisition of land and its preparation for occupation by ex-service men settlers.

Remission of rents during their period of active service was extended to tenants of Crown lands, the amount of that relief was £136,000. In addition the lessees were relieved of the conditions of improvement attaching to their leases.

Amending Agricultural Bank legislation was passed in 1945 providing for special conditions for ex-service men. The popularity of that legislation is indicated in the fact that in the year 1945-46, £671,065 was approved as advances. A sum of £1,510,979 will be provided, this year, for Rural advances to meet the requirements of ex-service men and other applicants.

In addition, the Commonwealth Government enacted legislation providing for advances to certain classes of ex-service men and women, including soldier settlers.

Free travel has been provided over the Queensland Railways for ex-service men and women on discharge and the value of the concession for 1945-46 was £412,218.

EDUCATION.

Believing that “through culture seems to lie our way, not only to perfection, but even to safety,” the Government has devoted close and sympathetic attention to the important

subject of education. Consequently, many educational reforms have been effected in recent years, including higher emoluments for school teachers, better allowances for scholarship-holders, the encouragement of musical education in schools, and otherwise, the promotion of better physical education in schools, a better scheme for the recruitment and training of teachers, closer attention to Technical Education, subsidies for the establishment of school libraries, subsidies for the establishment and extension of Public Libraries and the appointment of a Board of Adult Education. The Government, also, grants a subsidy on a £ for £ basis to enable the Country Women's Association to erect and equip hostels for school children.

The contemplated reforms include the raising of the school leaving age, the establishment of National University Colleges in Central and Northern Queensland and better facilities for Agricultural Education.

The total expenditure on Education and on buildings used for educational purposes, in 1945-46, was £2,689,320, showing an increase of £314,422 on similar expenditure in 1944-45. The amount provided on the Estimates, from all Funds, for 1946-47, is £3,260,000. The aggregate expenditure on Education, from all Funds, in the five years ended 30th June, 1946, was £10,881,543.

SOCIAL SERVICES.

The Government continues to pay careful attention to the social services of Queensland and, in 1945-46, £5,659,359 was expended from Consolidated Revenue Fund on Health Services, Hospital Services, Education, Relief of the Aged, Child Welfare and other essential social services.

A further sum of £826,212 was provided from the Hospital, Motherhood and Child Welfare Trust Fund. This amount was expended mainly on maintenance costs of public Hospitals.

The combined amount provided on the Estimates for 1946-47, comparable with the abovementioned expenditure on social services, is £7,168,790.

CONCLUSION.

In conclusion, I would remark that the people of Queensland are fortunate, compared with people in many other parts of the world. Our State is large in area and rich in wealth. We have achieved much, and our future is very great.

The Financial Statement reveals that Queensland is sound financially and that our economic development and standard of living have shown marked improvement. Therefore we can move forward in a spirit of confidence.

The Budget shows, also, that we have ample funds to finance the comprehensive plans which are being implemented, and that our primary and secondary industries are on the verge of still stronger expansion. We have, too, citizens with the ability, vigour and determination to promote this expansion and to make Queensland the greatest State in the Commonwealth.

Hon. Members: Hear, hear!

Mr. LARCOMBE: Mr. Mann: I move—

“That there be granted to His Majesty, for the service of the year 1946-1947, a sum not exceeding £500 to defray the salary of the Aide-de-camp to His Excellency the Governor.”
Progress reported.

VALUATION OF LAND (TEMPORARY PROVISIONS) BILL.

SECOND READING—RESUMPTION OF DEBATE.

Debate resumed from 2 October (see p. 525) on Mr. Bruce's motion:—

“That the Bill be now read a second time.”

Mr. KERR (Oxley) (12.16 p.m.): The purpose of the Bill is to enable the local authorities to make a start with the revaluation of their areas pending the setting up of the Valuer-General's Department. There has been no revaluation of the land throughout Queensland during the last six years, and I think the time is now opportune for the taking of definite steps to make such a revaluation. The principal Act was approved by the House in 1944 and it is early to see an amendment coming down. No doubt the sheer necessity of the occasion demanded some means of revaluing these areas. I think that it will be a considerable time before the Valuer-General's Department becomes operative. There is this other fact to be considered—that the local authorities will probably be in a position to carry out valuations more quickly than the Valuer-General's Department, not only today but in the future. Surveyors will be more readily available to valuers acting for the local authorities than they would be to the Valuer-General's Department. It is very difficult today to obtain surveyors and they are urgently needed. The men who are privately employed will respond more quickly to requests for surveys than the department and do just as good a job.

