

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**THURSDAY, 23 NOVEMBER 1961**

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Mr. SPEAKER (Hon. D. E. Nicholson, Murrumba) took the chair at 11 a.m.

QUESTIONS

AGRICULTURAL BANK BUILDING,  
SOUTH BRISBANE

Mr. BENNETT (South Brisbane) asked the Minister for Public Works and Local Government—

“What is the estimated total cost of reconstruction and reconversion of the Agricultural Bank building in Melbourne Street, South Brisbane?”

Hon. H. RICHTER (Somerset) replied—

“The estimated cost of improvements and alterations to the Agricultural Bank Building, South Brisbane, now being carried out is £16,844.”

NEW CLASSROOMS AT AITKENVALE SCHOOL

Mr. AIKENS (Townsville South) asked the Minister for Public Works and Local Government—

“When is it anticipated that the new classrooms approved for the Aitkenvale State School will be ready for occupancy?”

Hon. H. RICHTER (Somerset) replied—

“It is expected that additional classroom accommodation will be available for occupancy at the beginning of the 1962 school year.”

CLOSURE OF STONE RIVER PRISON AND  
STATE FARM

Mr. AIKENS (Townsville South) asked the Minister for Justice—

“(1) Did Stone River Prison hold a cane assignment and, if so, for what tonnage and what has become of it since the prison was closed?”

“(2) What was the cost of closing the prison and the transfer of prisoners and equipment?”

“(3) Why was Stone River Prison closed?”

Hon. A. W. MUNRO (Toowong) replied—

“(1) There is a 911 ton cane assignment attached to Her Majesty's State Farm, Stone River. The State Farm has not actually been closed, but by an Order in Council dated November 9, 1961, the Public Curator has been authorised to obtain and hold a special lease under the provisions of 'The Land Acts, 1910 to 1961,' of the land on which the State Farm is situated. The Public Curator is also authorised to apply

to the Central Sugar Cane Prices Board for transfer to the Public Curator of the cane assignment and to sell, subject to the consent of the Minister for Public Lands and Irrigation and the Central Sugar Cane Prices Board, the special lease together with the benefit of the cane assignment. It is proposed that an auction will be held at an early date."

"(2) It is not anticipated that there will be any substantial expenditure involved in the closure of the State Farm or in transfer of prisoners and equipment."

"(3) Factors which influenced the decision to close Her Majesty's State Farm, Stone River, included its remote location and difficulty in obtaining suitable and adequate staff and in extending the facilities to take a larger number of prisoners."

#### OVERSEAS MUSIC TEACHERS IN STATE SCHOOLS

**Mr. AIKENS** (Townsville South) asked the Minister for Education and Migration—

"(1) Will specialist music teachers be brought out from England or elsewhere overseas to teach primary school pupils to play stringed instruments? If so, at what schools will the pupils be taught?"

"(2) What provision will be made to encourage such talent at other schools, particularly in country areas?"

**Hon. H. RICHTER** (Somerset—Minister for Public Works and Local Government), for **Hon. J. C. A. PIZZEY** (Isis), replied—

"(1) As a step towards overcoming the dearth of violinists and players of other orchestral stringed instruments, the Director of the Queensland Conservatorium of Music has sought approval for the establishment at State schools of classes in these instruments. Approval has been given for such classes to be formed, in the beginning, in the metropolitan area. The classes will be conducted by the Director and the Teacher of Violin at the Conservatorium (Mr. Sedivka), who will be assisted by several young people who studied under Mr. Sedivka in England and who will continue their studies with him at the Conservatorium. These students have had experience in such elementary classwork in these instruments and should be of great assistance in establishing the classes here."

"(2) The Honourable Member will appreciate that these classes are to some degree experimental. It is hoped that a successful inauguration and development of the project in Brisbane will enable the Conservatorium to establish similar classes outside the metropolitan area. The initial response from parents of children attending Brisbane schools has been very encouraging indeed, and gives every indication that the classes will develop not only in this city but also in country areas."

#### BURDEKIN HYDRO-ELECTRIC IRRIGATION AND FLOOD MITIGATION PROJECT

**Mr. COBURN** (Burdekin) asked the Premier—

"As leaders of all political parties in the Federal sphere have stressed in their policy speeches the urgency for development of North Australia will his Government prepare a case, based on the information already available, for submission to the new Federal Government urging greater financial assistance for an early resumption of work on the Burdekin hydro-electric irrigation and flood mitigation project as a sound basis for large-scale development of North Queensland?"

**Hon. G. F. R. NICKLIN** (Landsborough) replied—

"I refer the Honourable Member to the answer I gave to his question on this subject on November 8, 1961. I can assure the Honourable Member that the Government is at all times in close contact with the Federal Government in regard to developmental projects for this State, and will continue that policy after the Federal Elections."

#### HELICOPTER FOR PILOT SHIPPING SERVICE

**Mr. HOUGHTON** (Redcliffe) asked the Treasurer and Minister for Housing—

"Will he give consideration to providing coastal shipping pilots with a helicopter service in lieu of the present pilot shipping service?"

**Hon. T. A. HILEY** (Chatsworth) replied—

"I have already given consideration to such a proposal but rejected it as impracticable. There was a very lengthy submission by commercial interests prepared to provide such a service and this was searchingly examined, not only by my departmental officers, but I also discussed the matter with shipping interests. There was complete unanimity of opinion that, having regard to the structural features of many ships, the positioning of booms and rigging and similar obstructions, and also bearing in mind that the transfer of pilots has to occur under conditions which range from the very best to the absolutely worst, the complete use of a helicopter method of transfer was impracticable. I was plainly warned that it would increase the danger to the pilots and I was not prepared to countenance any practice which would add to the hazard of life and limb of members of that service. However, I do want to say to the Honourable Gentleman that I do not regard the present system as the best answer. The pilot vessel, whilst on station, is virtually a floating hotel and the costs of that element of the pilot service are tremendously high. It does, moreover, lead to repeated constrictions in the location of pilots, the trend of shipping not uncommonly creating a situation where almost

every pilot is at sea and, at other stages, where none are at sea and all are in port. A number of alternative proposals are at present under consideration. The present indication is that the older of our two pilot vessels, the 'John Oxley,' still has a few years of useful life ahead of it. Its replacement on the present basis would cost at least £½ million and I am searching for a better answer before the need for that expenditure arises."

#### RESUMPTION OF WORK ON HERBERTON-KOORBOORA ROAD

**Mr. GILMORE** (Tablelands) asked the Minister for Development, Mines, Main Roads and Electricity.

"As some preliminary work on the Herberton-Koorboora road towards Watsonville has been done and as this is an important mining access road, will he indicate when this work will be again undertaken?"

**Hon. E. EVANS** (Mirani) replied—

"Plans for further works on the Watsonvale Range Section are being prepared and it is anticipated that the work will commence later this financial year."

#### USE OF LAND SERVED BY WATER CHANNEL FROM TINAROO DAM

**Mr. GILMORE** (Tablelands) asked the Minister for Public Lands and Irrigation—

"As quite an appreciable area of land serviced by the channel system of Tinaroo Dam is not suitable for tobacco production, but could be very valuable for other forms of agriculture or pastures, will he indicate what will be done to encourage its use and thus bring the benefits of the water to its full profit?"

**Hon. O. O. MADSEN** (Warwick—Minister for Agriculture and Forestry), for **Hon. A. R. FLETCHER** (Cunningham), replied—

"The Department of Agriculture and Stock is carrying out experiments on soils not suited to tobacco production at the Department's Experimental Stations at Walkamin and Parada in the Mareeba-Dimbulah Irrigation Area. Trial crops have been grown including maize, cotton, beans, lucerne, clovers, oats and grasses. Although considerable information has been obtained from these trials, sufficient knowledge of their economic possibilities is not yet available to permit the opening of farms with the assurance that a satisfactory living can result. However, there appears to be considerable interest in the area in the possibilities of stock fattening on irrigated pastures by persons who appear to be prepared to try such production. In addition to the Special Lease to Amagraze, which has previously been referred to in the House, I am arranging for the early opening of one farm for this purpose. In addition, with the concurrence of the Honourable

Minister for Agriculture and Forestry, a Committee comprising representatives of his Department, the Irrigation Commission, Local Producer Associations and the Local Authority is being formed to make recommendations regarding possible production other than tobacco within the Mareeba-Dimbulah area, ways of achieving this production on existing holdings served by the scheme, and possible conditions under which the land could be made available to landholders prepared to undertake primary production other than tobacco growing. The desirability of encouraging other forms of production is obvious as it has always been expected that due to limited suitable soils available, not more than 50 per cent. of the water available from Tinaroo Falls Dam can be utilised on tobacco and there are quite large areas of soil suitable for other production commanded or to be commanded by the channels necessary to serve tobacco soils. The Government has provided for a reducing scale of irrigation charges in the area with a view to encouraging production of crops other than tobacco which because of the larger areas required would generally need much larger volumes of water, the current charges being—Up to 40 acre feet, £4 10s. per acre foot; 40 to 60 acre feet, £3 per acre foot; Over 60 acre feet, 10s. per acre foot."

#### APPOINTMENT OF WELFARE OFFICER TO HELP COLOURED PEOPLE IN TOWNSVILLE DISTRICT

**Mr. TUCKER** (Townsville North) asked the Minister for Health and Home Affairs—

"Would he be prepared to appoint a full-time welfare officer to work amongst the coloured citizens of Townsville and district, who in the electorate of Townsville North alone number 300 (147 adults and 153 dependent children) with a view to teaching these people (a) basic hygiene, to those who require such knowledge, (b) better handling of their financial affairs, (c) the degrading influence of excessive drinking and gambling, and (d) citizenship and its obligations; and to act as a liaison officer in matters of employment?"

**Hon. H. W. NOBLE** (Yeronga) replied—

"In the Townsville area there are two establishments for the care of Native people—the Palm Island Aboriginal Settlement and the Aitkenvale Transit Hostel. The Superintendents of both these establishments will provide assistance to coloured people under the control of the Aboriginals Preservation and Protection Acts and who are not domiciled at the Settlement. However, all coloured people resident in the area are not of Aboriginal extraction and difficulties arise in this connection. There is a need for social work amongst these exempted coloured people. However, it is felt that the best method of providing help for those who are not under the control of the Director of Native Affairs is through

the medium of religious bodies or citizens' organisations. One such organisation—Opal—has been formed. Amongst its members are representatives of all the Churches—Toc H., Rotary, Apex, Y.W.C.A., among others. I have no doubt that branches of this organisation will be established throughout the State wherever there is a need. The Government is at present examining ways and means by which it can assist this organisation."

#### ACCOMMODATION FOR COLOURED PEOPLE IN TOWNSVILLE

**Mr. TUCKER** (Townsville North) asked the Treasurer and Minister for Housing—

"(1) With reference to the twenty-two coloured adults and their sixty-seven children who are still occupying the Queensland Housing Commission's temporary accommodation at Garbutt and the fourteen coloured adults and their thirteen children who are fringe-dwellers and live in shocking conditions in my electorate, has any plan yet been formulated to provide housing for these people?"

"(2) If not, would he be prepared to financially assist the Coloured and White Citizens Co-operative Association, Townsville, in its efforts to build some small flats for these people by means of a savings and loan fund to which a number are contributing?"

**Hon. T. A. HILEY** (Chatsworth) replied—

"(1) Eleven coloured families who occupy temporary housing accommodation at Garbutt have not been allotted houses as it is considered they would not be satisfactory tenants of such houses. Coloured families who would be satisfactory tenants are allotted houses in accordance with the approved points priority as are other families."

"(2) I am prepared to make all the temporary huts at Garbutt available free of cost to the Coloured and White Citizens' Co-operative Association of North Queensland, and to remove those huts to a site which may be acquired by the Association, delivering the sections to such site free of charge. The Association would then be able to organise the re-erection of the buildings for use by these coloured families."

#### CONTINUATION OF COOKTOWN TO LAURA RAIL SERVICE

**Mr. ADAIR** (Cook) asked the Minister for Transport—

"(1) Is he aware that heavy rains have prevented road transport using the road south of Laura?"

"(2) Will the Government give favourable consideration to continuing the rail service until such time as adequate alternate road services are available?"

**Hon. G. W. W. CHALK** (Lockyer) replied—

"(1) The decision to close the Cooktown Railway as from December 31, 1961, was made after all factors relating to the area had been fully examined."

"(2) It is not proposed to amend that decision."

#### TRANSFER OF EYE CLINIC TO PRINCESS ALEXANDRA HOSPITAL

**Mr. DEAN** (Sandgate) asked the Minister for Health and Home Affairs—

"(1) Is he aware that the transfer of the eye clinic from the Brisbane General Hospital to the Princess Alexandra Hospital has caused great inconvenience and expense to eye patients travelling from the northern suburbs of Brisbane?"

"(2) Why was the clinic transferred and will he consider providing a similar facility at the Brisbane General Hospital?"

**Hon. H. W. NOBLE** (Yeronga) replied—

"(1) The Eye Department was accommodated in old and unsuitable premises at the Brisbane Hospital. Opportunity was taken in the interests of eye patients to transfer the Department to modern accommodation available in the new Princess Alexandra Hospital."

"(2) A new Eye Department is visualised for the Brisbane Hospital but the question as to when it can be provided must depend upon attention being given firstly to the requirements of some existing Departments of the Brisbane Hospital with prior claims."

#### SALE OF MILK IN THE SHIRE OF AYR

**Mr. COBURN** (Burdekin), without notice, asked the Minister for Agriculture and Forestry—

"(1) Is he aware that compulsory licensing of cafes, hotels and shops within the Shire of Ayr with concomitant proviso that milk sold must be pasteurised, will drive well established reputable dairymen out of business?"

