

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 17 OCTOBER 1956

Electronic reproduction of original hardcopy

WEDNESDAY, 17 OCTOBER, 1956.

Mr. SPEAKER (Hon. J. H. Mann, Brisbane) took the chair at 11 a.m.

QUESTIONS.

CONTRACT FOR SALE OF ORE FROM MARY KATHLEEN LEASES.

Mr. AIKENS (Mundingburra) asked the Secretary for Mines—

“On page 61, volume No. 49, ‘Australia in Facts and Figures,’ issued by the Commonwealth Department of the Interior, it is stated, *inter alia*, that the Federal Government consented to a contract, extending over several years, entered into between the United Kingdom Atomic Energy Authority and Mary Kathleen Uranium Ltd., for the sale of uranium oxide from the Mary Kathleen leases. Will he inform the House under what authority, constitutional or otherwise, the Federal Government claims to have acted in so consenting to an agreement or contract affecting minerals produced in Queensland, a State which is not under the control or jurisdiction of the Commonwealth Government in that regard?”

Hon. G. H. DEVRIES (Gregory) replied—

“I am not aware of the authority under which the Commonwealth Government claims to have acted, but presume it acted under the authority of the Atomic Energy Act of 1953 of the Commonwealth Parliament.”

CLEARING OF VACANT CROWN LAND, ROCKHAMPTON.

Mr. LOW (Cooroola), for Mr. V. E. JONES (Callide), asked the Secretary for Public Lands and Irrigation—

“Is it a fact that the Land Administration Board has refused to undertake the clearing of vacant Crown land within the town area of Rockhampton in the vicinity of the Peanut Marketing Board because of the heavy cost involved and the recurring nature of the expenditure, and that such land, apart from being unsightly, constitutes a definite menace to public health as a harbourage is afforded for the breeding of rats and vermin, while, on the other hand, private owners are being compelled to clear similarly affected land within the area?”

Hon. P. J. R. HILTON (Carnarvon) replied—

“The Land Administration Board has advised the Rockhampton City Council that the Department is not prepared to clear and drain the area referred to at the present time. When a demand for building sites in this area is evident, consideration will

be given to the matter of preparing the land and making it available for auction. It would not be an economic proposition to clear the land at this stage because of the regrowth that would eventuate before the land was disposed of.”

PAPERS.

The following papers were laid on the table, and ordered to be printed:—

Report of the Council of the Queensland Institute of Medical Research for the year 1955-1956.

Report of the Queensland Radium Institute for the year 1955-1956.

The following papers were laid on the table:—

Order in Council under the State Electricity Commission Acts, 1937 to 1954.

Order in Council under the Southern Electric Authority of Queensland Acts, 1952 to 1954.

FIRE BRIGADES ACTS AMENDMENT BILL.

THIRD READING.

Bill, on motion of Mr. Moore, read a third time.

SUPPLY.

COMMITTEE—FINANCIAL STATEMENT—

RESUMPTION OF DEBATE.

(The Chairman of Committees, Mr. Clark, Fitzroy, in the chair.)

Debate resumed from 16 October (see p. 918) on Mr. Gair's motion—

“That there be granted to Her Majesty, for the service of the year 1956-1957, a sum not exceeding £1,122 to defray the salary of the Aide-de-Camp to His Excellency the Governor.”

Hon. E. J. WALSH (Bundaberg—Treasurer) (11.6 a.m.): When we adjourned last night I had dealt with several matters raised by hon. members during the closing stages of the debate. However, there is one matter that I think I should refer to this morning as it is of public interest and is probably of some concern to hon. members who represent metropolitan electorates. It relates to the proposal by the Brisbane City Council to permit of the installation of a certain type of septic tank. I would not raise the matter here were it not for what I believe to be wilful misrepresentation. I think hon. members will agree that I have some justification for using that expression.

I do not think “The Courier-Mail” is to be commended for taking notice of statements by aldermen or other spokesmen of the Brisbane City Council without first making some inquiries. As a matter of fact, the other

evening I proffered the information to "The Courier-Mail" representative that the matter was being investigated. Until then I had not been asked by the Press to comment on the matter, nor to my knowledge had any officer of the Department of Local Government. However, statements appearing in the sub-leader in this morning's "Courier-Mail" were serious enough to cause me to inquire from the Director of Local Government whether they had any substance. We hear a good deal about the liberty and the freedom of the Press, particularly the monopolistic Press, but they want it all their own way. They have no regard for the integrity of the reputations of officers responsible for public administration; rather do they accept statements by the Lord Mayor, or other spokesmen for the Brisbane City Council, without caring about whether they defame public officers. Once they make a statement it is very difficult to erase its effect from the public mind.

Among other things "The Courier-Mail" said—

"In this matter, so important to many citizens of Brisbane, State Government authorities appear to have treated a local authority with characteristic procrastination and casualness."

Very few people would take notice of the word "appear". What they would notice are the words—

"... treated a local authority with characteristic procrastination and casualness."

Another part of the sub-leader says—

"According to the chairman of the City Council health committee (Alderman Gregory), it received no official reply from the Director of Local Government to a report submitted to him six months ago of the Council's trial of the new septics."

If that was Alderman Gregory's statement, I say it was a wilful, deliberate lie. That is as far as I can go in speaking of someone outside this Chamber. No report has ever been received by the Director of Local Government, as a perusal of the file will prove.

There seems to be some anxiety on the part of the Council to persist with the installation of this type of septic tank. For what reason, I do not know. I shall leave it to hon. members to judge for themselves after I have given them the information that I have here.

The Standard Sewerage By-laws covering the whole State were introduced in 1949. They govern not only sewerage but also septic tanks and are administered by each local authority. They were drafted by an expert committee, of which a council officer was chairman and on which the council had one further representative. The committee was unanimous in recommending the by-laws, which were accepted and approved by Parliament.

Apparently when the Department of Local Government drew the Council's attention to the by-laws and their force in law, it became, in the reported words of the Lord Mayor, guilty of "blind bureaucratic obstruction and stand-over tactics". Simply because the Director of Local Government, in his desire to have local authorities well informed, brought this to the notice of the Brisbane City Council, the Lord Mayor applied those terms to him and his officers. I resent it on behalf of Mr. Sewell and his officers. The plain fact is that the laws made by Parliament have to be obeyed and the council, as a responsible constituted authority, would be well advised to reconsider action that might place it in the position of a law-breaker.

The proposed septic closets are connected to a tank in which the nightsoil is treated by anaerobic action. It seems to the department that such a tank constitutes a septic tank for the purposes of the by-laws. Moreover, the Standard Sewerage By-laws make provision for the standard of a water closet pan connected to a septic tank. This pan has to have a water seal.

It is pointed out that neither the Lord Mayor nor Alderman Gregory has stated in recently published reports that the whole matter of septic closets has been considered by the Metropolitan Works Board in February last. The board, constituted under the City of Brisbane Acts and comprising two council officers, and two State Department officers, and under the chairmanship of a council officer, had recommended against the approval of the type of septic closet envisaged by the council. Alderman Gregory was reported as saying that a comprehensive report on the septic closets was submitted to the Director of Local Government some six months ago. There is no record in the department of that report having been received nor of any submission having been made to the Local Government Department by the council in the matter. The Director's letter to the council was in reply to a letter addressed to the Department of Public Health by the Mayor earlier this month.

Finally I inform hon. members that the Government have in mind certain amendments of the Standard Sewerage By-laws and that has been clearly indicated to the council. The Government appreciate the problem of the disposal of effluent in certain areas of Brisbane and in other areas of the State. It is feasible to design and construct a type of water closet pan operating on a limited flow of water which will be acceptable and which will incorporate a water seal. I propose to make recommendations to the Government on that at a later stage.

I point out the deliberate misrepresentation by the representative of the Brisbane City Council when he said that certain reports were submitted to the Local Government Department. In fact they have never been submitted.

Again there is the suggestion that the council was guided by the reports. It is clearly indicated in the particulars supplied to me by the Director of Local Government that the committee I have referred to, under the chairmanship of one of the council's own officers, has recommended against the device.

Mr. Hiley: What was the date of that recommendation? Was it some time earlier this year?

Mr. WALSH: It would be. They considered it last February, as I have already said. I indicated in the Press that I had authorised an officer of the Local Government Department to go to Victoria with certain officers of the City Council to inspect certain types of pedestals of septic tanks used there. I think hon. members will agree that we cannot treat the health of the community as lightly as the Brisbane City Council wants to treat it.

I make this statement because I think it is my responsibility and obligation to protect officers against statements of the sort made by the Lord Mayor and aldermen and others who speak for the council—who do not reveal their names—and also against "The Courier-Mail," for the slurs that have been cast on an officer. I do not think there is any hon. member on either side of the Chamber would not agree that if every phase of public administration was conducted as efficiently as it is under the Director of Local Government we should have very little to complain about.

Mr. Aikens: Your paramount duty is to protect the health of the people.

Mr. WALSH: That is so, and we propose to see that is done.