I understand this Bill will come into force pretty rapidly, and I wish to draw attention to the fact that the National Security Regulations will probably not be lifted till the end of December; so that we may find the new valuations made under the Bill becoming operative and small people, particularly in the Brisbane area, will be forced to pay increased rates in consequence and they will be handicapped because they will be still on the same rate of income as they were on previously. Therefore, I suggest that some consideration should be given to the delaying of the issue of the new rate notices—

Mr. SPEAKER: Order! It is very difficult to hear the hon. member.

Mr. KERR: I predict that these provisions will be used very extensively before the Valuer-General's Department becomes fully operative. I think it is absolutely essential that any valuations made by the local authorities should be based on the same formula as is laid down in the Valuation of Land Act, and the Valuer-General should have to accept these valuations if they are carried out under those conditions.

An hon. member has already pointed out the possibility that a valuation will be made by local authorities to-day and in a year or maybe two years another valuation will be made by the Valuer-General's Department. That is something we must avoid. No doubt valuations will be made by the local authorities early next year and no opportunity will be lost by the Valuer-General's Department to make valuations, consequently there may be some conflict because one valuation will be based on the formula as it exists in the local-authority laws to-day and in contrast with the formula laid down in the Act controlling the Valuer-General. Such things must be carefully watched but I am sure common sense will prevail and steps will be taken to ensure that there will be no conflict.

I think the Bill is necessary because many local authorities urgently need its provisions to enable them to increase their valuation. Of course, I am not one of those who believe that an increase in valuation automatically means an increase in rates but I do think that increases in valuation will certainly take place, because of the stagnation in valuations that has occurred over the last six years. During the last four or five years everybody has been hampered by the restrictions of the Commonwealth Sub-Treasury in regard to values and sale prices have not moved with the values available to those who wish to sell. I hope that these things will not be carried to excess and that a mean and reasonable valuation will be arrived at and that an increase in rates will not automatically follow. These matters require some careful thought but I think the valuers can be entrusted with the job. It is necessary at this time to do something such as is envisaged by this Bill but I should like to see the new valuations synchronise with the lifting of the National Security Regulations so that the small land-owner, particularly in the Brisbane area, is not penalised by increased rates, as he will be receiving the same income as he has been receiving over the years.

Mr. POWER (Baroona) (12.23 p.m.): This Bill has been introduced as the result of a request from local authorities for an opportunity to vary the valuations of properties within their areas. There is no guarantee that as a result of it there will be either an increase in valuations or a reduction. At the present time the local authorities, because of the appointment of a Valuer-General and the provisions of the principal Act, are restricted and unable to make alterations in their valuations. They therefore asked the Government to amend the law and this legislation is the result.

As I have said, there is no guarantee that there will be any increase in valuations and I do not agree with the suggestion of the hon. member for Oxley that a valuation that may be made between now and the time the Valuer-General makes his valuations should be accepted by the Valuer-General.

Mr. Sparkes: Why not, if it is sound and if it is acceptable to the local authority?

Mr. POWER: If it is sound it will be all right to accept it but we should not be bound hand and foot in the matter by any means.

Mr. Sparkes: But if it is a sound valuation that is acceptable to the department, what then?

Mr. POWER: If it is acceptable to the department, it is all right, but there are certain local authorities that believe in having high rates and low valuations. Does the hon. member not think that those local authorities should be made to conform to the correct standard? In certain parts of the city of Brisbane valuations have remained very low for a number of years although transport services have been provided, electric light and sewerage extensions have been made, and there has been a general improvement in amenities. Is it not only reasonable to expect that the valuation in those areas should be increased, and is it not only right that the local authorities should have power to increase them?