"(2) In view of the fact that the nearest pasteurisation factory at Townsville is distant 50 and 57 miles respectively from Ayr and Home Hill, will he inform the House what action he proposes to take to protect the dairymen within the Ayr Shire?"

**Hon. O. O. MADSEN** (Warwick) replied—

"(1) Shops, cafes and milk bars within an area where an Order in Council has been granted for the supply of pasteurised milk are not permitted to sell non-pasteurised milk. Ayr is within such an Order for the Townsville milk factory of the Atherton Tableland Co-operative Butter Association."

"(2) Any special circumstances which may apply to Ayr and Home Hill will be investigated."

## PAPERS

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

Report of the State Electricity Commission of Queensland for the year 1960-1961.

Report of the Queensland Meat Industry Board for the year 1960-1961.

The following papers were laid on the table:—

Proclamation under the Church of England in Australia Constitution Act of 1961.

Order in Council under the Southern Electric Authority of Queensland Acts, 1952 to 1958.

Report of the Brisbane Milk Board for the year 1960-1961.

Report of the Auditor-General on the Books and Accounts of the Brisbane Milk Board for the period from August 30, 1960, to August 4, 1961.

COMMONWEALTH AND STATE  
HOUSING AGREEMENT BILL

## THIRD READING

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

COLLINSVILLE-TOWNSVILLE-MOUNT  
ISA RAILWAY AGREEMENT BILL

## INITIATION IN COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

**Hon. G. F. R. NICKLIN** (Landsborough—Premier) (11.22 a.m.): I move—

“That it is desirable that a Bill be introduced with respect to an agreement between the Commonwealth of Australia and the State of Queensland in relation to the Collinsville-Townsville-Mount Isa railway.”

The Bill that I am introducing is small in size, consisting of only three clauses and a Schedule, nevertheless it is of tremendous economic importance to the State of Queensland.

The purpose of this measure is to obtain the approval of Parliament to an agreement that has been entered into between the Commonwealth Government and this State covering the provision of financial assistance to Queensland in the rehabilitation of the Collinsville-Townsville-Mount Isa railway. The Bill authorises the execution of the agreement, and approves and ratifies it.

This agreement is the culmination of more than three years of negotiations with the Commonwealth on the question of finance for this gigantic project—the largest single railway undertaking in the history of Queensland, and one that I am convinced will be of untold value in the development of the State, and North Queensland in particular, in the years to come.

I should like to traverse, as briefly as I may for the information of hon. members, the history of this project which means so much to the State, and to describe the successive steps that have led finally to the signing of the agreement with the Commonwealth and the actual commencement of this long-desired railway undertaking.

Mount Isa is some 600 miles by rail from the port of Townsville, and Collinsville, from which Mount Isa's coal supplies are drawn, is another 173 miles, so that the total distance of railway involved in this reconstruction programme is 773 miles.

For more than 30 years the original railway line has been the principal transport link serving the whole of North-Western Queensland. With the discovery and development of the rich and extensive deposits of the Mount Isa field, and later the uranium deposits of Mary Kathleen, the importance of the railway became vastly enhanced. It became increasingly obvious that the railway had serious deficiencies in coping with the task of transporting the tonnage in prospect from the developments at Mount Isa. More than five years ago Mount Isa Mines Ltd., then planning an expansion programme, which envisaged a daily mill through-put of 14,400 tons, sought assistance from the then Queensland Government for the provision of improved rail facilities to enable this expansion to be serviced.

The then Premier, Mr. V. C. Gair, approached the Commonwealth Government in 1956 for assistance, based on the declared intention of Mount Isa Mines Ltd. to increase its production of metals and concentrates more than threefold provided the necessary increased railway capacity could be obtained.

Since 1953, the company has been producing copper, silver-lead, and zinc from the one mine. It is easily the largest Australian producer of copper, and second only to Broken Hill as a producer of lead and zinc. The company decided on an expansion programme following the discovery some six years ago of additional deposits of both silver-lead-zinc and copper ores of vast magnitude.

The programme of ore production involved the enlargement of facilities at all stages and a very large further capital investment by the company, to the extent of some £40,000,000. The programme included construction of a new access shaft 3,200 ft. deep by 24 ft. in diameter, a new power station, a new copper smelter, a new dam on the Leichhardt River to ensure adequate water supply, extensions to ore mills, a copper refinery at Townsville, and a coke plant at Bowen. The company embarked on this programme, and its first target of 8,100 tons of ore a day was reached ahead of schedule in November 1959.

The existing railway was quite inadequate to handle the haulage requirements implicit

in an expansion of production from 4,000 to 14,400 tons of ore a day—an increase from 320,000 tons to 950,000 tons of rail traffic a year.

The existing line from Townsville to Richmond is laid with 60 lb. rails and is capable of carrying medium weight diesel locomotives of approximately 60 tons dead weight. In referring to the existing line I mean the line as it was before the commencement of the work now being carried out. In parts of the existing line in this section, grades are severe, thus limiting the weight of train which can be hauled.

From Richmond to Duchess, a light 42 lb. track is in use, and portion of the track is laid across a section of flooded country. These sections are much older than the Duchess to Mt. Isa section, which was completed on 27 May, 1929. This track, of much newer construction, is laid with 60 lb. rails.

From Townsville to Bowen the track is part of the main North Coast railway. It is of 60 lb. standard gauge and is suitable for the use of medium weight diesels.

From Bowen to Collinsville the track is of 60 lb. standard and the section at present has some steep grades and sharp curves.

The weakest link is the section between Richmond and Duchess, which was completed in 1908. On this section, only light locomotives can be employed. Small train loads have to be built up, and even then the condition of the track is such that a strict limitation of speed to a maximum of 20 miles per hour is imposed.

The planned mine expansion was just not possible unless it was accompanied by the necessary expansion of railway capacity. The problem was put to the Government of Mr. Gair, which worked out a minimum rehabilitation plan estimated to cost £10,000,000, and involving the strengthening of the weak links of the railway.

The resultant proposals put to the Commonwealth by Mr. Gair were examined by Commonwealth officers, who made a critical study of the company's extension plans, and an assessment of the value of the overall project as an export earner. The Commonwealth came to the conclusion that the limited approach proposed by Queensland did not go far enough. Much more than correction of the weakest railway links was required in the way of effective rehabilitation.

The mining project was of such importance to Queensland, and to Australia, that it required a first class railway, properly equipped with modern rolling stock, capable of handling in an economic and efficient manner not only the traffic involved in an increase of production, but also other mineral developments at Mt. Isa and elsewhere in the future, and the prospective needs of the cattle industry in the great north-western area.

The Commonwealth proposed in substance, that the entire length of the railway should be brought up to 82 lb. rail standards, which would permit the use of large diesels of 90 ton weight, and that grades should be reduced and equalised to allow very large trains to be built up.

The effects of this major concept were that it would lead to a substantial reduction in operating expenses of all the traffic on the line; it would provide a considerable reserve capacity for still further development in the north-western region; but the cost of the entire project would be lifted from approximately £10,000,000 to approximately £30,000,000. Queensland took the view that such an expenditure was quite beyond the resources of the State and could be contemplated only if very substantial outside assistance was forthcoming.

The Commonwealth contemplated an overseas borrowing, and with this in mind suggested—and Queensland agreed—that independent experts should be engaged to examine the rehabilitation plan and report on its economic feasibility. This led to the appointment of the eminent American firm of consulting engineers, Messrs. Ford, Bacon and Davis Inc., New York. They reported, initially in November 1957, and finally in August 1958, that the project was in fact economically feasible.

They showed that, at the existing rates of freight, the projected increased level of traffic from the mine, would in itself, be sufficient to fully service the debt of £30,000,000 amortized over 20 years, and allow a small margin of profit to the State.

Their report further showed that the State would derive a very considerable profit from the handling of the existing volume of other traffic on the line—a profit which they estimated in the order of approximately £1,500,000 per annum.

The next stage consisted of discussions between the Commonwealth and State Government and Mount Isa Mines Ltd.

The positive results which emerged from these prolonged talks were that the Company undertook to commit itself to proceeding with its expansion programme and to pay the freight rates adopted by Messrs. Ford, Bacon and Davis Inc. in their calculations of the annual operating results. The State undertook to contribute from its own resources, first £7,000,000, later raised to £8,000,000, towards the cost of the project, and the Commonwealth undertook to sponsor an application to the International Bank for Reconstruction and Development for the projected loan of the dollar equivalent of £A22,000,000.

At the 1958 meeting of the Australian Loan Council the Commonwealth Government sought and obtained unanimous agreement for the Commonwealth to borrow moneys for the Mt. Isa railway project. This opened the way for a formal request to the International Bank for a loan. The

major point of disagreement which resulted in the final breakdown of the negotiations with the Bank, was the insistence of the International Bank that Mount Isa Mines Ltd. should not merely contract to pay rates of freight which would be calculated to fully service the debt, but that they should bind themselves with some form of tonnage guarantee or short fall equivalent, the effect of which would be that the full debt service requirement would be covered by them in each of the 20 years.

The Company was not prepared to provide this guarantee. It emphasised that its requirements could be met by an expenditure of some £10,000,000 and that, to meet its requirements, an expenditure of £30,000,000 was not required. The company further contended that, after the expansion took place, the revenue flowing from the carriage of its requirements was estimated to provide only 49 per cent. of the gross revenue of the line, and that 51 per cent. of the total freight product would still flow from other users of the line.

Honourable members will recall that in an attempt to resolve the deadlock a mission consisting of the State Treasurer, Mr. T. A. Hiley, and the Chairman of Mount Isa Mines Ltd., Mr. G. Fisher, in company with a Commonwealth Treasury official, held discussions with the International Bank in Washington. As you will recall, it was impossible to achieve agreement. At this stage I should like to pay a tribute to the great efforts our Treasurer and Mr. Fisher particularly made to secure a loan from the International Bank.

Naturally, both my Government and the Commonwealth were greatly disappointed when negotiations with the International Bank ended in the middle of 1959. We were not prepared to let the matter rest in the limbo of unaccomplished things.

As honourable members are aware, we determined to push on with the Richmond-Duchess section under our own steam, as reconditioning of this weak section to first-class standard would enable the railway to handle the existing volume of other traffic and meet Mount Isa's needs, based on 14,400 tons a day, although little or no reserve capacity would be provided for other customers of the line. We notified the Commonwealth of our intention and raised the possibility of obtaining the necessary funds from an external source other than the International Bank on lower interest rates and without any requirements for guarantee by the company.

A third proposal envisaged the possibility that Loan Council approval might not be forthcoming for a separate external loan, in which case we asked the Commonwealth for a direct contribution from its revenue on a basis similar to that upon which the Commonwealth has carried out, or assisted in the carrying out of, developmental projects in other parts of Australia.

I was very happy to receive the letter from the Prime Minister (26 October, 1959) setting out the Commonwealth's offer to underwrite the provision of the additional £20,000,000 required—that is, the amount over and above the £10,000,000 which we had indicated we would find from our own resources for the reconditioning of the section from Richmond to Duchess.

The rates of interest to be charged on advances, as from the date at which each advance was made during the construction period, were equivalent to the long-term lending rate of the International Bank at the time of each advance, but the Commonwealth agreed to negotiate a reduction in the rate of interest if it proved possible to borrow the whole or part of the advances overseas on more favourable terms than the International Bank's lending rate.

The Commonwealth did not expect repayment of the principal to begin until the designated date for the completion of the railway work. Thereafter it required equal annual instalments of interest and principal sufficient to pay off the total amount advanced over 20 years from the designated date of completion of the railway.

**Mr. Hanlon:** Any interest was capitalised up to 1965, wasn't it?

**Mr. NICKLIN:** It was capitalised up to the designated date of completion, whether it was 1965 or earlier.

**Mr. Hanlon:** In other words, they did not give it to us interest-free to 1965?

**Mr. NICKLIN:** No. Although we welcomed the Commonwealth decision as giving the green light to this important national railway project, we were seriously concerned at what we regarded as the excessive interest rate obligation, based on the ruling International Bank rate of 6½ per cent. per annum.

I am pleased to say that, as a result of our strong representations, the Commonwealth agreed that Queensland should be charged the average rate of two overseas loans then being raised in London and Switzerland at costs lower than the current International Bank lending rate.

Briefly, the Commonwealth proposal was that it would make advances to Queensland at a rate of interest equivalent to the overall average cost to the borrower of the two overseas loans concerned. This rate of interest would be calculated by taking a weighted average of the two overall borrowing costs concerned and applying this as a single rate to the amount of the advances.

**Mr. Hilton:** In effect those two loans were expressly for financing this railway?

**Mr. NICKLIN:** They were under the agreement with the Loan Council for Commonwealth purposes.

The effect of the Commonwealth proposal was that an interest rate of 5½ per cent.

would be charged for the full term of the agreement, as against the 6½ per cent. rate of the International Bank. The weighted average of the two loans concerned was slightly above 5½ per cent., but the Commonwealth rounded the figure off at 5½ per cent. for the purposes of this agreement.

We accepted this proposal, and we also concurred in the Commonwealth view that the Loan Council should be approached with the suggestion that the entire proceeds of the two loans in question should be allocated through the Commonwealth. The Loan Council unanimously accepted these proposals and the Commonwealth was authorised to use part of its special 1959-1960 borrowing allocation of £30,000,000 to finance the advances.

But one great problem bristling with constitutional difficulties remained. We considered that Queensland was definitely entitled to Sinking Fund contribution by the Commonwealth in redemption of the loan. Briefly, our case was that to the extent that the £20,000,000 was repayable and bore interest, it was in fact a loan, and, as such, was governed by the Financial Agreement.