I will now deal with matters pertinent to the Budget. The hon. member for Coorparoo certainly made a very clear analysis of the Financial Statement and the Tables submitted to the Chamber. The hon. members for Toowong and Coorparoo in their professional spheres at least have some capacity to analyse the financial question. If they submit opinions to the Chamber, unbiased opinions free of party political approach, they can be of value to both sides of the Chamber. Whilst I do not agree with all the opinions of the hon. member for Coorparoo at least I give him credit for taking the time to go into the Financial Statement and examine it very carefully. Many of his views, of course, are contrary to those expressed by the Leader of the Opposition. The Leader of the Opposition complained about under-expenditure in certain trust funds. He said that we could not spend all our money and so we tucked it away in reserves. On the other hand, the hon. member for Coorparoo very rightly says that the reserves are being expended and opined that they will be exhausted this year. I do not entirely agree with the latter opinion.

Mr. Hiley: Do you think it will be before the end of the year?

Mr. WALSH: I am not even committing myself on that. I think I made it clear last night how serious the position is. Probably after next Friday, when the announcements are made about the basic wage, we will have a clearer picture of our difficulties.

Mr. Hiley: You will see Christmas out, but watch out for Easter!

Mr. WALSH: Yes. Santa Claus might turn up at Christmas time. You never know!

The hon. member for Coorparoo made some reference to increased governmental expenditure. It must be conceded that there has been increased governmental expenditure because we do not intend to remain static. There is so much to be done in a State like Queensland, with its increasing population and the constant demand by the Commonwealth Government for increased production from primary and secondary industries. It is only natural that there must be increased expenditure.

The hon. member quoted the figure of £64 per capita over the last decade in respect of Queensland's public debt. I do not think it is the right thing for hon. members to set out on a plan, deliberate or otherwise—and it may have been unintentional on this occasion—of writing down their own State without making a comparison with other States. By that I am not making any excuse at all for any wasteful expenditure that might be incurred by this State or any other State. At least I think it will be agreed that when it comes to rural industry there is no State lends itself more to such potential development than Queensland. That takes in all the miles of roads, bridges and water schemes that must be undertaken. It must be agreed that development under these heads in the last 10 years has been substantial.

For the information of hon. members let me compare the increase in the public debt from 1946 to 1956. At this stage I ask the Committee's indulgence to permit me to incorporate in "Hansard" certain tables of figures taken from public documents. They contain information useful to hon. members generally.

The table shows the increase in public debt per capita from 1945-1946.

INCREASE IN PUBLIC DEBT—PER CAPITA

	30th June.		Increase.
	1946.	1956.	
	£ s. d.	£ s. d.	£ s. d.
Tasmania ..	124 13 2	380 15 2	256 2 0
South Australia ..	174 9 1	299 17 0	125 7 11
Victoria ..	88 15 0	171 7 11	82 12 11
Western Australia ..	196 16 0	278 6 6	81 10 6
New South Wales ..	119 19 2	196 9 3	76 10 1
Queensland ..	122 6 8	184 6 9	62 0 1

The public debt per capita in Queensland in 1946 was £122 6s. 8d. and in 1956 it was £184 6s. 9d., or an increase of £62 0s. 1d. In South Australia the public debt in 1946 was £174 9s. 1d., in 1956 it was £299 17s., an increase of £125 7s. 11d. The per capita increase over that period was lower in Queensland than in any other State in Australia. Again I do not make any excuses for what might be regarded as wasteful expenditure, even in this State. The hon. member for Coorparoo said that the currency depreciation was largely due to such expenditure by Governments. I shall show that the State Governments—I emphasise this—are taking a lesser proportion of the national income now than in previous years, while there is a clear indication that expenditure on Governmental projects in Queensland is not increasing at the rate it has increased in South Australia under a Liberal-Country Party Government, where £125 per capita has been added to the public debt over that period, and only £62 under Labour in Queensland. The hon. member for Coorparoo quoted figures to show that the expenditure from Consolidated Revenue had increased from £22 16s. 9d. per capita in 1945-1946 to £57 4s. 3d. in 1955-1956, an increase of 150.5 per cent. During the same period, the basic wage in Queensland increased by 135.9 per cent. That indicates that there was a substantial increase from the Consolidated Revenue Fund. The decisions are made by the Industrial tribunals, and just as employers outside have to accept the decisions, so the Government have to accept them too.

Let us compare Queensland's increase in revenue, expenditure by 150.5 per cent. with that of the other States. Tasmania increased from £16 2s. 4d. per capita in 1945-1946 to £46 19s. 9d. in 1954-1955, the latest figure available, or 191.5 per cent.; Victoria increased from £17 9s. 2d. per capita in 1945-1946 to £49 5s. 9d. in 1955-1956, an increase of 182.3 per cent. South Australia during the same period rose 162.7 per cent., from £25 18s. 1d. to £68 0s. 10d. Western Australia increased 161.5 per cent. from £29 8s. 1d. to £76 17s. 8d. New South Wales is the only State that shows a lower increase than Queensland, under a Labour Government. We have watched our finances pretty carefully and the result is a credit to this Government. In New South Wales the figure was 132 per cent., a rise from £24 3s. 3d. to £56 1s. 3d. Whereas governmental loan borrowing programmes in 1951-1952 represented 5.88 per cent. of the gross national product, the figure for 1955-1956 was 3.66, or a reduction of 38 per cent. I think it will be agreed that my earlier statement that State Governments are not absorbing a larger proportion of the national product, as some people say, is confirmed by those figures. I have not got the figure for 1956-1957 but I understand it will be lower and the reduction greater.

Having produced those figures, I ask the hon. member for Coorparoo through you, Mr. Clark, how he can sustain his statement that this over-expenditure, as he termed it, is an important factor in the inflationary trend. That cannot be blamed onto governmental expenditure. It is not the cause of this trend.

I turn now to the total expenditure by public authorities during 1955-1956. That represented 26.8 per cent. of the gross national product, compared with 29.5 per cent. in 1951-1952 and 28.3 per cent. in 1952-1953.

I know the figures are boring and are not used by newspapers, but it is necessary to quote them to disprove statements made from the platform and statements that are printed in the Press, that governmental expenditure is largely responsible for the inflationary trend throughout Australia. The figures disprove that.

I have already stated that the governmental loan borrowing programme fell from 5.88 per cent. of the gross national product in 1951-1952 to 3.66 per cent. in 1955-1956. Take the other side of the picture. This will be of special interest to the hon. member for Chermiside and others who, with him, are always apologising for the Commonwealth Government. The figures prove that the Commonwealth Government and the Federal Arbitration Court are largely responsible for a lot of the financial and industrial trouble in Australia today.

When thinking of Commonwealth expenditure I can sympathise with the attempt by the hon. member for Coorparoo to get that motion passed by the Liberal Party convention. I know what he was aiming at. He wants the Commonwealth Government to finance their public works by loans. There is no good reason why the Commonwealth should not be in the same position as the States, they should share the surplus revenue with the States, so that the position would be fair. These are the figures for Commonwealth expenditure from revenue on capital works and services—

Year	Percentage.
1950-1951	2.04
1951-1952	2.89
1952-1953	2.47
1953-1954	2.07
1954-1955	1.98
1955-1956	1.96

The percentage appropriated for 1955-1956 is 2 per cent. The percentages for the same period in respect of the States' borrowing programme are 4.31, 5.88, 4.54, 4.41, 3.72 and 3.66. The States' borrowing programme for 1956-1957 is the same as that for 1955-1956, that is, £190,000,000, despite the estimated increase of 10 per cent. in costs, which would clearly indicate that the volume of work will be less. The Commonwealth are increasing their expenditure from £101.9 million to £109.7 million an increase of 7.65 per cent. Approximately £8,000,000 extra is

being taken out of revenue on which no interest is being paid. All Commonwealth expenditure throughout the Commonwealth, including the Snowy River project and all other projects, is financed by taxation, and other surplus revenue is loaned to the States at the full rate of interest. The Commonwealth incur no interest indebtedness.

The hon. member for Coorparoo referred to the fact that no debit balances were written off during 1955-1956. With a deficit of £1,700,000, why would we proceed to write off debit balances in certain trust funds?

Mr. Hiley: To present a clear picture of the financial result for the year.

Mr. WALSH: In a previous analysis of a Financial Statement he, in trying to criticise our careful husbanding of finances, drew attention to the fact that we had tucked funds away and so wrote off those debit balances. He said that we could take this and that away by writing off the debit balances of Collinsville and funds in connection with the Department of Agriculture and Stock, but what would happen? I could see what he was driving at. Instead of the deficit being £1,723,000 it would be greater.

Mr. Hiley: Really the deficit was greater.

Mr. Munro: Could you give us an idea as to what would be the real deficit for the year if you took into account all the debits and profits?

Mr. WALSH: I do not think the hon. member is serious. As a matter of fact, I have some remarks to make on that as I go along. I am surprised that the hon. member should ask me such a question after hon. members have been supplied with the fullest possible information. I doubt whether he would get such full information as that submitted by Queensland Labour Governments, particularly this year, in any other Parliament of Australia. All the trust funds are set out showing how the money comes in and goes out.