It has been suggested that the National Security Regulations, which peg prices, will have some effect on this matter. They will have no effect whatever on the valuations. It is only when you wish to sell property that these regulations apply. It is suggested that the local authorities may not have power to increase valuations. All local authorities will have power to increase valuations as much as they like, subject to certain appeals. It is only when an attempt is being made to sell property that the Commonwealth Sub-Treasury steps in.

Mr. Sparkes: The local authority does not increase the valuation.

Mr. POWER: As a matter of fact, the town clerk acts as the valuer in some instances and the local authorities have accepted the valuations submitted by him. All this Bill seeks to do is to give the local authorities power to amend their valuations, should they so desire, between now and the time when the Valuer-General's Department begins to operate.

Mr. AIKENS (Mundingburra) (12.27 p.m.): As one who is particularly interested in local-authority work, being still a member of the Townsville City Council, I am naturally interested in the passage of this Bill. I am particularly pleased to note that there is no compulsory clause in it, that there is no clause that provides that a local authority shall make a valuation and that such valuation shall stand until the Valuer-General's Department is set up and his staff appointed.

There is a suspicion in the minds of many people—and I think it only fair that I should voice that suspicion now in order that the Minister or some other member of the Government may speak on the matter—that the setting up of the Valuer-General's Department has been deliberately retarded by the Government in order that the blame for any fresh valuations made this year may not be attachable to them. In other words, if the Valuer-General's Department made a fresh

valuation this year, then as most local-authority valuations are five or six years old, it would automatically mean an increase in the valuation of certain portions of land and allotments in towns, cities, and shires throughout the State, and the Government would get the blame for those increased valuations. I want to say now that it would not be fair to blame the Government for any increased valuation because I take it the Valuer-General would employ as valuers only men of irreproachable honesty and standing in the community and they would not be guided in their valuation by any political policy or ideology. Nevertheless, it is a fact that the Government would get the blame for any increase that takes place this year if the Valuer-General's Department found it necessary to increase the valuations of certain areas of land and certain classes of land throughout the State. If that is so, if the Government fear they are going to get the blame for any increased valuation as a result of the setting-up of the Valuer-General's Department, then, knowing the political game as we do, I do not think we can blame the Government for wishing to pass the buck to the local authorities, if the local authorities are willing to accept it.

In an interjection a moment ago the hon. member for Aubigny mentioned a point that I intend to stress. Quite a lot of people believe that a local authority has the job of saying whether valuations shall be increased, decreased, or remain static. I want to say that a local authority has absolutely nothing to do with it. The power vested in a local authority merely provides that local authorities shall appoint valuers. A local authority will appoint the best applicant it can select for the position and it usually chooses a man of high standing in the community, a man with a good deal of valuing experience and usually a man whose business and personal record is above reproach. That man thereupon—

Mr. Macdonald: The local authority adopts the valuations.

Mr. AIKENS: I will deal with that point in a moment because it is something that the hon. member for Stanley appears to be hazy about; it is also something many other hon. members of this House are hazy about. The valuer appointed by a local authority submits his valuations to the local authority, but the local authority does not influence him in any way in making the valuations. He makes the valuations honestly and sincerely in accord with his ideas of the values of the properties he has been called upon to value. The local authority then has only the power of accepting or rejecting the valuations. The Townsville City Council in 1941—because it is an honest council and believes in facing up to its responsibilities to the people—unhesitatingly rejected its valuer's valuations. Should such a thing occur all a local authority can do is to reject the valuations; it cannot make fresh valuations itself but must appoint a new valuer.

Mr. Pie: Were the valuations too high or too low?

Mr. AIKENS: No, we rejected them because we thought they were unfair in certain respects. We were not concerned with whether they were too high or too low, but the party to which I have the honour to belong believes that in local-authority matters a council should face up to its responsibilities to the people and should provide the various services required by the people. If in the aggregate, valuations are low, rates naturally have to be high and correspondingly if valuations are high it is possible for the rating to be low. You have to get a certain amount of money from your people to carry out a certain amount of work, and that is the principle of valuation and rating.