The Commonwealth rejected our submission in this connection. It was adamant in its stand that the Financial Agreement did not apply to grants made pursuant to Section 96 of the Constitution. The Commonwealth relied heavily on the fact that the Loan Council had passed a resolution in which Queensland was asked to agree to the exclusion of the amount from the calculations of net loan expenditure for future formula determinations.

**Mr. Hanlon:** Would that not show that it does come under the Financial Agreement, if it was necessary to get that approval?

**Mr. NICKLIN:** I am giving the Commonwealth point of view at the moment. It contended that this supported the view that the transaction was outside the Financial Agreement and, as such, was not entitled to Sinking Fund.

We pointed out that an exclusion of the type quoted was specially authorised by Section 3 (10) (b) of the Financial Agreement, and that, apart from its exclusion from net loan expenditure for future formula determinations, the entire manner in which the transaction was handled confirmed our attitude that it was in fact subject in all other respects to the Financial Agreement. We took the stand that entitlement to Sinking Fund was a constitutional right. An opinion of eminent counsel consulted by us was contrary to the assertions of the Commonwealth and supported our case that there can be no borrowing outside the Financial Agreement. To resolve these contrary opinions, we suggested to the Commonwealth that the question of constitutional entitlement to Sinking Fund should be referred for the opinion of two eminent

constitutional lawyers, one to be appointed by each Government, with a provision that, should they fail to agree, a third be appointed as umpire on the nomination of the two, and we agreed to abide by the opinion so tendered.

During the exchange of letters on the Sinking Fund question I had reminded the Prime Minister that when the World Bank proposal foundered, the concept of a "project loan" for a railway primarily in relation to mining at Mt. Isa was abandoned by the Commonwealth and replaced by the larger concept of a loan related to the general development of North Queensland and particularly related to a State-owned railway. I also indicated our strong opposition to any suggestion that a Sinking Fund contribution was conditioned in any degree by way of recoverability of loan expenditure.

The Commonwealth rejected our arbitration proposal, the Prime Minister contending that if any decision was to be made on a question of constitutional interpretation, the answer to which could, if our contention was correct, affect the validity of what the Commonwealth had done, or was doing, on the standardisation and other Section 96 projects, the decision should be made by the High Court.

Following the announcement of railway aid to Western Australia and South Australia, I urged the Federal Cabinet to again examine in the light of assistance to those States the Commonwealth contribution to the Mt. Isa-Townsville railway. The substance of the Prime Minister's reply was that Western Australia would find, in the ultimate, 65 per cent. of the total cost of the Koolyanobbing-Kwinana project, the Commonwealth having found 85 per cent. of the expenditure in the first place. A minor proportion of the cost of that section would be treated on standardisation terms, but the bulk of it must be on the same terms as Mt. Isa. A clause in the Agreement with Western Australia provided that payment by that State to the Commonwealth in respect of Commonwealth assistance would not be subject to any Sinking Fund contributions by the Commonwealth.

So far as South Australia was concerned the Commonwealth offer was to provide South Australia with finance for dieselisation on the existing line, the offer being on the basis that the State should repay in full to the Commonwealth over a period of 50 years, 30 per cent. of the expenditure, including interest at the long-term bond rate, and with no sinking fund contribution by the Commonwealth.

All these matters to which I have referred in this necessarily brief summary were thrashed out during frank discussions at Canberra, during which all major outstanding differences were ironed out. The outcome was that we accepted the proposals for Commonwealth finance as being fair and reasonable, there being general agreement that

the traffic on the reconditioned railway should readily amortize the cost of the line and the repayment of the advances over a period of 20 years.

Although we were unable to establish our claim to sinking fund repayments we obtained a substantial quid pro quo in the offer of the Commonwealth to find £5,000,000 for Queensland beef roads over the five-year period to June, 1966. That £5,000,000 included £650,000 previously agreed upon and provided in the Commonwealth Budget for the Julia Creek-Normanton Road with a matching arrangement on the part of Queensland. But the balance of the proposed £5,000,000—£4,350,000—was a clear grant which did not require matching expenditure by the State. We willingly accepted this offer, being very conscious of the fact that additional traffic would be attracted to the Mt. Isa-Townsville railway as a result of these joint arrangements for a more intensive development of the beef industry in North Queensland. That traffic will unquestionably strengthen the capacity of the Mt. Isa-Townsville railway to pay for its total cost in the specified 20-year period, and so make it a much better economic proposal.

I repeat that the Bill approves and ratifies the agreement made between Queensland and the Commonwealth in relation to the Collinsville-Townsville-Mt. Isa railway and gives the agreement the force of law so far as this Parliament can constitutionally make it law.

I mention that aspect because some provisions of the agreement relate to the State and other provisions are the concern of the Commonwealth.

The agreement was signed by the Prime Minister on behalf of the Commonwealth and by me on behalf of the State, and was made on the 27th day of September last. It contains a provision that it is not to have force or effect and is not to be binding upon either the Commonwealth or this State until it is approved by the Parliaments of both. That provision is the necessity for the Bill.

A Bill ratifying the agreement was read a first time in the House of Representatives on 18th October, 1961, and passed the third reading stage on 26 October.

I propose on the second reading to elaborate somewhat on the economic aspects I have already referred to, and also to deal in some detail with the constructional side of this great project which holds so much import for Queensland's development.

I have pleasure in commending the Bill to the Committee.

**Mr. DUGGAN** (Toowoomba West—Leader of the Opposition) (11.49 a.m.): I should like to have an opportunity to examine, for fuller discussion at the second reading stage, the information contained in the Premier's speech this morning. He has dealt in chronological sequence with the action taken over a period of time to bring to fruition the arrangements for the financing

of the Collinsville-Mt. Isa railway. Quite frankly, I think it represents one of the very sorry aspects of the Government's dealings with the Federal authorities in Canberra. Earlier the Government made a good deal of political capital out of this matter. In 1957 we were attacked by the then Opposition for our failure to act as quickly as apparently they considered this enterprise should be developed. There was a lot of woolly thinking by the then Opposition regarding the project. I should like to say at the outset that the Opposition are in full accord with the steps taken to provide for the requisite facilities to enable the increased production, which is being won and which it is expected will be won from Mt. Isa during the next few years, to be handled. Unquestionably this large undertaking is contributing substantially to overseas earnings; it provides employment for a large number of people in a remote part of Australia, and it is contributing to the financial solvency of the Queensland railways.

Consequently, for those and other reasons, it must be supported, and, indeed, we do support it. Initially, there was a disinclination on the part of the Federal Government to assist very much and that is the reason that the first proposals advanced by the Queensland Government—a Labour Government, in 1956—were for a restricted amount of £10,000,000. Then, as the Premier has outlined, as the proposals advanced by the company increased so did the financial necessity in regard to this line. At that time the steps that it was suggested should be undertaken by the Government in regard to the rehabilitation of the railway were considered to be adequate for the purpose. At that stage, the Labour Government did not fall down on its obligations to this and other parts of the State.

I can recall having received a series of deputations from the Chairman of Directors, the Managing Director, and other interested parties in Mary Kathleen, concerning what they felt was necessary then for the establishment of Mary Kathleen. The Commissioner for Railways and the Government discussed the matter very fully, and we were able to indicate that whatever demands Mary Kathleen might superimpose on the railways system could be met. I am confident the Minister for Transport cannot show that Mary Kathleen has been critical of the facilities that the Government have been able to provide since they started operations. So, at no stage did we fall down on this question of seeing that adequate steps were taken to provide for the expanded production.

It is interesting to recall that in 1957, Mr. Pizzey, the aspiring Premier, was, of course, rather concerned about—

**Mr. Aikens:** He would make a very good one, too.

**Mr. DUGGAN:** He would need to do much better than he did in 1957 if he is to

occupy that high position successfully. Speaking at Bundaberg, as reported in "The Courier-Mail" of 11 November, 1957, he said—

"Education Minister Pizzey said at Bundaberg that the Government expected something big to happen on the Mt. Isa Railway project soon. The Government was awaiting announcement of a World Bank loan of £35,000,000 for the project, which would mean work for thousands of men. All plans were complete and the railways could call tenders for the work tomorrow if necessary."

That is the man who the hon. member for Townsville South suggests would make an excellent Premier. His prognostication regarding the ability of the railways to undertake a project of that kind in a few days, in 1957, shows either one of two things—that the rest of the Cabinet were very much behind Mr. Pizzey in regard to the implementation of Government policy, or that he was only about four years out in his prediction of what could be done in this important matter.

This matter has been characterised by the sorry admission of Queensland's inability to state a case to the Federal authorities. It is abundantly clear that a good deal of blame was sought to be placed on the Labour Party for allegedly being "knockers" when from time to time we asked questions and raised the matter in debate. The hon. member for Barooka asked a series of questions extending over a period of time seeking information on the progress of the loan and the steps that were being taken, but the replies were either evasive or we were counselled, in the interests of Queensland, to remain silent so that negotiations would not be prejudiced in any way.

That advice and desire of the Premier was scrupulously observed by the Opposition, although we felt that the matter was not proceeding as well as it should.

To show that there has been a very marked reaction on the part of the public on this matter, I have here an article that appeared in "The Courier-Mail" of Friday, 4 September, 1959, written by no less a person than the Prime Minister himself. Can any hon. member tell me of any stage in the Prime Minister's career that he has seen fit to go to the trouble of preparing an article of such length, over his own signature, unless he was deeply disturbed at the situation? There is the report—almost a full page article in "The Courier-Mail" over the signature of Mr. Menzies—and it was not apparently something prepared by his departmental officers, because the personal pronoun comes into it so often, as is usual with Mr. Menzies.

He started by saying there was a good deal of criticism in Queensland of the Commonwealth for what they had done, and the purpose of the article was to exculpate the Commonwealth from the criticism, to remove them from the ambit of blame. He

tried, of course, very adroitly to say that whatever blame attaches in the matter rests somewhere between the Queensland Government and the management of Mount Isa Mines Ltd. Naturally he would feel it was rather dangerous for him openly to criticise the Queensland Government, and he would not want to offend big business very much, so he left the position in the air by saying it was not his job to criticise the actions of the Queensland Government or the company because no doubt they had approached the matter in good faith.

He said he regarded the problem as one of tremendous importance nationally, so much so that he said that not only did he encourage the provision of facilities for a delegation to go to New York but also that it had the imprimatur of his approval. Amongst other things he said—

"I would be willing to take the matter up in Washington with the president of the Bank (Mr. Eugene Black) with whom I was known to be on friendly terms."

So that he wanted to give to the delegation the imprimatur of his friendship and blessing, and authority based on the friendship existing between him and Mr. Eugene Black.

**Mr. Windsor:** That is the basis of all trade—friendship and confidence.

**Mr. DUGGAN:** If that is the case it surprises me to know the hon. member has been successful in business.

**Mr. Menzies** went on to say—

"Would you and your officers be prepared to have discussions with them if they came over?" He said, 'Yes.' I then said: 'Before I do anything about this, I want to know one more thing. The Bank has heretofore said that it requires a 100 per cent. amortization guarantee from the principal user, the company. Is that inflexible?' After discussion the answer was: 'No.' We are prepared to negotiate on a basis of less than 100 per cent., because we think this is a valuable project."

Looking at the document the Premier tabled in Parliament on 12 August, 1959, the Mount Isa company said it would guarantee 70 per cent., or 60 per cent. plus a payment to a sinking fund of 10 per cent., making a total of 70 per cent. The obligation accepted by the company formed the very basis of the approach to the World Bank by the Queensland Treasurer and Mr. Fisher, otherwise they would not have proceeded there, because Mr. Menzies told them prior to their departure that a cardinal principle of International Bank loans was that there must be some agreement with the user of the railway. Why the guarantee of Mount Isa Mines Ltd. would be more acceptable to the World Bank than the guarantee of the State Government, I do not know. But, as we have no control over the workings of that body, I suppose it is not my business to deal with that matter in

detail. It seems to me, however, that if the State Government were prepared to guarantee it and the Commonwealth Government prepared to underwrite it, that arrangement should have been sufficient. But the point remains that Mr. Eugene Black did indicate the position at that time, and subsequently, when this futile mission to America was undertaken. It was realised that the mission was futile almost before it commenced, because Mr. Fisher told me at a function in Toowoomba that he realised the case was lost almost before they departed on the venture. Those matters show very conclusively, in the matter of a continuance of negotiations, that they had not broken down on the basis of a 100 per cent. guarantee. In fact, Mr. Menzies said in this article—

“On my return to Australia I was shown the documents, which included, by courtesy of the Queensland Government, reports which Mr. Hiley had made to Mr. Nicklin during the discussions.

“In these I read that the company, through Mr. Fisher, had at Washington offered, on certain conditions, to guarantee 70 per cent. of the amortization of the cost of the railway.”

When the Premier, and the Treasurer, and Mr. Fisher went to Canberra, the Treasurer went on to say, amongst other things—

“The Conference began with a short statement by me on my own talks at Washington, followed by a question from me about the company's preparedness to guarantee 70 per cent.

“Mr. Fisher at once rejected any such idea. Speaking to Mr. Hiley, he said, in substance: ‘I have never guaranteed 70 per cent. What I said was that we were prepared to accept a surcharge on the freight rates to build up a fund of £5,000,000 which could be drawn upon if, in any year, the amount of freight was insufficient, and that might, over a period of 20 years, produce 70 per cent. of the total amortization.’”