Mr. Hiley interjected.

Mr. WALSH: I think the hon. member would be qualified. I can remember trying to study sugar-mill balance sheets, and believe me I had great difficulty in following them. I should, however, like to put the hon. member for Coorparoo right in regard to the Fish Supply Fund. It is not a Government fund; it is a loan so far as the Government are concerned. There are loans to the Fish Board and that board pays interest to the Government distinct from the normal amounts in public administration. The board is a trading body.

Mr. Hiley: Have they got the capacity to swallow the losses they suffer?

Mr. WALSH: The Fish Board will determine that. It is representative of the distributors and the fishermen. I leave

those problems to the board. The hon. member also suggested some new remedies and spoke of new taxation on consumption, not production. I should have to get legal advice on that because I take it that a tax on consumption, and not on production, would necessarily involve a sales tax.

Mr. Hiley: Not necessarily.

Mr. WALSH: I do not know of any other way to get over it. I should imagine that the Commonwealth authorities would challenge the legality of a State sales tax. All the avenues open to the State will be carefully examined. He proceeded to say that we might apply to the Commonwealth Grants Commission. The Premier has already indicated what has been done. We have reached the stage when we have every justification in going to the Commonwealth for help by way of grants. There is no reason why we should hesitate to do it. That suggestion will be given consideration.

Mr. Hiley: The proposal this morning about linking gauges strengthens your hand further.

Mr. WALSH: We could spend £40,000,000 on water conservation and forestry and such things first and then these other proposals could be considered at a later stage.

He also referred to interstate hauliers, a question wrapped up with the High Court decision on Section 92 of the Commonwealth Constitution. As for approaching the hauliers on a voluntary basis, the only terms they would agree to would be their own. The Government should have it in some other way for the great body of motorists, because they suffer also when the State Government cannot impose a tax on interstate hauliers.

Mr. Hiley: More than the motorists suffer.

Mr. WALSH: It is the motorists particularly who suffer. The cost of roads comes from motor registration fees, petrol tax, and so on, a large proportion of which is contributed by the private motorist. He is getting poor roads because of the damage done to them by interstate hauliers.

The hon. member spoke about home insurance policies. That is a phase of Government policy that we regard as worth while. I realise it has some disadvantages for the Treasury.

Mr. Hiley: Why don't you carry your own risk?

Mr. WALSH: We decided to do it this way for special reasons.

Mr. Hiley: You were bursting with money then. Now that you are hard up, why don't you save the premiums?

Mr. WALSH: The only saving that the Government can make under any heading will be pointed out to us if we approach the

Commonwealth Grants Commission for aid. They will make a careful examination of our methods of finance. I have been told that after the Commonwealth Public Accounts Committee had made an examination of the budgetary systems of all the States one of its outstanding officers recommended that the Queensland budgetary system should be adopted. I regarded that as a compliment to the Queensland Government.

The hon. member for Chermiside referred to the increase in the number of public servants between 1939 and 1956. A dissection of the figures shows that there has been an increase of 206 per cent. in the Commonwealth Public Service since 1939, 58.83 per cent. in the number of State and semi-government employees, and 13.4 per cent. in the number of local-government employees. Those figures are very different from those quoted by the hon. member. He said there had been an increase of 176,000 employees, which at £1,000 each was costing millions of pounds. He blamed the Commonwealth Labour Government of 1942 for the increase in the Public Service. It is useless to criticise what happened during the war, when we were facing a crisis. The number of Commonwealth Government employees rose from 68,512 in 1939 to 185,997 in 1942, but the latter figure included civilian employees of the United States Forces. They would be part of the war effort. To get a fair comparison, the number of civilians employed by the United States Forces would have to be eliminated from the figures. There was no increase between 1942 and 1949 as claimed by him.

Uniform taxation has been mentioned. Despite statements by the Premier and me, both publicly and in the Chamber, there is an impression abroad that the return of taxing powers to the States rests largely with the States. I have said quite clearly on previous occasions that the only people who can say whether taxing powers are to be returned to the States are the Commonwealth Government. They introduced the law to take taxing powers from the States, and only they can repeal it.

Mr. Hiley: The only effective power they have retained is the priority clause.

Mr. WALSH: That is so, but Section 11 (2) of the Commonwealth States Grants (Tax Reimbursement) Act of 1946, provides, *inter alia*, that such grants—

“Shall be made on the condition that the State shall not impose a tax upon incomes in respect of that year, and if, after the close of that year, the Treasurer gives notice in writing to the Treasurer of the State that he is not satisfied that the State has not imposed such a tax, the advances shall be repayable and shall be a debt due by the State to the Commonwealth.”

That is in the Act, so hon. members will see the handicap that the State starts off with. When it was taken to the High Court and the validity of the priority rights of the

Commonwealth was challenged, the High Court upheld the Commonwealth. It may have been a war-time decision. I do not know. So many decisions given by the courts in war-time are not tenable in peacetime.

Mr. Hiley: On the published judgment, they accepted it on grounds unrelated to the defence power.

Mr. WALSH: That is true. I know they took the powers and there was an undertaking to return them after the war, but no Federal Government would be in a hurry to return such powers. While they have taxing powers in their hands they have a great weapon to use over the States, believe me.

Several hon. members have taken the reference in the Financial Statement to the Commonwealth-States relationship as being criticism. That inference cannot properly be read into the Statement, because what is said there about it is factual. If hon. members want to find criticism, let me draw their attention to the comments of the Liberal-Country Party Premier and Treasurer of South Australia. Remember that he has been in power for something like 24 years. He delivered his last Budget on 18 September, 1956, and said, *inter alia*—

“Several factors have combined to place the State in this difficult position, but, in the main, they derive from the heavy dependence upon Commonwealth grants, both through the tax reimbursement arrangements and the operations of the Commonwealth Grants Commission. I have, on many previous occasions, pointed out that the uniform income tax arrangements particularly prejudice this State’s finances, both because the State is deprived of an adequate and flexible source of income and because it is deprived of the natural return through income tax from the State’s development and prosperity. At no time more than the present has the unsatisfactory nature of the Commonwealth-State financial arrangements been so apparent. It is noteworthy that in 1956-57 the Commonwealth proposes to return to this State in tax reimbursement grants only about 27 per cent. of the income taxation raised from the State.

“In its treatment of the States the Commonwealth has adopted the policy of limiting their expenditure by strictly limiting the loan and revenue finances available to them.”

If I were to make that comment in my Financial Statement, it would be regarded as party politics. He continues—

“Unfortunately the States, and particularly the three smaller States, are being forced to face a peculiarly difficult problem which is not experienced by the Commonwealth Government—that is, a prospective shortage of cash. The Commonwealth revenues not only suffice to

cover its normal expenditure, but they cover virtually all capital expenditures of the Commonwealth and provide a further sum of the order of £100,000,000, which is to be lent at full interest rates to the States for their capital purposes. This State, on the other hand, has insufficient revenues for its normal expenditure purposes, and there can be no question of providing any capital funds from current State revenues."

How similar their position to ours! He continues—

"At the same time the borrowed funds available to the State are insufficient to meet the bare needs of the rapidly expanding South Australian economy for homes, schools, hospitals, water, transport, and the like."

Is that story any different from the one that the Premier and other members of the Government and the Labour Party have continually told in this Chamber?

Mr. Nicholson: It shows they do not play favourites.

Mr. WALSH: I will deal with that later on. The words of the South Australian Premier are very strong words of condemnation. While they are factual they in effect condemn the Commonwealth Government's policy, too.

Dr. Noble: No matter what Government were in power they would still hang on to taxing powers.

Mr. WALSH: I have already said that no matter what Government are in power they would do their best to hang on to taxing powers.

Let me compare South Australia with Queensland. If they are in such a difficult financial position, just how have they got there? The following are the per capita figures for 1956-1957:—

	South Australia.			Queensland.		
	£	s.	d.	£	s.	d.
Tax Reimbursement Grant ..	18	3	10	19	15	6
Commonwealth Grants Commission Grant ..		6	15	8	Nil	
Loan Raisings ..	30	11	10	15	17	8
	<hr/>			<hr/>		
	£55	11	4	£35	13	2

On those figures there is an amount of £20 per capita more for South Australia than Queensland.

An Opposition Member: You have a big pad there.

Mr. WALSH: I have a lot of useful information. Time does not permit me to reply to all the comments about current industrial problems—the operation of the railways, education, high school tops, housing, and numerous other things. I do not propose to do so.

1956—2κ.

Generally speaking, there has been very little real criticism of the Budget because I think all hon. members appreciate the State's financial position. No doubt they have the same opinions about the other States and their relationship with the Commonwealth Government. I realise that hon. members opposite for political reasons do not like to express themselves as freely as we expect them to.