However, to get back to the point I was making, the Townsville City Council rejected the valuations and merely appointed another valuer, but it was compelled by law to accept the second set of valuations whether it agreed with them or not. We accepted the second lot of valuations and struck the rate accordingly. No person who knows the basis of rating and the basis of valuation will blame the Labour Government or any Government if the Valuer-General increases valuations in an area, and no reasonable person will blame a local authority if valuations are increased by its valuer. Neither the Government nor a local authority has anything to do with the valuation of land, as it is purely a question for the valuer appointed either by the Government in accordance with the original Act or by the local authority in accordance with this amending Bill. And so I say we have discussed the matter at Townsville and we have decided that we will not take advantage of the clause in the Bill and we will not revalue this year. In any case we do not want to appoint a valuer because it costs a certain amount of money. I think our valuer gets £750 a year from the valuation and I think £150 a year to value subdivisions. I am not absolutely certain on those amounts, but they are near enough.

Mr. SPARKES: He might make a valuation this year that would be amended next year.

Mr. AIKENS: That is the point. If we took advantage of the amending Bill and appointed a valuer for this year and paid him £750 of the people's money—and this is a point missed by the hon. member for Aubigny in his interjection—we should have to enter into a contract that he should make the valuations and pay him an additional yearly sum for the valuations of subdivisions.

We think it would be waste of public money, because next year the Valuer-General's Department may be established and he and his staff can make a valuation of every local authority within the State of Queensland. It is absolutely imperative that valuations be made from time to time, because even though a town, city or shire may be growing in the aggregate, there are certain parts of it that seem to slump and others that seem to boom, and land that may be reasonably valued at, say, £100 a quarter acre this year is not reasonably valued at £100 a quarter acre in five years' time. The value

may be enhanced or it may depreciate, consequently it is necessary in order that every citizen in the community may contribute his fair and equitable share of the revenue of the local authority, for a valuation to be made every five years at least. The whole area should be valued and those who own land that is thought to be the best land, land that has the most facilities from the local authority, should be required to pay the greatest proportional amount of revenue to the local authority in order that these facilities may be maintained. The only way to do that, especially in a city such as Townsville—where there are no wards and no divisions, thank goodness, and we strike one general rate for the whole area or the whole city—is to have a fair valuation throughout the city. If this one general rate is struck on a valuation that is not fair and equitable, some people pay more than they reasonably should be expected to pay, and other people pay less than they reasonably should be expected to pay.

Mr. SPARKES: You could still strike one rate even if you did have wards.

Mr. AIKENS: Even so, where there are wards you need not strike one rate for the whole area; you can strike one rate for No. 1 Ward and another rate for No. 2 Ward and so on. The hon. member may not do that in his shire, because he may have a different conception of his duty to the public from that of the aldermen with whom I have the honour to be associated. It is possible to strike a different rate in every ward and for every service, but where you have a town, city or shire that has no wards or divisions, you must strike only the one rate for each particular service—unless it is for a loan and the Governor in Council has decided that that loan benefits only a part of that city, town or shire. Where there is no subdivision, no wards or divisions, you strike the one general rate to cover the whole area. As I said before, if one part of the town is undervalued and another is over-valued, you have some people paying less than they should and others paying more than they should. So that it is essential that those in control of valuations, whether the Government or a local authority, should have the right to revalue at stated intervals, which at the present time is five years. The Bill provides that local authorities, if they so desire, may appoint a valuer to make valuations, and such valuations shall stand until the Valuer-General's Department is established to make valuations of every portion of land in the State for all purposes. Some towns, cities and shires may take advantage of the Bill, but I can assure you that the Townsville City Council will not.

Mr. SPARKES (Aubigny) (12.39 p.m.): This is a very important Bill, and as one who has been associated with local Government for 25 years and president of the Local Authorities Association for four years, I look forward to its passing with great interest. The hon. member for Mundingburra gave a very clear explanation of the rights of local

authorities in regard to valuations. He pointed out, for instance, that a local authority had a perfect right to choose its valuer.

As the hon. member stated, he is usually a man with local knowledge. That is a very important point, especially in areas outside the cities. If the local authority does its job well, it appoints a man with such qualifications. Then the valuer is unhampered by the local authority in his work. He proceeds to make his valuation which when completed is submitted to the local authority. The local authority then either approves or rejects it, as the hon. member said, but it has no say whatsoever in what that valuation shall be. The hon. member for Barooka said the local authority does make the valuation. I was rather surprised at his ignorance in that respect.