Then the Prime Minister said to Mr. Fisher, “Well, what offer are you making?” Mr. Fisher replied—

“None. The company will guarantee nothing in respect of the railway rehabilitation. Why should we? We are mining people. We will develop the mine. The Government can develop the railway. That is its business, not ours.”

That was the attitude of the Mount Isa Mines Company—it was no business of theirs. The whole basis of the proposal was the assumption that a 70 per cent. guarantee would be given by the Mount Isa Company.

Then the Prime Minister continued—

“Clearly, therefore, the failure to secure a World Bank loan arose from circumstances over which the Commonwealth Government had no control, and for which we can in no sense be fairly blamed.

“Mr. Nicklin and Mr. Hiley, I am sure, agree with this.

“Before our last conference ended Mr. Hiley opened up the possibilities of borrowing from some other source or sources. I am in close correspondence with Mr. Nicklin about this matter.

“All that need be said at this stage is that the Queensland Government and my own are both active and co-operative, since we are both enthusiastic about the project.”

That shows very clearly that the Prime Minister, Mr. Menzies, failed in another of his famous international missions. There is abundant evidence from Mr. Elgin Reid, a very well-informed newspaper correspondent in Canberra, who because of the temperate nature of his articles seems to have better access to Ministers in Canberra than most newspaper correspondents. He indicated that there was money available from various sources, including western Germany. The best way to examine this matter calmly and dispassionately would be to table all the correspondence that passed between the various bodies in relation to it. I should not mind if some confidential financial matters concerning the company were excluded, but the Government correspondence should be tabled and so be accessible to hon. members for perusal. Then they may be able to find out what happened. There seems to be abundant evidence that finance was available. Mr. Holt said it was. He said he would face the possibility of getting it overseas. There is evidence in the various newspapers of the extent to which international money was available and, I might say, at terms much lower than were finally agreed to.

We are complaining about the delay, the political propaganda that has been made out of the matter, and the failure of the Government to convince their confreres in Canberra of the need to be not only fair, but generous to Queensland in the allocation of funds. Then, there has been a miserable allocation of less than £5,000,000 for beef roads. I shall have something more to say about that later and I shall link it up more directly with the subject under discussion.

The International Bank loan was on a basis of £5 10s. per cent. Can anyone say that that is a generous provision on the part of the Commonwealth authorities? The present Commonwealth rate is 5½ per cent.—the highest it has been since before the war, and the highest for the last 20 years.

We cannot say that we are passing through a period when interest rates are rising. Only yesterday the Treasurer indicated quite authoritatively and emphatically—and asked that his statement be recorded so that he may be judged on its authenticity or accuracy—that interest rates in the Commonwealth were on a level basis and in due course would tend to come down, rather than go up. Yet we are committed to the repayment of £20,000,000 at the highest bond rate in

our history. We have to accept an average of the rates for two loans raised overseas, but I am not so sure that the method by which those loans were raised overseas give a fair presentation of Australia's credit worthiness. It may be an indication of the creditworthiness of the Menzies Government. One of their loans in New York was at a higher rate than our £5 7s. 6d. per cent. It was well over 6 per cent. Moreover, it was issued at a substantial discount. They were forced to obtain money over there despite the fact that they made a repayment to the International Monetary Fund during the period of these negotiations. That money became available to them either through under-expenditure of certain departments or because they had hypothecated a sum of money from Consolidated Revenue or from some other source. It is obvious that it would have cost them far less than £5 7s. 6d. per cent. If they were so concerned about making a repayment to the International Monetary Fund, they could have financed it with the money available.

The International Bank rate varies greatly, too. The 1959-1960 report of the bank shows that Brazil got 12,500,000 dollars at 4½ per cent., Burma got 5,000,000 dollars at 4¼ per cent., France got 7,500,000 dollars at 4½ per cent., and Mexico got 61,000,000 dollars at 4¼ per cent. Admittedly there were one or two at 6 per cent., including 11,500,000 dollars for South Africa, but there was no fixed basis for the determination of the interest rate. Those were all in the one year. Apparently the rate varied according to how those people were impressed with the particular project. We have done very badly indeed and the Government have not come out of it with any honour.

In the Address in Reply debate the hon. member for Baroona dealt rather extensively with the proposed financial operations and he disclosed in his very thoughtful speech the evasiveness of the Premier on these matters. I feel that it was within the competence of the Premier to release a good deal of information that he did not release at that stage.

Then we come to the probing by the hon. member for Baroona, and at various stages the hon. member for Kedron and I mentioned the matter of Sinking Fund payments. This is what the Treasurer had to say as recently as 24 August last—

“The exchange of correspondence clearly establishes that, but then its final term has to be settled. We say a sinking fund entitlement is ours as a matter of constitutional right. It is not a matter for decision at all. We say it is settled by the Australian Constitution. We say it is a borrowing by the State. They say it is a Section 96 grant repayable, bearing interest, and they say it is not a loan and not a borrowing. We say quite frankly that if that argument succeeds the English

language has lost all its meaning. If I say, ‘Here is £1,000; you have not borrowed it, but you have to pay it back and you have to pay me interest on it,’ if that is not a borrowing, then, I repeat, the English language has lost all its meaning. It is a technical argument that a repayable grant under Section 96 is excluded from Section 104A of the Constitution. It is a financial agreement under which the sinking fund entitlement is not a matter of course or a gift. It is a matter of sheer constitutional right under the financial agreement where the several States of Australia forwent their independent borrowing rights and in return the Commonwealth did two things: it agreed to take no more than 20 per cent. of the total loan pool of Australia and in addition it undertook to contribute to a sinking fund out of its resources on all State borrowings. That was the bargain that was made, and we believe the bargain should cover Mount Isa.”

That is a clear enough indication, as a matter of simple arithmetic, that they were going into the matter. The Premier said they had gone so far that they had agreed to supply a panel of names in the event of the Commonwealth's not agreeing. At least, apparently provision was made for the likely event of these two counsel, one from Queensland and one from the Commonwealth, disagreeing. Incidentally, this bears out the claim I made yesterday in the debate on another Bill. Legal men seem definitely to be trained to argue that black is white as well as that black is black. If they were all in agreement in these matters there would not be so much litigation. So the Premier must have expected disagreement between the two of them because even before the suggestion was over-ruled he had made arrangements for a referee in the matter. It did show, at least at one stage, an attitude of fight on the part of the Government. The Premier admitted this in the past, and a few days ago the Treasurer said in effect, “I am not concerned about constitutional rights. All I am concerned about is whether I can get a few pounds. It does not matter how it is paid; we will accept it.” Because Mr. Menzies says, “We will give you £4,350,000 without a matching grant for beef roads in Queensland. Will that satisfy you?”, the Premier and the Treasurer come back from Canberra and say that is very helpful and generous and that they are very grateful for what the Commonwealth Government have done, when they have overthrown an important principle.

**Mr. Ewan:** Isn't it helpful?

**Mr. DUGGAN:** It is helpful, but not generous. Western Australia, which has about one-sixth of the beef production of Queensland, has received more proportionately in a grant for its beef roads. Western Australia had received that before this amount of money was made available to

Queensland. If there was justification for a grant to Western Australia for beef roads—and I say that there was—

**Mr. Ewan** interjected.

**Mr. DUGGAN:** There are all sorts of things, but they are getting away with them. The Treasurer said that he did not care what they called him. He said that they could call Queensland a claimant State as long as he got the money.

**Mr. Ewan:** Your Government got money for beef roads in the past.

**Mr. DUGGAN:** Yes.

**Mr. Ewan:** What are you making such a song about now?

**Mr. DUGGAN:** On the value of the £1 today, the Government are getting approximately what we got some years ago.

**Mr. Ewan** interjected.

**The CHAIRMAN:** Order!

**Mr. DUGGAN:** The important point is that this is not a grant at all. There is no sinking fund payment. It is merely the provision of finance at a rate of interest higher than the existing Commonwealth bond rate, which is the highest it has been for 20 years. We have lost several hundreds of thousands of pounds in sinking fund payments, and we would have saved several hundreds of thousands of pounds in interest and redemption payments had we been able to negotiate a more realistic rate than the 5½ per cent. now being charged. I suppose it is easy enough for the Prime Minister or the Premier to quote two loans in the dim and distant past which might have been based on a rate higher than £5 10s. I have not the figures available. But what is the State paying for its total loan indebtedness if it is not £5 10s.? And we are expected to repay it over 20 years. I do not care how the Premier and the Government squirm. How is it that South Australia can get a loan over 50 years with interest between 3½ per cent. and 5 per cent. for dieselisation and it is obliged to pay only 30 per cent. of the loan? Can anybody tell me that any more significant contribution is made to national defence by the provision of diesel power than by the provision of steam power? Not even the present Minister for Transport suggested when we bought diesel locomotives, nor has he suggested since he has purchased diesel locomotives, that their purchase could be a basis for an application to the Commonwealth for assistance merely because they reduced operating costs on the railways. As a matter of fact, from a national point of view—and this is the only real argument against the use of diesel locomotives in Australia—if we were involved in war and cut off from overseas oil supplies, our national transport system would be immobilised. So if there is any security connected with locomotive traction, it lies more in steam than in diesel locomotives.

The only argument used by South Australia was that it wished to dieselise the South Australian railways, and it received 70 per cent. of the money at an interest rate of from 3½ per cent. to 5 per cent.

(Time expired.)

**Mr. AIKENS** (Townsville South) (12.14 p.m.): We know, of course, that this Parliament is run on the party system. Unfortunately, most debates are flavoured by a party approach and party propaganda. As usual, I am going to speak purely and simply as a North Queensland, and I am going to remind the Government and the Opposition that I was interested in the Mt. Isa line and made speeches about it in this Chamber long before the present flurry occurred, a flurry which, I should say, is occasioned definitely by the approaching Federal election. I made a speech in the House when the Minister for Education and others—some of them informed, some of them uninformed—were running around the country saying that the flotation of a loan from the World Bank was a cut-and-dried affair, that everything in the garden was lovely, that we were going to get all the money we needed from the World Bank for the Mt. Isa reconstruction, that it was just a matter of applying for it. I told the House that at a civic reception in Townsville given to the then Federal Treasurer, Sir Arthur Fadden, really let himself go—we know that his speeches can be picturesque—about the reports that he was reading in the Press from time to time of statements made by all sorts, manner and condition of people who were saying that the loan for the Mt. Isa line reconstruction from the World Bank was purely and simply a formality. As a matter of fact the Prime Minister of Australia when speaking in Townsville just prior to the last Federal elections said, "The Mt. Isa loan is in the bag." They were his exact words. When I came down to Brisbane I told the House that the loan from the World Bank was not in the bag, that it was not a certainty, that as a matter of fact it was almost an impossibility. Sir Arthur Fadden went to town—if I may use that common phrase very appropriately—on those who were making what he considered to be such stupid and irresponsible statements. He told the gathering of the commitments that Australia had already entered into with the World Bank with regard to loans and repayments. These are his words in effect, if not in fact, "It will be almost impossible for Australia to make out a case to the World Bank for a loan for the Mt. Isa line reconstruction because Australia has already got so much from the World Bank, and there are so many other countries who are entitled to consideration from the World Bank long before Australia gets any further consideration."

**Mr. Walsh:** I am sure you are misrepresenting Sir Arthur Fadden.

**Mr. AIKENS:** I am not misrepresenting Sir Arthur Fadden. As a matter of fact, I hold him in very high personal regard, even though his political philosophy is diametrically opposed to mine and almost in line with that of the hon. member for Bundaberg.

I came down to Parliament House while the incident was fresh in my mind—hon. members know the retentiveness of my memory—and told them exactly what Sir Arthur Fadden had said. He warned us then, and I warned the House, that the loan from the World Bank was not just a formality, not a cut-and-dried affair. I told the House what Sir Arthur Fadden had told us in the mayoral parlour in Townsville, that there would be only a very rough chance, only a Bolter's chance of Australia's ever getting a loan from the World Bank.

When I hear the Leader of the Opposition and others saying that we are paying too much for the money from the Federal Government, I have a little bit of a laugh to myself. I remember the interest that Mr. E. G. Theodore paid for an American loan. He was the Labour Premier of the State who has been held up since as the paragon of all Treasurers, the financier of all financiers. What he paid for the American loan almost bled the State white, but he had to have the money. I am not saying that at the time Mr. Theodore should not have entered into that commitment. He had to have the money because of the tragedy to the State caused by very prominent men of the day. One of them, incidentally, was named Walsh—no relation, I hope, to the hon. member for Bundaberg. Messrs. Walsh, Cowley and Philp sold the country down the line in London. Mr. Theodore just had to accept the money from America at any interest rate that he could get it. The destiny of the State was at stake. Here we have exactly the same position with the Mt. Isa loan. I do not want to keep hammering at the Opposition, but the only time that they appear to be interested in North Queensland is at election time, whether State or Federal. They are interested just as the Government appear to be interested in North Queensland only at election time. We then have this army, this veritable horde of southern politicians infesting North Queensland, as at the present time. That is the only word I can use in relation to them. They are all promising us huge development; we are going to have this, and we are going to have that, and we will not see hide nor hair of them for one day after the Federal election. They will be gone and that is the last we will see of them until the next election, or perhaps, during the salubrious winter months, they will come up to enjoy our wonderful sunshine at the taxpayers' expense. Some of them will probably arrive with a long-haired mate.

**The CHAIRMAN:** Order!

**Mr. AIKENS:** That is all we have got from all the types, shapes and colours of southern politicians in all the years I have been interested in North Queensland.