Full details of the financial transactions and proposals are contained in the documents presented this year. Apparently the only serious criticism is directed to the failure of the Government to disclose their future intentions towards increased taxation. Whether that is done in an endeavour to score off the Government or whether there is a sincere thirst for knowledge, I do not know. I can assure hon. members that there is nothing underhand on the part of the Government and any new taxation must be legislated for in the House. There will be nothing hidden from hon. members. Until we see the position more clearly we should hesitate to embark upon any extensive plan of taxation. I do not think any of us know what the ultimate position will be about increased wage costs. Whatever might emerge from the conference to take place next month is all up in the air. Hon. members will agree that no matter how good the intentions may be of the respective governments, there will naturally be conflict about how the problem should be overcome. Suffice it to say where other States have been requested to withdraw certain directive powers to the courts in those States, that does not apply to Queensland. I hate to think there would be any proposal to this Government that they should incorporate in legislation power to direct the Court in the reverse. It has been the practice ever since the Court was established under Labour Government that there should be no direction to the Court. It has been left to the Court to declare the basic wage quarterly or annually or every two years, as the case may be. As a matter of fact, in pre-war days the wage was not increased unless there was an application by a union or the Court did so on its own motion.

Mr. Hiley interjected.

Mr. WALSH: As far as the Act is concerned a direction has never been written into it. We have laid these things down as principles in the legislation. I do not think it would be proper that we should accept any decision to direct the court to interfere with decisions here.

The hon. member for Fassifern after a casual examination of the Financial Statement mentioned several things. He said that less than £1,000,000 had been spent in the Department of Agriculture and Stock. He pointed out how important that department was to the economy of the State and the development of export industries, which

is true. We agree with those factual statements that are realistic and obvious. With all the data available one would think that he would have examined the figures carefully, but he was a long way out. I shall draw a comparison between the treatment of the farmers and the Department of Agriculture and Stock by this Government and a previous Government even if I have to go back a long way. In 1928-1929 under a Labour Government the amount appropriated for the Department of Agriculture and Stock was £300,296, and in 1929-1930, under a Tory Government the amount was £297,414; it dropped further to £250,526 the next year and still further to £209,837 the following year. Let us contrast the position under the present Government. All through the period from 1932-1933 there has been a tendency to increase the allocation for the Department of Agriculture and Stock, and the amount has risen steadily until this year it has reached the figure of £2,131,730. That is in contrast to the figure quoted by the hon. member for Fassifern as being below £1,000,000 last year. It is not the fault of the Treasury if they do not spend what is allocated to them. Allowing for that, there was an amount of £1,994,812 provided last year for the Department of Agriculture and Stock. That is almost double the figure quoted by the hon. member who overlooked the fact that just under £1,000,000 was expended from trust and special funds.

In previous years hon. members claimed that the disclosed surplus was understated. The hon. member for Toowong endeavoured to state the true deficit as follows:—

	£
Deficit as shown	1,723,438
Reduction in—	
Hospital Motherhood and Child Welfare Fund	1,251,413
Post-war Reconstruction and Development Fund	2,546,455
Total	5,521,306

The hon. member for Toowong acknowledged that some of the expenditure from the Motherhood and Child Welfare Fund and Post-war Reconstruction and Development Fund was expenditure ordinarily charged to revenue whilst other expenditure would be on capital work normally paid from loan funds. That is not denied. I think we are justified in transferring money from that fund even for the erection of nurses' quarters. What is the use of a maternity ward if accommodation is not provided for the nurses? The sum involved is not large. Certain works should be financed from loan funds in normal years, but in view of the financial position the decision was justified. In other years those funds are conserved, if sufficient loan money is available. I think the step taken was desirable.

The hon. member asked a lot of questions on this subject. I again draw his attention to pages 80 and 86 of the Estimates of

Probable Ways and Means and Expenditure tabled with the Financial Statement. Table D5, which I commend also to the hon. member for Chermerside, gives details of transactions in the Post-War Reconstruction and Development Fund. The hon. member for Chermerside referred to that fund and the Housing Fund.

The hon. member for Isis mentioned railway cottages, and while I do not class this as important the fact is that the Government have been increasing the amount allocated for this work over the years. This year the figure is comparable to that of last year. There has not been a reduction.

To be realistic the overall position must be considered. The figure under one heading may be low, and under another it may be high. If only one of those figures is used just to suit an argument, the real position is distorted. Take the overall position in respect of Government works and housing, that is, the amount of money raised on behalf of the States by way of loans including the amount made available to the States by the Commonwealth under the Housing Agreement. The Committee have agreed to my inserting these tables in "Hansard." This is the table in respect of Government Works and Housing for 1956-1957—

	Amount.	Per Capita.
	£	£ s. d.
Tasmania	13,400,000	40 18 10
South Australia	26,150,000	30 11 10
Western Australia	17,900,000	26 2 8
Victoria	49,800,000	18 19 4
New South Wales	60,750,000	16 16 8
Queensland	22,000,000	15 17 8

It reveals that in respect of Government Works and Housing Queensland has a lower per capita allocation than any other State, £15 17s. 8d., compared with Tasmania £40 18s. 10d. and South Australia £30 11s. 10d. In respect of normal loan works and housing the figures reveal that the other States have been allocated substantially more than the amount allowed for Queensland.

We have heard a great deal about the neglect of the North. I shall give the figure in respect of the Railway Department. The allocation for "Cottages for Employees" in the Northern Division is £22,281 greater, or 2½ times the amount expended last year. It is over 50 per cent. of the total allocation for the State.

Incidentally, the Budget contains ample evidence that the Government have not forgotten the North. I draw attention to a few of the items. On page 22 of the Financial Statement the new tobacco research station is mentioned. On page 23 the Mareeba-Dimbulah irrigation project is dealt with. Last year £2,187,500 was spent on this project, and for 1956-1957 £2,133,000 has been provided on the Estimates. On page 24 the development of bauxite possibilities in Cape York Peninsula is mentioned. On page 25 the statement

refers to the expansion of mining activities in the North-West, Mt. Isa Mines Ltd. and the Mary Kathleen uranium mine. The Tully Falls hydro-electric project is also mentioned on that page. On that project in 1955-1956 £2,238,612 was expended, and the amount appropriated for 1956-1957 is £2,890,000. Improvement of the transport facilities in the North-West to provide for the expansion of Mt. Isa Mines and development of Mary Kathleen mine is mentioned on page 26. The installation of bulk handling facilities at Mackay, Lucinda Point, Townsville and Cairns is dealt with on page 27 and at page 29 reference is made to the new mental hospital at Charters Towers. In addition £464,537 has been spent on the Burdekin River high-level bridge, which will be open to traffic next year. A further £217,000 has been appropriated for this year. A sum of £398,080 was expended on the Burdekin River project last year and £158,000 has been appropriated this year. Those figures are exclusive of other capital works such as main roads, State schools, other public buildings, and railways.

At this stage I should like to make reference to a proposal in respect of Mt. Isa, not that there is anything the Government can discuss. We know the prospects of development in that area. The Premier has had some discussions with the Commonwealth Treasurer, Sir Arthur Fadden, and officers of the International Bank who recently paid a visit to the North West. I had the opportunity of having a short talk with them on their return to Brisbane. I think there is a growing interest in the possibility of very extensive development up there. Here again the State no doubt will be called upon to shoulder a fairly substantial part of the liability to be undertaken. We are not going to quibble provided the Commonwealth Government will come in and give help as they have done to the other States in regard to the development of other national projects. I do not think that the States should be asked to carry the whole burden of the development in that area when it is so important to the national economy. The project at Mt. Isa will have a very important bearing on our overseas trade balance. In that respect the Government recently made a decision in regard to a subsidy policy at Mt. Isa. The Mt. Isa company is undertaking to construct something like 500 houses in the area. A company has the contract also of installing a septic or sewerage system, electric light and water supply and will provide for the construction of roads in the housing settlement area. Normally, if the local authority undertook the work it would be entitled to a subsidy under the headings, water supply, road construction and so on. That being the case, if the company is going to undertake all this work in regard to water supply, road construction and so on and hand over these phases of construction that normally would be the function of a local authority, free of cost, the Government after consideration, think it

is only reasonable that the company should enjoy the subsidy that would normally go to the local authority itself.

Mr. Hiley: A very good move.

Mr. WALSH: We would have made a contribution to the local authority, and the mere fact that a private organisation will undertake the construction is no reason why it should be handicapped by being asked to carry the whole expense. It will cost the Government less than if the local authority undertook the work because the conditions stipulate that there will be a firm estimate of the cost by the company. That estimate will be carefully scrutinised by departmental officers and, having been certified to by them it will be the accepted figure on which the subsidy will be paid. If the cost is 10, 15 or 20 per cent. more, the company will not get a subsidy on the excess.

Mr. Hiley: Do you think that if you applied the same principle to local authorities it might have a beneficial effect?

Mr. WALSH: That is the proposal and the Government have examined it in respect to the expansion of an important industry. Whether we agree to that principle in the case of normal development, such as better roads or better facilities, is another matter. I thought I should mention it to show that apart from any decision which might be made by the Commonwealth Government, the State is keen to help the Mt. Isa company. I have visited the area two or three times, and my own personal opinion is that the Mt. Isa company is to be commended for what it has done in providing amenities. If every other company had the same outlook it would be much better. I have in mind Mt. Morgan from which mine much wealth has been taken. It was not until Mr. Shiel, the present general manager, took over, that any interest was taken in these local matters.