Mr. Power: I corrected that and you know I did.

Mr. SPARKES: If the hon. member did, then no-one heard it.

Mr. Power: If you take the wax out of your ears you would have heard it.

Mr. SPARKES: I am just giving the hon. member a little knowledge and I hope he will accept it. I should like to correct also the hon. member who has just resumed his seat. He said that where a local authority was divided into divisions it was compelled to strike varying rates for those divisions.

Mr. Ingram: He said they could.

Mr. SPARKES: He said they did have a different rate for each division.

Mr. AIKENS: I rise to a point of order. It is difficult for me to hear over here because so many members are engaged in conversation. I understood the hon. member for Aubigny to say that I had said that shires were compelled to strike different rates. If he did say that it is quite untrue, as I said that local authorities could strike different rates.

Mr. SPARKES: I should like to point out to the hon. member for Mundingburra that although there may be different divisions in a shire it is not necessary for it to strike a different rate for each division. I interjected when the hon. member for Mundingburra was speaking and said it was not necessary, because of the existence of divisions in a shire, to strike a different rate for each division. He said it was, or rather that is what I heard him remark.

Mr. Aikens: I said you can have different rating.

Mr. SPEAKER: Order!

Mr. SPARKES: You can have different divisions within your shire and at the same time strike a flat rate throughout it.

Mr. Aikens: Or you can have different rates too.

Mr. SPARKES: That is so. I understood from the hon. member that it was not possible to have a flat rate and different divisions too.

Mr. Aikens: Oh no.

Mr. SPARKES: I desire to get on to a very important principle involved in the making of fresh valuations.

Mr. Bruce: The Wambo shire has a flat rate.

Mr. SPARKES: That is so. The Minister has had the privilege of travelling through that shire and of course realises its importance and the value of the roads it has constructed in its area.

Getting back to the Bill, let me say it is rather remarkable to hear a hon. member on the Government benches get up and immediately speak of increased valuations. When listening to the Minister introducing the Bill I understood that it was not intended to increase valuations at all. Therefore, I am rather worried by hearing a hon. member on the Government benches say that there should be increased valuations almost immediately. We all realise that valuations of land have been pegged since 1942, that is, for four years. Many shires have struck their rates on the basis of the present valuations. I advise local authorities, when they get this Bill, to tread very carefully and not to rush in to make a fresh valuation. I would give two instances to support my advice. A shire that has already made a valuation has struck a fairly high rate to get the revenue it requires to carry on its operations in the post-war years. It is hardly necessary for me to point out that our roads were badly damaged, and were neglected in the war years because of the lack of machinery and road-making material. That shire, having struck a high rate, would, if it proceeded to make fresh valuations probably find that its valuations would go up by 50 per cent.

For that reason I ask the local authorities to be very careful. Apparently the Bill has been asked for by the shires, otherwise the Government possibly would not be bothering about it. It is a very important point.

Not only would the shires be involved in the great expense of from £300 to £500 or more for a fresh valuation, but in probably six or 12 months might find the Valuer-General making a fresh valuation, which would put the shire to further expense. That is a very important point that I am very worried about. I should like the Minister to indicate very plainly that it is not intended, if the shire has a valuation made by a competent valuer who is acceptable to the department, to have a fresh valuation made. I maintain that that valuation should stand for the duration of the period of the valuation—five years I think it is in the Local Government Act. I think it would be very unfair to make a fresh valuation, which might merely mean a book entry and a few alterations but would cost the shire £400 or £500.

I should have liked to see the Minister go a good deal further. I believe the day has come—and any fair-minded man must realise it if he has a knowledge of country districts such as you have, Mr. Speaker—when it is beyond the ratepayer to finance the building of roads throughout Queensland. That may have been all right 25 or 30 years ago when our road traffic was horse

and sulky or buggy traffic and our distances within about a 50-mile radius. In those days the earth road was much better than a bitumen one, but today, with modern transport, we must have nothing short of bitumen roads throughout the length and breadth of this country. For that reason I wish the Government had gone further with this amending legislation. I believe the Commonwealth could have given the necessary relief to the local authorities throughout Australia by giving to them the whole of the amount collected in petrol, heavy-vehicle and motor taxes. One hon. member said this morning that it was up to the shires to stand up to their obligations, but I maintain that it is beyond the capacity of the ratepayers to stand up to the obligation of building and maintaining the roads that are demanded by motor traffic.