Because I am a good North Queenslander and do not play party politics so far as North Queensland is concerned, when the Mt. Isa loan was first granted by the Commonwealth Government and a statement was issued in the Press, by either the Prime Minister or the Premier, or someone else—I forget the exact circumstances, but it was issued—there was absolute and abysmal silence on the part of the Opposition. They did not say a word about it because there was not an election pending. They could not get any political propaganda out of it. So they were silent when the statement was made and the Premier and the Prime Minister were hugging each other as a result of the Federal Government's making available money for the reconstruction of the Mt. Isa railway line. But, I was not idle, and I remind the Leader of the Opposition and any other member of the Chamber who might be interested, that right back to 13 November, 1959, two years before the hon. member for Baroona probably ever read of the reconstruction of the Mt. Isa line, I asked a question on the matter. All this blah-blah and blowing of trumpets and banging of drums by the Labour Party, at the terms of the Mt. Isa loan, is only going on this year. It is only a few months or a few weeks ago that they asked the Premier did he consider the terms of the Mt. Isa loan as offered by the Federal Government to the State Government to be niggardly and the Premier walked in boots and all and said, "Yes," he did think the terms of the Mt. Isa loan were niggardly.

Let me quote from "Hansard" of 13 November, 1959, a very fateful day for the Premier and the Opposition, a question I directed to the Premier. I asked—

"(1) Has his attention been drawn to an article on page 11 of 'The Courier-Mail' of November 11 last, headed 'Allow Dramatic Progress in Isa', in which the Prime Minister is reported as saying *inter alia*, 'the terms of the loan were acceptable to the Queensland Government with great pleasure and satisfaction'?"

"(2) Did he or any member of his Government, as spokesman for it, express great pleasure and satisfaction at the terms of the loan?"

"(3) If so, how could the Government express pleasure and satisfaction at the terms of the loan for the Mt. Isa railway reconstruction when it is known that the Federal Government is finding all the money required for the standard gauge line from Melbourne to Albury and that the Governments of New South Wales and Victoria are required to repay only fifteen per centum each over a period of fifty years, unless this Government believes in

the Commonwealth Government giving preferential and favoured treatment to Southern States as against Queensland?"

The Premier, the man who two years later said that the terms of the loan were niggardly, in his reply, of course, could not resist having a crack at me. Under the present Speaker it is doubtful if this question would go on the business sheet.

**The CHAIRMAN:** Order! The hon. member will not cast a reflection on Mr. Speaker and I ask him to withdraw the statement.

**Mr. AIKENS:** Very well, I will withdraw it. The Premier replied to the questions as follows:—

"(1, 2 and 3) The Honourable Member should know that there is no analogy between the construction of the Mt. Isa railway and the building of the uniform gauge line from Melbourne to Albury, as the latter project is being constructed under special legislation passed by the Commonwealth Government which, it is interesting to note, was also open to every other State in Australia to take advantage of if so desired. Our predecessors in office did not take advantage of the opportunity offered to them under this special legislation, consequently we are not eligible to share in any benefits under that legislation."

"The reconstruction of the Mt. Isa railway will be carried out under arrangements approved by the Loan Council. Naturally, the Government is pleased that it is able to proceed with the proposal as a result of the co-operation of the Federal Government in making arrangements for the necessary finance to be obtained for the purpose of carrying out the work on this project, thus providing continual employment for some years for our people, both directly and indirectly. I repeat again that my Government is deeply appreciative of the great personal interest which has been taken in the Mt. Isa railway project by the Prime Minister and his constant endeavours to bring to a successful conclusion a project which has been the subject of lengthy and arduous negotiations. I am sure that all sensible Queenslanders interested in the progress and welfare of our State are not unappreciative of the assistance given by the Commonwealth Government towards this project. One could naturally not expect the Honourable Member to be included in this category. Queensland wants 'boosters' not 'knockers'."

When he said that, bless my soul, every A.L.P. member sang out, "Hear, hear!" They cheered the Premier when he branded me as a knocker for questioning the terms of the Mt. Isa loan two years ago. Now, two years later, they are up on the band wagon with me. That is the type of putrid, Party-political propaganda that unfortunately bespatters and besmirches every debate that takes place in this Chamber with regard to

North Queensland. We in North Queensland naturally would have liked the loan to be raised on more advantageous terms for the Government, but above all things we are deeply gratified that it was raised. Yet the Opposition and others say that we could have got better terms and should have got better terms.

**Mr. Walsh:** So we should.

**Mr. AIKENS:** Whether the hon. member's party formed the Government—and it did for many years—or the present Government were in office, if a loan was offered on similar terms for the development of a project in Brisbane, it would be accepted. Whichever party formed the Government, it would have accepted the loan with open hands and it would have embraced the Federal Government for giving it.

**Mr. Walsh:** That is what you think.

**Mr. AIKENS:** The attitude of both parties is, any money on any terms, at any rate, for the development of Brisbane and the South-east corner of the State, but let us put every project for the development of North Queensland under a microscope and criticise it by every means under our control or at our disposal.

The development of Mt. Isa means a tremendous thing to North Queensland, and Mt. Isa has not yet been properly developed.

I know a good deal about Mt. Isa. I was deputy chairman of the Cloncurry Shire Council when Mt. Isa was founded and when the railway line was opened. As a matter of fact I could write a very interesting history about the development of it. I was one of the councillors of the Cloncurry Shire who asked that Mt. Isa mine-side be included in the Cloncurry Shire, and voted for it—one of the silliest things I have ever done, I admit quite frankly. If we had had any sense we would have said, "Let Barkly take Mt. Isa township and damn good riddance to it." That was one of the few stupid things I have done in public life. We thought by getting Mt. Isa in the Cloncurry shire that we would get some of the glamour from Mt. Isa; all we got was almost bankruptcy for the Cloncurry Shire, in putting the township of Mt. Isa on its feet. If we had said, "Give everything on this side of the river to Barkly Shire", we would have done something of immeasurable benefit to the people of the Cloncurry Shire.

Mt. Isa is only on the fringe of tremendous development. It means more to North Queensland than any other single project I know. There are other industries in northern Queensland, including several big industries, on which we rely, in a measure, for our prosperity and indeed for the fact that we are able to remain and live in North Queensland. The sugar, wool, meat, timber and maize industries and various others are very important to North Queensland, but none of them is as important as Mt. Isa, and, while I join with others

who would have liked to see much better terms for this loan, I find myself in exactly the same position as Mr. E. G. Theodore was in when he went to America and paid through the nose for loan money in order to save Queensland from disaster. If necessary, I am prepared to pay through the nose for money to save North Queensland from disaster. That is the only difference between the Labour Party under Mr. E. G. Theodore and me. Although this Government may not have been as smart as the Opposition wished they were, I put this proposition to the Opposition: Suppose a Labour Government had remained in office would they have got any better terms for the Mt. Isa loan than this Government did? I say quite unhesitatingly that they would not.

**Mr. Lloyd:** Yes we would.

**Mr. AIKENS:** They could not have got it from the World Bank or any other financial institution, and if they did not accept the terms offered by the Commonwealth Government as embodied in this Bill, they would have been traitors to North Queensland and they would have been traitors to the State.

When all is said and done, the man who borrows the money is not the man who lays down the terms of the loan. If I want to borrow money—and thank goodness I have not got to borrow it—and I need it badly enough, I cannot lay down the terms under which I shall borrow it. I have to accept the best terms offered to me, and if I need it badly enough I have to accept any terms.

**Mr. Walsh:** Do you think Sir Thomas Playford has laid down his terms?

**Mr. AIKENS:** I am not concerned about Sir Thomas Playford. As a matter of fact, I do not know him. However, I know the hon. member for Bundaberg dines and wines with him every time he visits Adelaide. I should not know him if I fell over him and, I am not particularly anxious to make his acquaintance. However, I will say that Sir Thomas Playford is as good a South Australian as I am a North Queensland. I will give him at least that much credit. He can see only the interests of South Australia as I can see only the interests of North Queensland.

This Government would have been traitors to this State, and traitors to North Queensland, if they had quibbled about the interest rate on this loan and so lost it. Hon. members should go to Townsville to see what Mt. Isa has done there. It is all very well for the aldermen, and many other people to claim a share in the responsibility for the remarkable development of Townsville and the remarkable increase in the population over the last seven years. Our aldermen claim credit for everything! At a public meeting the other day some claimed they were responsible for the population of Townsville increasing by 10,000 in the past seven years. I followed them with my speech

and I said that I knew they were good, but I did not think they were that good. The company, more than all the other companies combined, that has made Townsville the prosperous thriving city it is, and has made Townsville the second city of the State, is Mount Isa Mines Ltd. Let us not kid ourselves about that.

With the expenditure of this money on the reconstruction of the Mt. Isa railway line, and the strengthening of it to take the heavy diesels and the big loads, at speed, which is a very important thing. Mount Isa Mines's plans for expansion almost beggar the imagination. When we remember that Mt. Isa not only has a huge potential for development in the Mount Isa Mines lease presently being worked, and a huge potential for development in what they call the 14-Mile, just outside the town of Mt. Isa, and when we realise that Mount Isa Mines can possibly quadruple production—and do more than that over the years to come—and keep on going, and when we realise that Mount Isa Mines will make Broken Hill look like a pimple on a pumpkin, we can visualise what it means to North Queensland and to Townsville.

The copper refineries, the cement works, and many other industries, would not have been established in Townsville without the prosperity and wealth that has been brought to the city by Mount Isa Mines. Townsville is the transport centre and the shipping port. It is the commercial centre for all the back country.

**Mr. Windsor:** The pivot.

**Mr. AIKENS:** Yes, I will use that word if the hon. member wishes.

It is unfortunate that many of the goods that could come to Townsville, and be sent by rail to Mt. Isa, are coming up the central part of Australia along the Sturt Highway to Tennant Creek, and from Tennant Creek to Camooweal, and from Camooweal to Mt. Isa, under the protection of Section 92 of the Commonwealth Constitution and the protection of the Commonwealth and the South Australian Governments. Naturally they are taking back as much loading as they can get from Mt. Isa, and in doing so, of course, they are robbing Townsville of a portion of its trade.

**Mr. Walsh:** Would you agree that Broken Hill had some influence on the shabby treatment this Government got from the Commonwealth Government?

**Mr. AIKENS:** I do not care who had an influence on the shabby treatment this Government received from the Commonwealth. How can it be shabby when in 1959 the Premier was so gratified with it that he slandered and attacked me for saying that it was shabby and the hon. member for Bundaberg remained silent! It was not until the Premier said to me, "The hon. member for Mundingburra is a knocker" that the hon. member for Bundaberg sang

out, "Hear, hear!" He remained silent for two years. I was beginning to wonder whether he was animate or inanimate; he was so silent, so still. Now that there is a Federal election in the offing and the hon. member for Bundaberg has sold poor old Vincie Gair down the line and, like St. Peter, has denied him thrice before the crowing of the cock, now the hon. member for Bundaberg and all the Calwell boys over there and the McManus boys over there and the Menzies boys over here are all banging the big drum for North Queensland. I have always banged the big drum for North Queensland.

**Mr. Duggan:** You are quite right.

**Mr. AIKENS:** At least the Leader of the Opposition knows a little about North Queensland. I remember when the hon. member was asked to go up there in 1950 to assist his friend in the Flinders by-election and he said, "Flinders? Wait a minute now, is that where the poppies grow?" Someone had to tell him that the poppies grew in Flanders, not in Flinders. That is how much he knew then about North Queensland and he has learned damned little about it since.

Now, Mr. Taylor, I have expressed my attitude to the Bill. I had hoped that it would be on better terms but I place the development of North Queensland before any other consideration. Although I would have regretted it even more if the terms had been harsher—suppose that the Commonwealth Government had imposed World Bank or even harsher terms than they have for this loan—I would have urged the Premier to accept the terms; I would have fought tooth and nail for their acceptance. I do not care what price this Government pay for the development of North Queensland, the development of North Queensland is worth the price; do not make any mistake about that. Anyone who knows North Queensland as I know it and anyone who knows the potential danger that an empty North always presents, anyone who knows the people who have lived up there for years and who have struggled to establish a white community in North Queensland, will know that they deserve every encouragement and every assistance. Forget all this argument about the loan, all these polemical statements of the hon. member for Bundaberg and the Leader of the Opposition and his financial wizard and genius, the Deputy Leader of the Opposition, who, frankly, could not change a three-penny bit unless he asked Jack Duggan how many pennies he had to give him. These are the men who for purely political propaganda purposes are trying to damn this loan root and branch. They are not merely trying to damn the loan—I will put them where they belong—they are trying to retard the progress of North Queensland. That is their real aim. And just as they are against North Queensland, just as they were against it when they were the Government, just as I was for it then, so I am for it now.

**Mr. LLOYD (Kedron) (12.39 p.m.):** There is some cause for gratification in the introduction of the Bill mainly because of the prolonged agony not only of the speech of the hon. member for Townsville South but also because of the dithering negotiations between the State and Commonwealth Governments over the last five years.

I do not intend to speak at any length about the hon. member for Townsville South but we had another indication of the Tory type of attitude that Tory Tom has adopted particularly during the last four years.

**Mr. AIKENS:** I rise to a point of order. Just to keep the record straight, I should like the hon. member for Kedron and the hon. member for Bundaberg to fight this out. Yesterday the hon. member for Bundaberg called me Tom the Comm. Now the hon. member for Kedron is calling me Tory Tom. Will they fight it out between themselves and make up their minds?

**The CHAIRMAN:** Order! I would ask the hon. member for Kedron and the hon. member for Bundaberg to address hon. members by their proper titles.

**Mr. WALSH:** I rise to a point of order. I deny that I called the hon. member for Townsville South "Tom the Com." There is no such reference in my speech in "Hansard". He said that the latest was that he was "Tory Tom". He said that himself.