During 1955-1956 loans and subsidies totalling £5,798,568 were paid to local authorities and other bodies. Of this amount £1,643,628, or 28.3 per cent., was made available to bodies from Mackay north, an area that contains 17.8 per cent. of the State's population.

The Leader of the Opposition apparently does not understand that the Government have only limited reserves to cushion the effect of a shortage of revenue and loan moneys. He contends that funds transferred to the Post-war Reconstruction and Development Fund should have been used. On the one hand we are told to spend more money, and on the other the hon. members for Coorparoo and Toowong, and others, stress the necessity for curbing expenditure. Hon. members opposite had better agree among themselves before they seek to advise me on what they think is the correct course to follow.

Mr. H. B. Taylor: There are different circumstances in different years.

Mr. WALSH: But those things were said during the course of this debate.

The present credit balance of the fund is £2,248,051, which is £676,701 less than interest on investments, amounting to £2,924,752 which has been paid into the fund. Actually, it is nearly all represented by interest earned from the investment of other trust funds, amounting to £2,133,140.

The hon. member for Chermside said he was qualified to deal with all these figures because he had passed the Junior University examination. He read them without reference to other relative information. He said that receipts paid into the Post-war Reconstruction and Development Fund were no doubt moneys received as part of the income tax reimbursement grant. He said we could not use them at the time and so transferred them to that fund. That is not so. The hon. members for Toowong and Coorparoo, and other hon. members who have studied the figures, know that the interest from Trust and Special Funds must go into that fund.

Mr. Hiley: Not all the Trust Funds.

Mr. WALSH: There may be an odd one here and there where funds are invested in accordance with the provisions of specific Acts.

Mr. Hiley: Interest on investments by the State Government Insurance Office does not go into it.

Mr. WALSH: The State Government Insurance Office is a trading organisation.

(Time, on motion of Mr. Robinson, extended.)

Mr. Morris: How much extra time is being granted to the Treasurer?

The CHAIRMAN: Time to enable him to complete his speech.

Mr. WALSH: I thank the Committee for the privilege extended to me. I am trying to provide hon. members with a comprehensive picture of the position.

Mr. Hiley: You have been very good this morning.

Mr. WALSH: I think hon. members will agree that I am under a handicap in having to reply to the speeches of 36 hon. members for which I have no more time than that given to the Leader of the Opposition to put his case.

Mr. Morris: We should abide by the Standing Orders.

Mr. WALSH: I agree, but there are occasions when they might be relaxed. Some people would be content to get it over and done with, but I want to place on record as much information as possible. It will be useful not only to hon. members, but to the public generally.

The Leader of the Opposition said that a sum of £2.7 million is in the Unemployment Insurance Fund. I explained that last

night. There are 90 Trust and Special Funds. It does not follow that the amounts shown to the credit of any of those funds are represented by cash in hand. The hon. member for Coorparoo said, and the hon. member for Toowong has said on many occasions, that it would not be long before we would be going up the dark lanes. They know that our cash position is getting more desperate every day. It is not fair to suggest that we have those sums in cash. If we expended any part of the £2.7 million we would simply reduce the amount of cash available from other Trust and Special Funds. We would not increase the amount of cash available to us.

The hon. gentleman rightly said we had underspent by £2,625,911 during 1955-1956. I am not responsible for seeing that every department spends the money allocated to it. Indeed, I impress upon the departments the need to save. The hon. gentleman misrepresented the position when he said that I withheld expenditure and used the funds to bolster up reserves. That argument has been destroyed by the statements of his colleagues.

He referred to under-expenditure from the Forestry and Lumbering Fund by £356,000. I do not know that many hon. members would be better qualified than he to know that, because of bad weather, harvesting would be down and harvesting payments would be less. Expenditure equals receipts; in other words, we have spent everything that has come in.

The Commonwealth Aid, Local Authority Roads, Fund has a credit of £417,000. Although £1,460,600 was appropriated for local authorities, they claimed and received only £1,044,017. I should like the Leader of the Opposition to understand that that balance is not available to the Government. Furthermore, the unexpended balance of £417,000 merely emphasises that local authorities, not the Government, have failed to spend the money. It does not follow that that sum is available to the Government, either.

The hon. gentleman referred to the Public Service Superannuation Additional Benefits Fund, and various other trust funds. I think it is well known by now that those moneys are invested on behalf of the fund and interest earned is returned to it.

Many of the submissions by hon. members opposite indicate an unreasonable approach to the subject. The Leader of the Opposition, while acknowledging the additional £1,150,000 being appropriated for education, sought to draw a comparison with Victoria on a per-capita basis. What I said a while ago about the overall expenditure on works and housing is true of this matter, too. An examination of the figures reveals that while Victoria is certainly ahead of Queensland in expenditure per capita on education, it is behind us in other important directions. The

latest available Commonwealth figures of the States' net expenditure on social services (1954-1955) show the following:—

	Victoria.		Queensland.	
	s.	d.	s.	d.
Education	153	8	129	9
Health, hospitals and charities . .	119	0	146	11
Law, Order and Public safety	40	6	50	5
	313	2	327	1

The Leader of the Opposition complained about our statements regarding the niggardly treatment by the Commonwealth Government. It is no good my making claims unless I can substantiate them with facts and figures. I think he will agree when I produce the figures that Queensland has certainly had a pretty raw deal considering the total revenue of the Federal Government. During 1955-1956 the Commonwealth Government received from taxation alone excluding interest charged to the States and other revenue, £997,250,000. Queensland received from the Commonwealth, by way of payments and grants £34.6 million, loans £3.3 million, a total of £37.9 million. In other words the return to this State out of all the collections of taxation by the Commonwealth of just under £1,000,000,000 was slightly under £38,000,000. There are the figures. In the early part of the Session the Leader of the Opposition asked a question about all the payments made by the Commonwealth to the States. That information was tabled. He does not have to accept my figures now. I invite him to inspect the return. It shows £34.6 million which, of course, includes the tax reimbursement grant. All the other matters relating to tobacco research and that sort of thing are incorporated in the balance of the amount.

Mr. Munro: Would there be any advantage if there were more regular consultation between the Commonwealth and the States on matters of this kind?

Mr. WALSH: It is a pity the hon. member for Toowong does not have an opportunity to sit in and listen to the State Premiers.

Irrespective of their politics it would be interesting for him to hear them make their cases. I think he would come to the conclusion that it did not matter what consultations there were, the Commonwealth Government make up their mind before the Premiers arrive.

Mr. Munro: The Premiers' conferences are spasmodic. They are not very regular.

Mr. WALSH: Maybe they are not. It is in the hands of the Premiers. Whenever the Commonwealth and all the States agree that a conference is necessary one is convened.

The hon. member for Toowong claimed that Queensland's case has not been stated as effectively as it could have been. I do not know how much harder it could have been pressed. I have sat in with the Premier and I have heard the case he put up. I will be giving interesting information during a broadcast over 4KQ, the Labour station, at 6.15 p.m. next Sunday. If the hon. member listens he will get details of what some of the southern correspondents are saying, particularly Alan Reid.

Mr. Munro: Should we not put up a case for consideration by the Commonwealth Grants Commission?

Mr. Gair: I have put it up more than once. I said that I was not too proud to take it.

Mr. WALSH: The hon. member for Toowong said that the case has not been effectively stated. Queensland received only the amount it was entitled to under the formula. That is one of the points which has been made by the Premier from time to time. The Commonwealth arbitrarily determined the figure that would be paid to other States over and above the formula. If the formula were applied to the distribution of the whole of the revenue then Queensland would benefit to the extent of about another £400,000.

This table indicates the amounts allowed to the States by the Commonwealth Grants Commission over the years—

COMMONWEALTH GRANTS COMMISSION.
GRANTS PAID SINCE 1ST JULY, 1938.

Year.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£
1938-1939	1,040,000	570,000	410,000	2,020,000
1939-1940	995,000	595,000	430,000	2,020,000
1940-1941	1,000,000	650,000	400,000	2,050,000
1941-1942	1,150,000	630,000	520,000	2,300,000
1942-1943	800,000	800,000	575,000	2,175,000
1943-1944	900,000	850,000	720,000	2,470,000
1944-1945	1,200,000	904,000	742,000	2,846,000
1945-1946	1,953,172	950,000	646,000	3,549,172
1946-1947	3,101,365	2,785,559	993,996	6,880,920
1947-1948	2,318,000	2,977,000	747,000	6,042,000
1948-1949	2,850,000	3,600,000	1,000,000	7,450,000
1949-1950	4,174,000	5,618,000	1,262,000	11,054,000
1950-1951	5,332,000	5,839,000	1,004,000	12,175,000
1951-1952	4,558,000	5,088,000	876,000	10,522,000
1952-1953	6,343,000	8,041,000	1,550,000	15,934,000
1953-1954	6,100,000	7,800,000	1,500,000	15,400,000
1954-1955	2,250,000	7,450,000	2,600,000	12,300,000
1955-1956	5,400,000	8,900,000	4,200,000	18,500,000
1956-1957	5,800,000	9,200,000	3,500,000	18,500,000
	£57,264,537	£73,247,559	£23,675,996	£154,188,092

It shows the grants paid since 1 July, 1938, and the total of £154,188,092 paid to South Australia, Western Australia and Tasmania over that period.