Mr. SPEAKER: Order! The hon. member is getting away from the question before the House.

Mr. SPARKES: In bringing down amending legislation the Government had a great opportunity to do what is justly wanted by every shire throughout the length and breadth of Queensland.

Mr. SPEAKER: Order! The hon. member will have an opportunity of dealing with that in the Committee stage.

Mr. SPARKES: This Bill deals with what may be termed a transitional period between war and peace. During the war values were fixed, and apparently some shires and local authorities have made a request for the power to revalue. I understand an amendment will be submitted to the Committee, and if it is not accepted then I maintain that local authorities that rush in and have fresh valuations are looking for trouble. There may be cases that probably have not come under my notice in which shires are particularly anxious to have fresh valuations but most shires have struck their rates, the rate notices have gone out, and in every instance to my knowledge the rates have been considerably advanced. Having struck such a rate, a high one, if they have a fresh valuation they will hit their ratepayers in two directions. For that reason every local authority in Queensland will be wise to carefully consider their rights under this Bill to make a fresh valuation.

Mr. LUCKINS (Maree) (12.51 p.m.): The taxation of land concerns the people and this power given to local authorities to make fresh valuations will, I hope, be exercised on the basis of the present valuation so that the responsibility for this new measure will rest where it belongs, on the State Valuer-General. I think the Minister has had ample time in the last two years to implement the Act and bring it into force throughout Queensland. We know from experience that it is very desirable to have standard valuations in keeping with taxation. Taxation today comes from the land.

Mr. Sparkes: Not many appreciate that.

Mr. LUCKINS: It comes from the land; no person can deny that. The only question

is who has to pay, and the freeholder today is paying on the basis of the valuation set up by local authorities, and not altogether on the basis of the value of the land. He pays on the basis of the taxes required to manage the local authority. We must not get away from the fact that a heavy responsibility rests entirely on the Government to create standard values throughout Queensland. The Government during the last few years have had an opportunity to put the Act into force, but the reason given by the Minister is that he cannot get the necessary staff. I do not know why that should be so, that is, why men who practise valuing are not available. There must be some reason for it. Either the Government have not made the positions attractive enough for them or there must be more interesting occupations for them to follow. Many valuers have been established in business in Queensland doing work for the Land Tax Department and for local authorities. There are a number of competent valuers, and probably the reason for the shortage mentioned by the Minister is that the Government have not offered sufficient inducement for them to take up this work.

We find in Queensland many standards of values, different types of values in different parts of the State, but this temporary measure will confuse the issue and sooner or later the Government will have to step in and standardise the valuations throughout the State. We, as legislators in this Assembly, must admit that the selling value of land today in this peak period is not the standard of value for taxation. Valuers are competent to value on the basis of what is required for taxes or rates of municipalities as we know them.

This measure will cause some concern. I think it is causing some concern to the Government. My opinion is that they do not wish to implement the Act straight away because it would have repercussions on the Government if by any chance values increased because of the activities of the Valuer-General. They have been shrewd enough to pass the measure to the local authorities in the interim to see how things will go next year. Taxation plays a great part in government and income tax is very high. If rates are increased because of valuation increases there will not be much opportunity for the people to reap the benefit of their labours. Local authorities must be very careful not to make a rapid or wild departure from the principles of the Local Government Act, under which values were based on the requirements of the local authorities and not governed by the desire to gain extra moneys for the purpose of socialising instrumentalities of municipalities or other things.

Motion (Mr. Bruce) agreed to.

SPECIAL ADJOURNMENT.

Hon. E. M. HANLON (Ithaca—Premier) (12.56 p.m.): I move—

“That the House, at its rising, do adjourn until Tuesday next.”

Motion agreed to.

The House adjourned at 12.57 p.m.