**The CHAIRMAN:** Order! I ask the hon. member for Townsville South to accept the version of the hon. member for Bundaberg.

**Mr. Aikens:** I will accept that, but I call your attention to the fact—and you have a retentive memory, Mr. Taylor—that the hon. member for Bundaberg said, "I am surprised that the hon. member for Townsville South is not there supporting the Coms", when I asked him was he going to support Vince Gair.

**The CHAIRMAN:** Order! The hon. member for Kedron.

**Mr. LLOYD:** It does not matter which camp the hon. member for Townsville South remains in because he has been in so many camps. I think that is substantiated by the speech that he has made already. His speech in this Committee was on behalf of the Commonwealth Government and his friend the Federal member for Herbert. There is no question in my mind that he has already supported the campaign of his Liberal Party friend in Townsville. We understand that the hon. member is using the office of the Federal Member for Herbert, and no doubt he has the use of the telephone and other services there.

**Mr. AIKENS:** I rise to a point of order. I am not worried about what the hon. member for Kedron says about me, but the only time I have been to the office of the Federal member for Herbert was to talk to

him or his secretary about matters relating to pensioners, other Federal matters, and so on. I do not hang round the place.

**The CHAIRMAN:** Order! It is not necessary for the hon. member for Townsville South to make further explanations. I ask the hon. member for Kedron to deal with the Bill.

**Mr. LLOYD:** Certainly, Mr. Taylor. As a matter of fact, it does not matter to me what the hon. member for Townsville South does with his spare time. He has diverse interests, and he can do what he likes.

It is some gratification to us to know that this question has at last been resolved. The Leader of the Opposition and other members of the Australian Labour Party have endeavoured from time to time since 1957 to urge the Government to attempt to resolve the difficulties that were apparent in this matter. I shall quote from an article that appeared in "The Courier-Mail" in 1958 to indicate that the hon. member for Barooka and the Leader of the Opposition have continually pressed the Government during the past three or four years for the implementation of a scheme to expedite the reconstruction work. In "The Courier-Mail" of 24 October, 1958—I remind the Committee that that was about 12 months before the hon. member for Townsville South became interested in the scheme—this report appeared—

"Mr. Nicklin told Mr. Hanlon in Parliament that negotiations on the rehabilitation of the Townsville-Mount Isa railway had reached a crucial stage, and it would be inadvisable to make statements or bring the matter into controversy while negotiations were still incomplete.

"Mr. Hanlon had asked had the Commonwealth Government been requested to make any direct contribution to the cost of the line, and had the Commonwealth Government agreed to make a direct contribution comparable to the national importance of the project."

That has been the attitude of members of the Australian Labour Party during the prolonged negotiations. Because of the callous attitude displayed by the Commonwealth Government and what appeared to us to be the dilatory attitude of the State Government, we asked continually whether it was possible for the State to receive financial assistance or a direct contribution for this essential reconstruction work. We were unable to get any satisfaction from the Premier or the Treasurer, and what the Premier has told us this morning is the first we have heard of many of these matters. Apparently negotiations between the Commonwealth and State Governments in an endeavour to reach agreement had already commenced 12 months before the Government came into power. Although we are being accused, on what I think is not very reliable authority, of being against this proposal, we have always indicated that we

wanted this developmental work to commence as quickly as possible because this would enable industry to expand in North Queensland and to absorb the large number of unemployed that has been in the area for some years.

We have always adopted the attitude that we are entitled to receive from the Commonwealth Government what has been made available to other States. We have not received that. The agreement indicates very clearly that Queensland still is not receiving the assistance offered to and accepted by the other States. We know that the Commonwealth Government made a substantial contribution to the Koolyanobbing-Kwinana railway line and they have also made substantial contributions towards the dieselisation of the Broken Hill-Port Pirie line. In addition, as part of the rail standardisation scheme reconstruction of that line will be the subject of a very substantial contribution from the Commonwealth Government later. As it appears that Broken Hill Pty. Co. Ltd. are able to influence the Commonwealth Government to such an extent that money is made available immediately, why is it that a company like Mount Isa Mines Ltd. is not able to exercise the same influence to get for Queensland what is offered to and accepted by the other States?

Our argument is simply that we are not receiving the same treatment from the Commonwealth Government as that meted out to the other States by the Commonwealth Government. I do not think the Premier can deny that. In reply to a question he willingly conceded that the Commonwealth Government's treatment of Queensland was niggardly. Our protest about the State Government is directed to their silence and passive resistance over the years of the negotiations. Had they taken a stiffer and more stern stand it may have been possible for Queensland to receive a great deal more from the Commonwealth Government. Our main argument is against the Commonwealth Government. Every person in Queensland, including the hon. member for Townsville South, must agree that there are ample reasons why, in the interests of national development, the Commonwealth Government should intervene in this matter, and at least make a substantial contribution towards this expenditure. Originally, they were not prepared even to underwrite the loan. It was only because political pressure was brought to bear after the failure of the application to the World Bank that eventually at the end of 1959 the Minister for Development, Mines, Main Roads and Electricity was able to say that the Commonwealth Government were prepared to underwrite the loan to the extent of £20,000,000. With the 20-year condition it is quite possible that the mining company will not be able to expand rapidly enough to enable full interest and redemption payments to be made without a contribution by the State Government. In any case the State has to

find £9,000,000. Naturally it is receiving its sinking fund contribution in respect of that. We are entering into a considerable liability, but I am not arguing against it. It is vitally necessary that the work be done. All hon. members on this side realise that. But we must make a comparison. The Premier said this morning that the Western Australian Government are receiving direct assistance up to 35 per cent. of the cost of the reconstruction of the Kwinana-Kalgoorlie line. What he omitted to tell the Committee was that the expenditure by the Western Australian Government on that line will be from Consolidated Revenue. That is part of the agreement. Naturally it will be reflected in the Western Australian Government's application to the Commonwealth Grants Commission. As Western Australia is a claimant State the Grants Commission is bound to take it into consideration and remit a considerable amount of the Government's expenditure on that railway line. So, in actual fact, the Commonwealth Government will, in the final analysis, be making a very substantial contribution towards the expenditure. In fact, I will state that at least 50 per cent. of the total cost will be by way of direct contribution by the Commonwealth Government to the Government of Western Australia. In addition, as the Premier stated, the balance of cost by way of loan is repayable over a period of 50 years. The loan in this instance, of £20,000,000 to Queensland, must be repaid over a period of 20 years and the State Government will have to meet their full commitments of interest and redemption. It does not matter whether the traffic will be sufficiently high to enable the State Government to do that. Already we know, from the information we have been given, that the Mount Isa Mining Company was not in a position to give to the World Bank a sufficient indication of the tonnage of freight that might be carried on the line as a result of its activities to induce the bank to grant a loan of £20,000,000 repayable, not in 20 years, but in 29 years.

Surely the World Bank would know what the interest and redemption would be on a loan of that size and, if the mining company was right, we must expect that the State Government, over and above the revenue which will be derived from the reconstruction of the line, will have to meet portion of the additional cost as a result of this borrowing.

We do not oppose the borrowing but we think that, whilst the Commonwealth Government have made direct contributions of assistance to other State Governments, the Queensland people are entitled to expect treatment similar to that granted to Western Australia, South Australia, Victoria and New South Wales.

**Mr. HANLON** (Baroona) (12.52 p.m.): There is no doubt that this Government in their four years in office have brazened their way through a number of muddles of their

own making. There is little doubt that this one is a supreme example of muddling by the Queensland Government and of complete neglect of Queensland by the Menzies Government. As the Leader and Deputy Leader of the Opposition have pointed out we welcome the machinery to enable this project to get under way and the work to be completed.

**Mr. Windsor:** You did not say that when it was introduced. You were all sad and very disappointed.

**Mr. HANLON:** I know the hon. member for Windsor has been asleep for the past four years—

**The CHAIRMAN:** I would remind the hon. member that the hon. member he is addressing is not the hon. member for Windsor.

**Mr. HANLON:** Thank you, Mr. Taylor, I am sorry. If the hon. member for Ithaca had not been asleep for the past four years, or if he ever goes to "Hansard," he will know of the series of questions that have been asked by members of the Opposition and the number of times that this matter has been raised in debate. They have all been quoted before and I do not propose to take up the time of the Chamber in quoting them again.

Recently when legislation corresponding to this Bill was introduced in the Federal Parliament, the Prime Minister gave a brief outline of the agreement and, amongst other things, he said—

"We looked at the State's proposals."

That was in 1956 when a Labour Government in Queensland originally approached the Commonwealth Government. He went on—

"We made a critical study of the company's extension plans, and an assessment of the value of the overall project as an export earner."

In other words, for the benefit of the whole Commonwealth. He went on to say—

"Weighing all the facts, we were forced to the conclusion that the limited work proposed by the State on the railway did not go far enough, and that the mining project was of such importance . . ."

And here I might interpolate "to the whole of Australia." He continued—

". . . as to call for a first-class railway, properly equipped with modern rolling stock, and capable of carrying in an economic and efficient manner not only the traffic needed for the announced increase in production but also such further traffic as would be offering were the huge Mt. Isa deposits to be developed at a still faster rate. Beyond this, of course, were the prospective needs of the great north-western area of Queensland."

and so on. He then said—

“Our views were made known to the then Premier, who forthwith arranged for a more elaborate plan to be drafted. The new proposal required an expenditure of upwards of £30,000,000 . . .”

That indicates that it was the Commonwealth Government who thought that in the national interest £30,000,000, and not £10,000,000 should be spent on the project. Naturally our Government would wholeheartedly agree with him. The Prime Minister pointed out, “The State made it clear that such an expenditure could be contemplated only if very substantial outside assistance was forthcoming.” It was the Commonwealth Government who thought that a major project of £30,000,000 rather than a minor one of £10,000,000 was necessary. The Prime Minister went on to say, “From the outset we contemplated an overseas borrowing.” He went on—

“We had been able to interest the International Bank for Reconstruction and Development, and at the 1958 meeting of the Australian Loan Council we sought and obtained unanimous agreement for the Commonwealth to borrow moneys for the Mount Isa project.”

We submit that the position has not changed since that time. Although the application to the World Bank failed, a remarkable story would be unfolded if the Premier accepted the challenge of the Leader of the Opposition to table all the correspondence between the State Government, from either the Premier or Treasurer, and the Prime Minister. We would then have the opportunity of considering what the Treasurer told the Prime Minister after he came back from the World Bank. It would all be of interest to hon. members, and the people of the State who after all are responsible for the ultimate financing of the project.

In 1958 the Loan Council, by unanimous agreement, gave permission to the Commonwealth Government to borrow moneys for the Mount Isa project, and that position to our mind has not changed. The money has still been borrowed by the Commonwealth Government and is being reloaned to the Queensland Government for the purpose of the project.

**Mr. Ewan:** At  $\frac{2}{3}$  to 1 per cent. less.

**Mr. HANLON:** Not  $\frac{2}{3}$  to 1 per cent. less at all, because, as the Premier pointed out, it was subsequently suggested that they charge the Queensland Government the average rate of overseas loans then being raised, one in March this year and the other in September last year.

**Mr. Ewan:** The rate is 5½ per cent.

**Mr. HANLON:** The rate of interest is approximately the same, except for a very minor adjustment. The Premier pointed out,

I think, that the rate of interest is approximately the same as the rate the Commonwealth are paying for those loans, and significantly they were for £10,900,000 and £8,900,000, being approximately equal to the loan for the Mount Isa project.

**Mr. Ewan:** The rate is 5½ per cent. and the World Bank rate is 6¼ per cent.

**Mr. HANLON:** Of course, but the International Bank is not lending the money. Customs Credit loan money at 10 per cent. On the hon. member's argument we should be paying the Commonwealth Government 10 per cent.; because if we went to Customs Credit we would have to pay 10 per cent. But even if the Commonwealth Government went to the International Bank and had to pay 6¼ per cent., surely if they had any interest in Queensland they would be prepared to subsidise Queensland in the interest rate on the loan for this project, because, in the Prime Minister's words, “It is much more than a State or regional undertaking: it is a national project in the effective sense of that term.” For that reason we have claimed from the start that the Commonwealth Government should make some direct capital contribution to the cost—of the order of £5,000,000 to £10,000,000, if we were to receive the same treatment as other States.

I point out that recently I asked the Treasurer how much money the Queensland Government have in investments with the Commonwealth Government. As hon. members know, the Government have a number of Trust Funds, Superannuation Funds and other moneys in various other funds held by the Treasury, which are invested in securities of one type or another. On 12 October of this year, as recorded in “Hansard” No. 7 of this session, I asked the Treasurer—

“(1) Through the investment of all the various funds under its control, what is the total value of Commonwealth Government Securities held by this State?”

“(2) What is the average rate of interest reflected by the overall return on this amount?”

“(3) What rate of interest will the State be paying the Commonwealth on the £20,000,000 Loan under the terms of the Agreement to finance the Mount Isa rail rehabilitation project?”

The Treasurer told me that in all, the Government have £21,000,000 invested in Commonwealth Government securities and were receiving an interest rate of only £4 0s. 6d. per cent., yet, for virtually the same money being handed back to us by the Commonwealth Government for the Mount Isa project we are being charged 5½ per cent. Apparently there is not much interest displayed by Government members in this measure. There are only two Country Party members present, no Liberals, and the Premier.

**Mr. Gilmore:** It is because of the speaker, no doubt.

**Mr. HANLON:** No doubt they are tired of hearing us talk about Mount Isa. The hon. member says that there is no doubt that they are not coming in because of the speaker. They are quite welcome to stay out because they will do as little good for Queensland wherever they are. They have done exactly nothing for Queensland so far.