A sum of £154,000,000 was paid by the Commonwealth to those States over and above their tax reimbursement grants and over and above any loan moneys made available and there are no repayments. The totals in round figures are—

	£
South Australia	57,000,000
Western Australia	73,000,000
Tasmania	23,000,000

FLOOD AND BUSH FIRE RELIEF.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
1949-1950	100,000		1,000			
1950-1951	286,339	15,000	480		10,000	
1951-1952	33,376	10,000				
1952-1953	58,000	17,000				
1953-1954	105,238	2,245				
1954-1955	596,637		1,000			
1955-1956	331,991	6,000	6,354	50,000		
1956-1957 (Estimated)	115,000					
Total	1,626,581	50,245	8,834	50,000	10,000	

New South Wales got £1,626,581 from 1949-1950 including the estimated figure for the current year. Victoria got over £50,000, Queensland £8,834, South Australia £50,000, and Western Australia £10,000. The figures do not include a special grant of £2,000,000 made available to New South Wales in 1955-1956. An examination of these figures makes one wonder why the destruction of a bridge by flood in this State is not entitled to the same consideration by the Commonwealth as the destruction of a bridge by a flood in another State. The construction of a new bridge over Cattle Creek in the Mirani Shire will involve an expenditure of anything up to £160,000 to £170,000. Of course we did not anticipate that anything of that nature would happen. Such expenditure makes a big hole in the revenue. The hon. member for Toowong said that there was necessity for some consultation between the Commonwealth and the States and advocated the setting up of a consultative council. A good deal of consultation takes place between the officers of the respective Treasury Departments, and much information is collated. If the hon. member for Toowong and the hon. member for Coorparoo read the White Paper that is published they will find much information in it which could only be supplied by Treasury Departments in the different States. This morning I had the opportunity of having a talk with a prominent official of the Commonwealth Bank who is up here on a survey of banking business. There are numerous discussions and much correspondence in respect to our financial position, particularly since the private banks' savings departments started in this State. They have made inroads into the loans made available to us normally through the Commonwealth Savings Bank. I have

I have some very interesting figures on land tax. I have spent the time that hon. members opposite should have spent to equip themselves with a knowledge of land tax. Reference was made to assistance given under the heading of flood and bush-fire relief. As I stated before, the Commonwealth have given Queensland a raw deal in this matter. I produce the figures and in "Hansard", hon. members can see for themselves what the position is—

particulars embracing the return that was prepared at the request of the Leader of the Opposition in respect to the subsidies payable to the various local bodies and local authorities. When a return is placed on the table of the House it is not incorporated in "Hansard." The figures I have are part of the tables to be incorporated in "Hansard" and contain the same information as that contained in the return prepared for the Leader of the Opposition. The following table shows the Treasury loans and subsidies to local authorities from 1 July, 1932 to 30 June, 1956:—

TREASURY LOANS AND SUBSIDIES TO LOCAL AUTHORITIES.

Statement showing particulars of Treasury Loans and Subsidies APPROVED.

24 Years (1st July, 1932 to 30th June, 1956).

	Treasury Loans.	Subsidies.	Total.
	£	£	£
†Brisbane ..	7,553,835	11,562,970	19,116,805
*Other Cities ..	6,256,329	11,160,232	17,416,561
*Towns ..	2,301,805	2,242,682	4,544,487
*Shires ..	9,566,325	7,887,732	16,954,057
Other ..	125,000	270,278	395,278
	£25,803,294	£32,623,894	£58,427,188
Percentage of Brisbane to Total ..	Per cent.	Per cent.	Per cent.
	29.27	35.44	32.72

Population—Brisbane to Total 38.5

† Includes Brisbane and South Coast Hospitals Board, Metropolitan Fire Brigade Board, Brisbane Harbour, Brisbane Grammar Schools, and Southern Electric Authority of Queensland.

* Includes Hospitals Boards, Fire Brigade Boards, Harbour Boards, Grammar Schools and also Regional Electricity Boards in respect of Cities.

NOTE.—The Loan approvals are exclusive of Debenture Loans of all Local Authorities and public loans issued by the Brisbane City Council.

No doubt the Leader of the Opposition will go through these figures some day and some parts may rebound on me; I do not know. The hon. gentleman might pick out those parts that are more suitable for his case.

The hon. member for Fassifern and the hon. member for Southport dealt with many other matters. They attempted to justify the high taxation policy of the Commonwealth Government. None of us could do that, irrespective of politics.

Earlier I dealt with the return of taxing powers. I think I made clear the view of my Government. The hon. member for Fassifern should read "Hansard" to inform himself of the actual position. I have here a table setting out the information sought by the hon. member for Whitsunday, the public works in this State that assist production. I suggest that the hon. member for Whitsunday too should peruse the documents tabled in this Chamber. They contain abundant evidence that the Government over the years have carried out public works for the purpose of increasing production. Some people may argue that a loan or subsidy to a local authority is not related to production. They overlook the fact that money may be used by the local authority to improve communications, roads, bridges and so on, which are required to enable production to be increased. This table clearly sets out the developmental projects that will help to increase production and for which the Government are deserving of some credit—

Developmental.	Amount.	Percentage of Total.
	£	%
Railways	46,584,546	23.86
Loans and Subsidies to Local Bodies, etc.	40,607,556	20.80
Land Settlement	26,285,892	13.46
Rural Assistance	11,722,617	6.00
Main Roads	10,897,080	5.58
Tully Falls Hydro-Electric Project	9,185,127	4.70
Harbours, Docks and Brisbane River Improvements	4,396,416	2.25
Somerset Dam	3,287,691	1.68
Burdekin River High Level Bridge	2,538,648	1.30
Burdekin River Authority	2,409,000	1.23
Mining	1,590,350	.81
Queensland-British Food Corporation	1,201,000	.61
Rocklea Munitions Works	474,580	.24
Story Bridge	385,000	.20
Callide Road Connection	239,830	.12
Elimination of Level Crossings	90,000	.05
St. Lucia Bridge	67,700	.04
	161,963,033	82.93
Other		
Public Buildings £23,239,313		11.90
Workers' Dwellings and Workers' Homes 9,130,997		4.68
A.R.P. Equipment 464,211		.24
Advances to Railway Superannuation Fund 423,085		.22
Sundry Works 59,498		.03
	33,317,104	
	£195,280,137	100.00

Expenditure from loan funds since 1 July, 1932 totals £195,280,137. Almost 83 per cent. of the amount expended over the period can be related to production. The balance is expenditure on public buildings, workers' dwellings, workers' homes, A.R.P. equipment, advances to Railway Superannuation Fund and other items. I think it will be agreed that the expenditure on public works set out in the table materially assists production.

I have referred to the public debt.

The hon. member for Isis said quite a good deal about assistance from the Commonwealth Government for loan works. I asked him to mention the figure, but he did not do so. All the information is set out in the Financial Statement and Tables which were available to him. According to his statement the amount could be anything from £1,000,000 to £100,000,000.

I now come to the sources of the State's loan expenditure for 1955-1956. This will be of interest to the hon. member for Toowoong and Coorparoo. Public loan proceeds amounted to £12,303,000 or approximately 56.8 per cent. of the total. The amount from the Commonwealth was £3,284,000, representing 15.2 per cent., domestic raisings amounted to £3,257,000 or 15 per cent., repayments totalled £2,390,000, representing 11 per cent. and loan fund cash amounted to £421,000, representing 2 per cent. Hon. members will note that a little over half the total loan expenditure came from public loans and £3,284,000 from the Commonwealth. That was a special loan made available under the terms and conditions agreed to by the Loan Council. In 1954-1955 Queensland received £2,467,000 or 12 per cent. from the Commonwealth, and in 1953-1954 £1,458,000 or 7.1 per cent. It was greater in 1951-1952 and 1952-1953.

On previous occasions, a great proportion of our money, came from our own resources—trust funds and cash we had built up. Previously when we had plenty of cash we did not avail ourselves of monthly finance from the Commonwealth and so we saved considerably in interest. It would not be until each loan that we would draw upon our loan requirements from the Commonwealth. Having used our own cash resources we saved so much in interest. It is not shown very effectively in the return I have submitted. If we had drawn all the money and interest had to be charged there would be some evidence of it in the tables I have submitted.

I come now to cash and investments, another feature that must be of interest to those who have been following the financial position carefully. This is the table—

CASH AND INVESTMENTS.

30th June.	Cash.	Investments.	Total.
Commonwealth	£	£	£
1956 ..	8,784,446	809,695,765	818,480,211
1955 ..	6,997,864	726,520,775	733,518,639
Increase	1,786,582	83,174,990	84,961,572
Queensland.			
1956 ..	5,572,478	39,117,790	44,690,268
1955 ..	6,655,618	43,361,129	50,016,747
Decrease	1,083,140	4,243,339	5,326,479

STATE—DECREASE—£5·3 MILLION.