The Treasurer said on 12 October that the face value of Commonwealth Government securities held by the State amounted to £21,473,780, and that the overall rate of interest from the Commonwealth Government was £4 0s. 6d. To get some money for the Mt. Isa project we have to pay the Commonwealth Government 5½ per cent. In other words, we are paying a premium of approximately £1 10s. per cent. for virtually our own money. If that is an illustration of how the Menzies Government helps Queensland, the sooner they go out the better. The people of Australia will probably do something about it on 9 December.

It is indeed regrettable that the Premier and his followers did not bring more pressure to bear on the Prime Minister to force him to give Queensland treatment comparable with that given to the other States. There are 15 Government members from this State in the Federal Parliament—a very substantial bloc in the Government Caucus. Normally the numbers would not be anything like that. They would perhaps be more like 10 to 6 or 9 to 8, but the fact remains that there are 15 Liberal-Country Party members in the Federal Parliament, out of a total of 18 for Queensland. That is a very strong bloc for one State. At one stage, Queensland also had Sir Arthur Fadden, a former Deputy Prime Minister, as one of its representatives, and what did we get? We got nothing! What did Mr. McColm say recently when the Treasurer was in Canberra trying to get something out of the Federal Government for the State? Mr. McColm said that nobody told him there was any argument about the Mt. Isa line. He had not heard that anybody was arguing about it. Was it not his job to be arguing about it? If the Premier was not presenting a case as forcefully as we should have liked him to, was it not Mr. McColm's job to take an interest in what was going on and try to influence the Government, and so bring pressure to bear on the Prime Minister and his Cabinet to do something for this State?

Anyone would think that the members of the Federal Liberal-Country Parties in Canberra are there for their own benefit, not for the benefit of the State and the people who elect them and pay their salaries.

We wish to voice a strong protest against the terms of this arrangement. We hoped to have a progressive measure, but we make it abundantly clear that we are glad arrangements have at last been made to finance this

project. The terms are most unfavourable for the State when compared with the terms given to other States for similar projects.

I should like to quote briefly what was said by Mr. Whitlam in the Federal Parliament when he made a brief comparison of the treatment received by other States in similar circumstances. It is to be found in the Federal "Hansard" of 25 October—

"I shall now compare Commonwealth grants for a railway construction and railway equipment. South Australia, as you, Mr. Speaker, know, has received from the Commonwealth the whole of the money needed to widen the gauge of the railway from Adelaide to Mount Gambier—£5,136,000."

"The State is obliged to pay back 30 per cent. of that amount over 50 years. The average interest payable by the State is 4½ per cent."

In the case of Queensland it is 5½ per cent. He goes on to say—

"Secondly, New South Wales and Victoria have received from the Commonwealth the whole of the funds required for the construction of the standard-gauge railway from Wodonga to Melbourne—a total of £14,485,000. The two States are obliged between them to pay back 30 per cent. of that amount, and they have 50 years in which to do so. They have to pay interest on it at an average rate of 5½ per cent."

Again, I interpolate, one-quarter of one per cent. less than Queensland is obliged to pay. He goes on—

"Thirdly, Western Australia will receive from the Commonwealth 85 per cent. of the amount required to construct the new standard-gauge railway from Kalgoorlie to Kwinana. The Commonwealth will provide £35,000,000 to meet the cost of this project. The State will have to pay back 65 per cent. of that sum over an average period of 35 years. Half of it will have to be paid back over 50 years and half of it over 20 years. The average rate of interest which Western Australia will have to pay on those advances is 5⅔ per cent."

The Prime Minister has claimed that one of the reasons for Queensland's not getting the same conditions is that the Queensland proposal is an economic one, in that the revenue derived from increased freights will enable the loan to be amortized over 20 years, and interest and redemption to be met. The Prime Minister does not suggest that that does not apply also to the case of Western Australia. He did not suggest to the people of Western Australia or to the Government of Western Australia that they should go overseas and apply to the World Bank for a loan. When Broken Hill Pty. Ltd. wanted to develop its project in Western Australia there was no mention of the need to go overseas for a loan. The whole of the negotiations were carried

out over 12 months. With Queensland, it has taken 5 years, and we have been sent all over the world and eventually returned to be given a very poor type of agreement compared with the arrangement made with Western Australia in only 12 months. The Leader of the Opposition has pointed out that we must accept if this work is to be done because the Premier has not shown enough fight to embarrass the Prime Minister into giving us a better agreement. Even if we accept the fact that the Commonwealth are not prepared to make any contribution to the capital cost of the project, one thing stands out very clearly, that the State has been sold out on sinking fund contribution. It seems remarkable that the State should get sinking fund contributions on the £10,000,000 that it is providing under the original scheme, and is not to get them on the other £20,000,000.

The Leader of the Opposition quoted the remarks of the Treasurer, Mr. Hiley, on 24 August when he said, quite frankly, that if the State's argument for sinking fund entitlement did not succeed the English language had lost all its meaning. He went on to establish a constitutional point to show why this loan from the Commonwealth came under the terms of the financial agreement. We had the spectacle of the Premier's coming into the Chamber and asking us to approve an agreement which he says the Treasurer has told us is unconstitutional. Responsibility in this matter poses a very interesting question. As the Premier is bringing forward a matter that he has been told is unconstitutional, just where do we stand? We know that from the practical point of view the Premier could say, "We had to get the money. They would not give it to us on any other terms so we had to accept these." But what is the legal position? The Treasurer has claimed that it is unconstitutional. Apparently the Premier backed him up in discussions with the Prime Minister. We have a Minister of the Crown deliberately introducing a measure which he says is not in accord with the Commonwealth Constitution.

We have already pointed out that under Clause 4 (ii) of the Financial Agreement, even if the State borrows overseas in its own name, or if the Commonwealth does the borrowing, the Commonwealth must guarantee the obligation incurred by the State. It is specifically provided that for the purposes of the Financial Agreement that includes the making of sinking fund contributions. In other words, no matter which way the arrangements are made—whether they are made by the State with permission to borrow or whether the Commonwealth borrows the money—it all comes under Clause 4 (ii) of the Financial Agreement. The Treasurer has been very adamant on that point. Yet when the Premier and the Treasurer were told that they were to get an advance of about £4,000,000 for another project altogether, the beef roads project,

they were prepared to accept the arrangement that they had claimed previously was unconstitutional. If we accept the Premier's argument in relation to this, it would appear that if the State had insisted on its right to sinking-fund entitlements it could have sued the Commonwealth and taken legal action against it in the High Court, as the South Australian Government have done in regard to the terms of one of their dieselisation projects. The Queensland Government could have said to the Commonwealth Government, "We accept this under protest. We sign the agreement under protest and reserve the right, as you have invited us to do, to test the matter constitutionally." The Premier told us this morning that the Prime Minister invited the State to contest the matter constitutionally through the courts. Although the agreement has been signed, unless the Premier has given some personal assurance to the Prime Minister that he will not embarrass him in that way I do not see any reason why the Government should not pursue their right to sinking-fund entitlements in the High Court. If the Prime Minister has nothing to fear, the Queensland Government should not be prevented from taking that course. On this loan, sinking-fund contributions will amount to £853,000, and that is well worth fighting for. I think the Premier could well have accepted the Prime Minister's offer, or challenge, if I might put it that way, to place the matter before the High Court and let the Court decide it.

Over the years, the court has decided a number of cases relating to various aspects of the Financial Agreement and the intention of the legislation. Action taken by the Commonwealth Government, in particular, has been contested successfully before the High Court. Time and time again the High Court has found that Section 105A, which was the section that introduced the provisions relating to the Financial Agreement in 1929, cuts across everything else. It has decided that although a Bill such as this may be passed by this Parliament—and corresponding legislation was passed by the Federal Parliament in October—that legislation does not stand in so far as it conflicts with Section 105A of the Constitution. I ask the Premier whether, if the Premier is still convinced that we are entitled to sinking-fund contributions, an opinion shared by the Treasurer, he will take the action that I have suggested? We have the money; we are going on with the job; but we can still take action. Let us press our claim to the hilt. If the Government did not have enough kick in them before to get a better deal from the Federal Government, let them now carry the matter through to its logical conclusion and test it in the Court to see whether the Commonwealth Government are actually obliged to pay the amount of £853,000 over a period of years.

This is important not only to the Mt. Isa agreement but also to other agreements that

may be entered into in the future. If we accept the position as meekly as the Premier has accepted it, that the Commonwealth can wipe aside the sinking fund entitlements in a measure such as this, we do not know how often it will happen. In another 10 years we might want to do something else. In another five years we might want to arrange a loan of £100,000,000 from the Commonwealth. We will then lose £4,000,000 in sinking fund entitlements, not £800,000, if the Commonwealth Government are allowed to get away with it. In most of its negotiations the Commonwealth depends largely on the fact that it is a single entity. It does not have to worry about what other States are doing, as a State does. It depends more on bluff than on right in these matters and it endeavours to force its will on the Governments of the States simply because it feels that they will not take it any further. The Government should try to bring the Commonwealth Government to heel by pursuing the matter through the courts, at the same time testing whether the Treasurer knows what he is talking about. That is what it amounts to. If the Premier thinks that Mr. Hiley does not know what he is talking about, I am sure that in some matters a lot of people will agree with him. The Government should not meekly accept the present position. Now that events have got to the present stage where legislation has gone through the Commonwealth Parliament, the Bill before the Committee should not be held up. But the point of law will have to be decided.

The Premier told us that he accepted the money for the beef roads more or less in lieu of what the Commonwealth Government otherwise would have provided for the Mt. Isa line. Are we to believe that if the Queensland Government had not accepted the present agreement the Commonwealth Government would not have given us £4,300,000-odd for beef roads? Queensland has an undeniable case for money for beef roads, irrespective of what happens about the Mt. Isa line or any other project. The beef roads project should stand on its own feet. It is quite true, as the Premier indicated, that the construction of beef roads may boost the revenue on the Mt. Isa line because of the increased turn-off of cattle. That is not part of the agreement.

(Time expired.)

**Mr. WALSH** (Bundaberg) (2.32 p.m.): The main feature of the proposal brought down by the Premier is the financial aspect of the agreement entered into between the Commonwealth and the State Government. No doubt many matters could be discussed from a political angle. Probably I will do it myself. But, firstly, I shall deal with the sinking fund. I do not care whether or not it is within the constitutional power of the Commonwealth Government to grant that concession to Queensland. I know that the Chifley Government agreed to a sinking fund in

connection with the South Australian rail standardisation proposal. If the Menzies Government are prepared to deviate from that principle laid down by the Labour Government it is all the more reason why on 9 December the people of Queensland should take into consideration the attitude of the Menzies Government to this State. I should like the Premier and his officers to examine the matter to see whether my statement can be confirmed—that there was a sinking fund in connection with the South Australian rail standardisation project. In case there should be any doubt about it let me quote the remarks of the Prime Minister in dealing with another railway agreement. He said—

“These terms follow those in the Victorian and South Australian Rail Standardization agreements except that some special sinking fund provisions in the South Australian agreement which are not in the Victorian agreement will not apply in this case. That is to say, the provision of sinking fund by the Commonwealth which applied under the 1949 Agreement with South Australia but did not apply to the Victorian standardization agreement will not apply here either.”

Let me go a little further and disclose the discrimination that the Commonwealth is exhibiting against this State in the matter of Sinking Fund payments. Let us look at the document tabled by Mr. Holt in the Federal Parliament. I do not like to throw these matters into the ring unless I can cite my authority. In 1953-1954 the amount paid by the Commonwealth as Sinking Fund payments on behalf of Queensland was £438,000. They paid exactly the same amount for South Australia.

Tracing the figures down through the years, and without reading those for the intervening years, South Australia apparently did better than Queensland in 1954 and 1955. The estimate for this year of payments to be made by the Commonwealth to the Sinking Fund on behalf of South Australia and Queensland are £894,000 and £845,000 respectively. I shall come back to them at a later stage.

Some people might ridicule the tactics of Sir Thomas Playford on behalf of South Australia, but we have reached the stage in Queensland where the Premier will have to take a stand against the Commonwealth. He cannot continue to go to Canberra and be a nice fellow all the time.

Sir Thomas Playford's technique is to go to Canberra without making any appointment with the Prime Minister and, if he is interested in any proposal, or if the Commonwealth are giving favourable treatment to some other State, he sees to it that all the Liberal-Country Party members from South Australia are brought together. He outlines South Australia's proposals to those members of Mr. Menzies' Caucus. As he is a dictator in South Australia and has great influence in the selection of political candidates, every

one of them knows that he is at the mercy of Sir Tom Playford unless he gets behind his proposal. So, by the time he makes an appointment to see the Prime Minister he has more or less staged his battle outside and has the recruits behind him instead of their being behind the Prime Minister.

The Premier has taken these people for granted and I think he has learned his lesson. I would not be surprised if, in his own heart, he would like to see the Menzies Government defeated on 9 December, because Mr. Menzies has not been of much assistance to the Government of this State during his term of office.

Despite what the hon. member for Townsville South said this morning about the early interest he took in this matter, I warned the Government in 1957-1958 to be careful before putting their signatures, on behalf of the State, to any agreement with the Commonwealth Government. I suggested that they should examine every financial phase of the proposed agreement. I went further and suggested that they should, on the lines of Sir Tom Playford's technique, bring together not only all the Liberal and Country Party representatives in the Federal Parliament, in the House of Representatives and Senate, but also all A.L.P. members. I have been disturbed to note the lack of any activity by any of the rank-and-file members of the Federal Houses of Parliament in these discussions.