COMMONWEALTH—INCREASE—£85 MILLION.

It shows that over the periods mentioned there has been a decrease in cash and investments by £5·3 million for the State and an increase of £85,000,000 in the Commonwealth.

I come now to a subject so dear to the hearts of Country Party members—land tax. The hon. members for Whitsunday, Southport, Darlington and many other country members continue to refer to it as a great burden. The hon. member for Aubigny deals with the subject occasionally; he has a smite at it.

The following table shows the land tax paid by the various groups:—

LAND TAX—1955-1956.

Number.		Land Tax.	Average Assessment.	Gross Value of Production.	Percentage Land Tax to Production.
		£	£	£	£
85	Fruit	325	4	5,742,000	.006
1,073	Dairy	22,101	21	36,715,000	.06
1,008	Cane (17 Companies £8,819 Av. £519) ..	18,004	Individuals 9	34,051,000	.05
6,553	Other farmers	302,242	46	35,538,000	.35
1,646	Pastoral	231,947	141	93,899,000	.25
667	Other Primary	14,920	22	35,311,000	.04
11,032		£589,539	£53	£241,256,000	.24

It will be seen that 85 fruit-growers paid land tax amounting to £325; that the average assessment was £4 and the gross value of production, £5,742,000. In the case of dairy farmers, I already have the admission from the hon. member for Southport that there are 25,000 dairymen in the Q.D.O. and that they were conscripted into that organisation by a Labour Government to get money to finance the organisation. The table compiled by the Commissioner of Land Tax discloses that only 1,073 dairy farmers paid land tax. The average assessment is £21, and the total tax £22,101, whereas the gross value of production was £36,715,000. Cane farmers were mentioned by the hon. member for Whitsunday. Of these, 1,008 paid £18,004 in land tax, the average assessment of individuals was £9 and the value of production, £34,051,000. There are 17 companies in the 1,008, and they paid £8,819 out of the £18,004 and their average assessment was £519 as against the individual average of £9. Hon. members can see how little land tax has been paid by cane farmers. There are 6,553 other farmers who paid land tax amounting to just over £300,000, the average assessment was £46 and the value of production, £35,538,000.

Mr. Sparkes: Gross production?

Mr. WALSH: Gross value.

Mr. Gaven: I should like to know how you arrive at the number of dairy farmers. They might be mixed farmers.

Mr. WALSH: Every farmer has to complete a land-tax return, and no doubt these statistics take into account the vocation set out on the form by the man concerned.

I have already said that 1,073 dairy farmers paid land tax and I point out that 6,553 other farmers paid land tax amounting to £302,242, an average assessment of £46. Their production was valued at £35,538,000. Pastoralists paid £231,947 in land tax, or an average assessment of £141.

A landholder whom I met here some years ago was bemoaning the substantial amount that he had to pay in income tax, including provisional tax. I was naturally very interested, and after getting from him information about the number of sheep he was running, the carrying capacity of his land and the rent he was paying, I made a quick mental calculation and found that whereas he was paying the State Government 1s. 3d. an acre rent for the use of their land, he was paying the Commonwealth Government 30s. an acre in income tax.

The hon. members for Coorparoo and Toowong, who have a penchant for analysing figures, will appreciate why I try to get to the bottom of these calculations so as to get a fair analysis. I have made a comparison between a farmer in Victoria, under a Liberal-Country Party Government, and one in Queensland, under a Labour Government. In 1955-1956 land-tax receipts in Queensland were £1,386,451, averaging £1 0s. 6d. per head. In Victoria they were £3,249,674, averaging £1 5s. 4d. per head. Victoria's figure exceeds Queensland's by 24 per cent.

According to the Estimates for this year, Queensland's estimated land-tax receipts are £1,450,000, whilst Victoria's are £4,500,000. That works out at £1 0s. 11d. per head in Queensland, an increase of 5d. over last year, and at £1 14s. 3d. in Victoria, an increase of 8s. 11d.

Mr. Munro: But Victoria's wealth per head of population is greater than ours, and so is the unimproved value of its land.

Mr. WALSH: That may be so, but last year Victoria's figure was 24 per cent. greater than Queensland's whilst on the Estimates for this year it will be 64 per cent. greater. The increase in land tax per head in Queensland will be 2 per cent. compared with 35 per cent. in Victoria.

The following table will give hon. members a clearer picture of the incidence of land tax in Queensland and Victoria:—

	Queensland. (Labour Party).	Victoria. (Liberal-Country Party).
1955-56—		
Land Tax Receipts ..	£1,386,451	£3,249,674
Per Capita	£1 0s. 6d.	£1 5s. 4d.
Victoria greater than Queensland by 24 per cent.		
1956-57 (Estimate)—		
Land Tax Receipts ..	£1,450,000	£4,500,000
Per Capita	£1 0s. 11d.	£1 14s. 3d.
Victoria greater than Queensland by 64 per cent.		
Increase in Land Tax		
Per Capita	2 per cent.	35 per cent.
Increased Land Tax		
Receipts 1955-56 over 1954-55	£180,920	£624,817
Percentage Increase ..	15 per cent.	24 per cent.

I have made an examination of alienated areas. Only freehold lands are subject to land tax, so that it is necessary to take the area that has been alienated in Victoria, and the area that has been alienated, or that is in the process of alienation, in Queensland. I give only the totals because the sectional figures are included in the printed table. The total for Victoria is 32,990,830 acres and for Queensland 27,749,155 acres. There is not a great difference between the two States despite our enormous area.

	Victoria.	Queensland.
Collections—		
1955-1956	£ 3,249,674	£ 1,386,451
1956-1957 (Estimate)	4,500,000	1,450,000
Acres.		
Alienated	30,715,199	24,607,486
In Process of Alienation ..	2,275,631	3,141,669
Total	32,990,830	27,749,155
Land Tax per Acre Alienated		
1955-1956	s. d. 2 0	s. d. 1 0
1956-1957	2 9	1 1

Mr. Sparkes: They have a lot more freehold than we have.

Mr. WALSH: I am showing what they have. The difference is about 5,200,000 acres.

It is interesting to note that on the areas alienated the land tax in 1955-1956 was 2s. an acre in Victoria and 1s. in Queensland and the estimate for 1956-1957 is 2s. 9d. an acre in Victoria and 1s. 1d. in Queensland. Queensland's figure is expected to rise by only 1d. as against 9d. in Victoria.

Mr. Gaven: That ratio could be worked out on production, too.

Mr. WALSH: If the hon. member wants to draw me into that argument, if he says there are inefficient farmers in Queensland—

Mr. Gaven: Climate and rainfall and everything else.

Mr. WALSH: He will not deny that we have some good districts, such as the south-eastern division, embracing most of our population, and coastal areas. I think it will be agreed that we have fairly substantial closer settlement there. Despite all the hooey talked about increases in the Valuer-General's valuations, careful examination of the figures will not sustain the claims of hon. members opposite. It is interesting to note that when the Party to which hon. members opposite belong was in power land tax contributed 12 per cent. of the total taxation and 3 per cent. of the total revenue. It now equals 4 per cent. of the total taxation and less than 2 per cent. of the total revenue.

Mr. Pizzey: That does not mean anything either. You might have put a lot more in your tax.

Mr. WALSH: I challenge the hon. member to point to any legislation introduced in this Chamber to increase taxation during the time he has been here and long before that. Measures have been introduced to provide concessions and rebates under various headings of taxation but he will not be able to cite one measure introduced by this Government to increase taxation.

I have already dealt with tax reimbursement and I do not wish to go into the matter of so much a head because one gets to the stage almost of dreaming about these figures. The figure quoted by the Leader of the Opposition for Queensland is £20 4s. against New South Wales £18 10s. and Victoria £17 14s. Other States are, £25, £29 and £33 a head, in round figures. I could produce many other figures to prove that other States are in a far better position than Queensland, having regard to the overall payments made by the Commonwealth.

I think it was the Leader of the Opposition who raised the question of allocations. I promised by interjection that I would produce all those figures and I now submit a table that has been prepared showing the

tax reimbursement grant, Commonwealth Grants Commission grant, anticipated loan raisings, the total amount, and the amount per capita. The total should be of great interest. It is as follows:—

1956-1957.

State.	Tax Reimbursement Grant.		Commonwealth Grants Commission Grants.		Anticipated Loan Moneys.		Total.	
	Amount.	Per Capita.	Amount.	Per Capita.	Amount.	Per Capita.	Amount.	Per Capita.
	£'000.	£ s. d.	£'000.	£ s. d.	£'000.	£ s. d.	£'000.	£ s. d.
Tasmania	6,050	18 9 8	3,500	10 13 10	13,400	40 18 10	22,950	70 2 4
Western Australia ..	13,650	19 18 7	9,200	13 8 8	17,900	26 2 8	40,750	59 9 11
South Australia .. .	15,550	18 3 10	5,800	6 15 8	26,150	30 11 10	47,500	55 11 4
Victoria	45,810	17 8 11	..	..	49,800	18 19 4	95,610	36 8 3
Queensland	27,390	19 15 6	..	..	22,000	15 17 8	49,390	35 13 2
New South Wales .. .	65,600	18 3 7	..	..	60,750	16 16 8	126,350	35 0 3
	£174,050	..	£18,500	..	£190,000	..	£382,550	..

That is interesting information. It shows the total amounts received by the States from the Commonwealth. It shows the special

grant made by the Commonwealth Grants Commission.

Here is another table showing the total payments to the States for 1956-1957—

	Payments by the Commonwealth to the States.		Anticipated Loan Raising.		Total.	
	Amount.	Per Capita.	Amount.	Per Capita.	Amount.	Per Capita.
	£	£ s. d.	£	£ s. d.	£	£ s. d.
Tasmania	12,494,699	38 3 6	13,400,000	40 18 10	25,894,699	79 2 4
Western Australia ..	32,503,982	47 9 2	17,900,000	26 2 8	50,403,982	73 11 10
South Australia .. .	27,856,176	32 11 9	26,150,000	30 11 10	54,006,176	63 3 7
Queensland	39,051,825	28 3 11	22,000,000	15 17 8	61,051,825	44 1 7
Victoria	59,321,289	22 11 10	49,800,000	18 19 4	109,121,289	41 11 2
New South Wales .. .	87,724,529	24 6 2	60,750,000	16 16 8	148,474,529	41 2 10

The figures are taken from the Commonwealth Budget. Queensland, with the greatest potential for development, already supplying over one-fifth of Australia's exports, receives the third lowest amount from the Commonwealth. The figures exclude funds provided by the Commonwealth Government for expenditure on developmental works

in various States, such as the Snowy River Scheme in New South Wales and the railway in South Australia. In Western Australia the Federal Government gave financial assistance for a water scheme.

This table provides further illuminating information—

	Total as per Previous Table.	Developmental Works.		Grand Total.
	Per Capita.	Amount.	Per Capita.	Per Capita.
	£ s. d.	£	£ s. d.	£ s. d.
Tasmania	79 2 4	..	..	79 2 4
Western Australia ..	73 11 10	462,000	0 13 6	74 5 4
South Australia .. .	63 3 7	1,900,000	2 4 5	65 8 0
Victoria	41 11 2	13,000,000	2 17 9	44 8 11
New South Wales .. .	41 2 10	..	2 17 9	44 0 7
Queensland	44 1 7	..	..	44 1 7

I wish to make reference to the "Little Budget."

An Opposition Member: Which one?

Mr. WALSH: The Commonwealth "Little Budget" which hon. members claim was largely responsible for returning the Government at the last State election. I am

sure this will interest the Leader of the Opposition as a Country Party representative, and I ask him to take particular notice of the figures—

PETROL TAX ALLOCATION.

Prior to "Little Budget"—

Excise	8½d. per gallon
States	7d. per gallon, or 82.4 per cent.
Commonwealth ..	1½d. per gallon, or 17.6 per cent.

Since "Little Budget"—

Excise	11½d. per gallon
States	8d. per gallon, or 69.6 per cent.
Commonwealth ..	3½d. per gallon, or 30.4 per cent.

Increase—

States	1d. per gallon, or 14.3 per cent.
Commonwealth ..	2d. per gallon, or 133.3 per cent.

Allocation of Estimated Receipts for 1956-1957

New Allocation—

States	£23 million
Commonwealth ..	£10 million

Previous Percentage—

States	£27.2 million
Commonwealth ..	£5.8 million

Loss to States by variation

variation	£4.2 million
-----------------	--------------

Other additional excise revenue of Commonwealth for 1956-1957.

	Increase.	
	Amount.	Per cent.
	million.	
Beer	21.7	25
Spirits	7	9
Tobacco	1.2	8
Cigars and Cigarettes	8.5	23
	£32	

Despite this additional £32,000,000 the Commonwealth Government take a greater share of excise on petrol, depriving the States of £4.2 million.

The hon. member for Isis has had much to say about road construction. He, too, should read these figures very carefully.

Despite an additional £32,000,000 from the above items the Commonwealth Government is hoping to hang on to 2d. a gallon out of the increase on petrol.

Mr. Pizzev: It was their intention to keep the extra revenue.

Mr. WALSH: At all times I thought the intention was to return the increased petrol tax to the States. I am surprised that the hon. member for Isis should try to justify the Commonwealth Government's action in this matter.

Mr. Pizzev: The historical background—

Mr. WALSH: If the hon. member wants the historical background let me tell him that the first Government to introduce a petrol tax in Australia was the State of South Australia.

The validity of the Act was challenged, and eventually, according to discussion I have heard, there was an agreement at a Premiers' Conference that a petrol tax would be imposed by the Commonwealth and the precepts would be returned to the States.

Mr. Pizzev: Irrespective of political colour, have any Federal Government done that?

Mr. WALSH: I am not arguing which Federal Government have or have not done it. I am surprised at the hon. member. The average motorist is agitating for the return of the whole of the tax. If they were proceeding to impose an additional tax on petrol surely the hon. member who wants increased financial assistance for road construction realises that this is the logical way to ask for it. I have given the figures which I hope will be of benefit to hon. members.

The hon. member for Burdekin made reference to erosion along parts of the coastline. I agree that this is a very vexed problem. It should be treated on a national basis because the State has limited resources. If action is not taken to check erosion the land is lost to production, which is very important in our national economy. As erosion takes place production is lessened and in some cases the whole of the area becomes unproductive. The Commonwealth should make some contribution to the work in this State, particularly erosion within water-courses, and, in a limited way, for soil erosion. Every coastal stream presents a different problem. If you go to the Don, the Johnstone, the Proserpine, or the Pioneer rivers, in each case the problem is a different one. One day I shall take the hon. member for Clayfield with me on an inspectorial tour of weirs.

Mr. H. B. Taylor: The invitation is already accepted.

Mr. WALSH: The hon. member for Burdekin also made reference to the scarcity of students taking up technical training. That is a matter that will have to be seriously considered by the Government. We started off providing each year for scholarships in certain professions such as chemistry, dentistry, engineering, and so forth. The hon. member made a point that has been made by hon. members on the Government side of the Chamber. Because of the limited income of a large number in our community—the working-class and those on a little more than the basic wage, or even on £1,000 a year or over—in these days have not much left to spend on the education of their boys and girls, and many bright boys are lost to the professions of civil, mechanical and electrical engineering. Some consideration will have to be given to providing assistance for these students so that they may continue their studies instead of drifting into industries as unskilled workers. I throw out a suggestion to all Governments, particularly the Commonwealth Government, because each has a responsibility. If a fund of £500,000 was created, a certain amount could be allocated each year for the training of students whose parents could not afford advanced education. There would be some obligation on those students after they qualified to make some contribution in repayment of the cost of that education. If we continue as at present and rely on the limited number of parents who can afford further education for their children, only a limited number of

students will be trained. I have discussed this matter with the Premier and he has agreed to raise the matter at the Premiers' Conference at some future date. That shows that the Labour Government are prepared to make progressive suggestions. I mention this so that the hon. member for Burdekin will know the Government have considered the problem.

Mr. Pizzey: As usual, you are prepared to do it with somebody else's money.

Mr. WALSH: That is not so. I have said that the Governments are providing a limited number of fellowships, but that is not enough. The Government cannot afford to do more, but if there was a national fund made up of contributions by the States and an equal contribution by the Commonwealth that fund would be well worth while.

Mr. Pizzey: That is different.

Mr. WALSH: After a number of years many students would receive extra training.

I have here the figures mentioned by the Premier at the Premiers' Conference for increases in wages and the "C" Series Index during the period 1939 to 1956—

INCREASE IN WAGES AND COSTS.
COMPARISON 1939 AND 1956.

—	Percentage Increase.		
	State Basic Wage.	Federal Basic Wage.	"C" Series Index (Mean).
New South Wales ..	220.7	208.5	168.6
Victoria	224.7	202.5	169.8
Queensland	192.6	196.1	160.8
South Australia ..	209.0	209.0	166.1
Western Australia ..	218.3	219.5	190.7
Tasmania	253.2	227.3	184.7

They clearly demonstrate that Queensland is not the culprit in the inflationary trend. It is interesting to note that Queensland has the lowest percentage increase in the basic wage—192.6 per cent. Queensland has also the lowest increase in the "C" Series Index. Those who say this State is a low-wage State must remember that it is also the low-cost State. That is an asset. The hon. member for Toowong, no doubt in the presentation of balance sheets of shareholders in the various companies in which he is interested, sets out the liabilities and assets. If the low Queensland basic wage can be taken as a liability the fact that the £1 in Queensland has the highest purchasing power in the Commonwealth can be taken as an asset. Those figures were forcibly brought to the attention of the Premiers and the Federal Treasurer by the Premier at the recent Premiers' Conference.

I thank the Committee for their interest in my reply. I hope my remarks will be helpful, particularly the tables that will be incorporated in "Hansard."

Item (Aide-de-Camp to His Excellency the Governor) agreed to.

Progress reported.

The House adjourned at 1.1 p.m.