**Mr. Davies:** That is wrong.

**Mr. WALSH:** No matter what the hon. member may say, if he does not read the documents, I do. We are entitled to criticise these people no matter whence they come, if they are not standing up on behalf of Queensland.

**Mr. Davies:** You are talking about the A.L.P.?

**Mr. WALSH:** I am talking about all the representatives from Queensland. I am suggesting that there should be a combination of both parties to attack the Menzies Government and see to it that Queensland gets proper treatment. If the proper treatment was not being given to Queensland by that agreement they should have gone to the extent of moving an amendment in the Federal House and combining to carry it. The Prime Minister has used a system of juggling for the West Australian agreement a copy of which I have. I do not think any mathematician could work out the technique he devised to grant favourable treatment to Western Australia and to exclude Queensland.

I do not want to take up much time at this stage in criticising that aspect. I realise, Mr. Taylor, that some phases of the discussions are permissible at this stage and that you may rigidly apply Standing Orders when

the principles of the Bill are accepted. Consequently I want to deal with a few relevant matters for which some explanation is required.

The Premier gave a fair outline of the history of the matter from the time it was raised with the previous Labour Government led by Mr. Gair. At that time the Premier and I were told by Senator Spooner and Sir Arthur Fadden, and others, that this matter was under way and that we were obliged to treat it on a strictly confidential basis, which we did. We could have spoken earlier; we could have flown kites. Naturally, in the matter of a statement by the present Government about a loan from the World Bank, I can appreciate the attitude of Sir Arthur Fadden and the World Bank. Queensland is just a little midget in the big scheme of things and the world financial machinery, and, if someone holding a subordinate position in public administration outlined all these matters that were still under consideration by the World Bank, the World Bank was just as likely to get its back up. Frankly, I do not think the World Bank was ever seriously interested in it. If it was, I think the man who sabotaged Queensland's prospects was the Prime Minister. At the stage when Sir Arthur Fadden went over and was negotiating the matter on behalf of the State, I should say there were some bright features in the negotiations, but, immediately afterwards he disappeared from the scene. After he came back from Delhi, Mr. Menzies went over to the World Bank. Mr. Black was here and had a conference. The suggestion that the Queensland Treasurer should go over was merely a trap to get the Queensland Treasurer to go over and get the cane. The main criticism for the failure of negotiations rested then not on Mr. Menzies but on the Queensland Treasurer. Do hon. members think that Mr. Bob Menzies would ever have invited the Treasurer of Queensland to make this journey if he had the faintest hope of success in the negotiations? He knew they would not succeed.

The Premier mentioned the early proposal for the expenditure of £10,000,000, but I do not think he made it quite clear that the proposal by the Government at that time was based on submissions made by the company to the Government. In other words, the company at that stage thought the expenditure of £10,000,000 would be sufficient for requirements, having regard, of course, to the financial commitments involved in the expenditure of the larger sum of £30,000,000. Subsequently the Labour Government appointed technical experts to report on the engineering side of the proposal and the economics generally. Prior to that time officers from the World Bank had been in Queensland with officers from the Federal Treasury and had interviewed State Treasury officials. Negotiations were proceeding, but no statement was released by anyone in charge of the affairs of State, and rightly so. The company bailed up on some

features of it, one being that the company should guarantee the liquidation of the loan over a period of 20 years. I object to that, on principle. We can state here that the Mount Isa company is a great monopoly, and so on, but it is no more damaging in its effect than the wool-broking people and others controlling industries in that part of the State. The Mount Isa company went out there and developed the place with the encouragement of the Labour Government, in 1927 and 1928, and the proposals of the Labour Government were then attacked violently by the members of the Premier's party in Opposition in those days. We are proud that a Labour Government were associated with the original development of the area. We are even more proud of it because of the criticisms that have been levelled over the years about not being able to attract big capital to the State because of our income tax laws. One of the biggest concerns in the country was prepared to come here and invest its capital in millions even though a Labour Government were in power. The principle I objected to was that the wool-growers and others interested in the area could be called upon to meet the losses on the railway line. The Labour Government did away with the guaranteed system of railways which was the policy prior to the Ryan Government coming into power. Since we accepted that principle as Labour policy I objected to anyone being called upon to guarantee the finances of the Railway Department.

**Mr. Gaven** interjected.

**Mr. WALSH:** Do not give me your silly nonsense about the Labour Party. I am not interested in your interjections about it.

We realise that this will be of great significance in the future development of the State and it will play a big part in the development of North Queensland. However, from a State point of view I am concerned because the fund has been manoeuvred and juggled in so many ways since it was started. Firstly, there was a transfer from loan funds of £1,400,000. For that year, the Auditor-General's report shows that there was no expenditure from that special fund on the Mount Isa project. Theoretically, anyhow, the Treasurer took it away from ordinary loan works, and tied up £1,400,000 for 12 months, by putting it into a Special Fund. In 1959 there was an amendment to the Railway Act and what is known as the Mount Isa Railway Project Fund was established. From there on it came under the jurisdiction of the Premier and Chief Secretary's department. Up to the end of 30 June, 1959, the Auditor-General's report shows that there was no expenditure in 1958-1959 when the railway project fund was established. The amount appropriated for expenditure in 1959-1960 was £3,300,000, and the net amount charged against the fund to 30 June, 1960 was £710,077 as shown in the Auditor-General's Report. All these things may be

trifling, but I expect that documents presented to the House should be accurate and confirm the Auditor-General's Report. Strangely enough, in the Estimates for that year this amount is not shown as £710,077, but as £710,446. It is only a little difference. After this expenditure, there was a balance of £2,589,923. The net expenditure charged to the fund to 30 June, 1961, was £3,478,045, of which £2,767,968 was incurred in 1960-1961. Again that is the Auditor-General's statement. The balance at 30 June last was shown at £1,521,955. £1,700,000 was appropriated for expenditure during 1960-1961, making a total of £5,000,000 in advances to 30 June, 1961, entirely from State loan funds.

There may not appear at this stage to be very much in this but again I invite the attention of hon. members to the Auditor-General's report where, on page 77, the Estimates for 1960-1961, there is a noting which would suggest that included in the amounts were Commonwealth payments. I challenge the Premier to say that there were Commonwealth payments in that year. I challenge him to state the amount, because if the Auditor-General says that these particular sums were made available entirely from State loan funds the Committee is entitled to an explanation for the suggestion in the Estimates for that year that there were Commonwealth payments.

This year we have the expenditure of a fairly large sum of money, nearly £7,000,000—and I will give the Premier the prior information this time if he does not know it. The Commonwealth look like paying £4,300,000 this year into the fund.

**Mr. Nicklin:** You are a beggar for finding out things.

**Mr. WALSH:** If I am wrong I hope the Premier will be able to tell me so in due course. At least I am suggesting the figure that will come from the Commonwealth this year and it is based on Mr. Menzies' statement. I am not trying to convey that I have some inside information. The Prime Minister has suggested that that will be the payment this year and that it will continue to a similar order for some years to come.

As the Treasurer is in the Chamber I should like to advert to the subject I drew his attention to, namely, the discrepancy between the figures in the Estimates and the figures in the Auditor-General's report. "Turn to the next page," he said. I knew before I turned to the next page that what he said could not be so because the subject matter dealt with there is the agreement with Messrs. Ford, Bacon and Davis.

**Mr. Hiley:** Look, you were hopelessly muddled then and you are hopelessly muddled now.

**Mr. WALSH:** All you have to do is contradict the Auditor-General.

**Mr. Hiley:** What I have got to do is to try to give you brains to understand the position.

**Mr. WALSH:** The Auditor-General says on one page that a certain sum has been expended and in another document by the Treasurer there is a sum with a difference of £7,000-odd. All that the Auditor-General reveals on the next page is the terms of the agreement between Messrs. Ford, Bacon and Davis and the Government. That is the fact and the Treasurer knows it. He shakes his head but I am making the statement. Let him give the particulars of the reconciliation he makes.

**Mr. Hiley:** You are confusing gross expenditure with net expenditure.

**Mr. WALSH:** I am not. I am using the terms.

**Mr. Hiley:** And you are in the same mess today as you were then.

**Mr. WALSH:** I am using the words of the Auditor-General from his report where he said that the total expenditure was X figure. They are not my words. If the Treasurer wants to insert the word "net" to make the difference, he cannot do that to the Auditor-General's report.

**Mr. Hiley:** That is the gross. That shows you just do not understand.

**Mr. WALSH:** All right. On the other page is a figure of £3,000-odd, which has been charged to that fund for Messrs. Ford, Bacon and Davis. The other has been charged to Consolidated Revenue. Where do we go from there? I ask the Treasurer to show me any part of the £24,000 shown here that can be reconciled with the difference of £7,000-odd. The Treasurer may have his own methods of accountancy, but hon. members want a document, in accordance with his promise, that is simple and can be understood by people who are not versed in accountancy.

**Mr. Hiley:** By the ordinary person.

**Mr. WALSH:** Yes, by the ordinary person. The Treasurer said that I had fallen into a number of traps because I failed to look at footnotes on the Estimates. I have looked at the footnotes, and I say that there were no Commonwealth payments although the documents tabled by the Premier state that there were.

**Mr. Hiley:** We will have a look at it for you.

**Mr. WALSH:** That is not good enough. I want an explanation. There is a muck-up between the Commonwealth and the State—

**Mr. Hiley:** The only muck-up is in your mind.

**Mr. WALSH:** No. I will give this to any member of the Committee and let him see if he can work it out. Those may

be only trifling matters, but the Treasurer cannot deny that the Government have juggled this fund about in such a way—

**Mr. Hiley:** Rot!

**Mr. WALSH:** The Treasurer says, "Rot!", but £1,400,000 is set aside and not one shilling of it has been expended in 12 months.

**Mr. Hiley:** That is correct.

**Mr. WALSH:** It would be wonderful if Parliament agreed to provide £2,000,000 on the basis that it would be expended for a certain purpose, only to find later that the money had been tied up in the fund for 12 months and nothing had been expended. Who are we to blame for that?

(Time expired.)

**Mr. DAVIES** (Maryborough) (2.57 p.m.): It is good to know that at last a few Government members have come into the Chamber to support the Premier. For the last quarter of an hour—

**The CHAIRMAN:** Order! The hon. member must speak to the Bill.

**Mr. DAVIES:** Before dealing with the point any further, I ask the Premier to inform me whether the report of Messrs. Ford, Bacon and Davis Incorporated has ever been tabled in this Assembly. If I remember rightly it has not been tabled. The initial report was prepared in 1957 and the final report in 1958, I believe, and I want to know why the complete report has not been tabled. It has not been made available to the Commonwealth Parliament either. I have heard that there is a technicality that prevents it from being placed before members of this Parliament, but the fact remains that members of the House of Representatives and the Senate had to discuss this railway agreement and confirm the granting of a loan of £20,000,000 to Queensland without having all the details of the scheme before them. The report should have been placed before them, and it should have been tabled in this Chamber.

I have reason to suspect, also, that the Queensland Government were told that it would be conditional on the granting of the £20,000,000 loan that they would have no choice in the selection of experts to supervise the work, and they were compelled, under the directions of the Commonwealth Government, to continue to engage Messrs. Ford, Bacon and Davis Incorporated to supervise the work. I am beginning to suspect that in the agreement we will find clauses tying the Government further to that firm. We know that they are making a report on the State's railways, but evidently the Government will be bound under the terms of the agreement, particularly in relation to the northern portion of the State, to take all reasonable action to put the recommendations of this firm into effect. By accepting the railway agreement

it seems that we are to be bound hand and foot to all the recommendations for the northern division that might come forward from that firm. We await with interest the printing of the Bill so that we can study it very carefully, particularly Clauses 14 and 16. We remember the letter of 28 October, 1959, that the Premier sent to the Prime Minister in which he stated that he was very satisfied with the agreement. I am not going to read it all because already it has been placed on record.

**The CHAIRMAN:** Order! I trust that the hon. member will not engage in tedious repetition.

**Mr. DAVIES:** No, I am always very careful on that point. The Premier said on that occasion—

“My Government gratefully accepts the offer to finance the construction of the Mount Isa Railway Project as outlined in your letter on the 26th instant.

“At this stage, all our advices are that the project will broadly encompass the full scheme as outlined in the Ford, Bacon and Davis reports.

“My colleague and I deeply appreciate your Government’s interest and particularly the part played personally by yourself and your Treasurer in making such a material contribution to the successful conclusion of the lengthy and difficult negotiations that have taken place in connection with the project.”

Unfortunately that letter has encouraged hon. members, particularly of the Country Party in the Federal House to rush to the support of Mr. Menzies, and to assure him that as the Queensland Government are entirely satisfied with the agreement he need not worry about any protests from Queensland. They tell him that he has the backing of men like Mr. Ewan, the hon. member for Roma, and members of the Federal House. For instance, we have the statement by the Country Party member for Wide Bay, who has always rushed in to defend Mr. Menzies in any legislation he has brought forward. On 25 October, 1961, he said—

“The Queensland Government expressed its pleasure about two years ago at the agreement by the Commonwealth to grant this loan to it. I take this opportunity to say that I agree entirely with the Queensland Government.

He strongly supports the interest rate. He said—

“We have been criticised because the interest rate on this advance to Queensland is to be 5½ per cent., but the Queensland Government was prepared to pay the International Bank 6 per cent.”

The Country Party member for Wide Bay declared that the Premier was prepared to pay the International Bank 6 per cent. and therefore he was very happy with the 5½

per cent., despite the fact that the Queensland Government has more money invested in Commonwealth Loans than the Commonwealth is lending for the Mt. Isa line. Queensland is receiving 3 to 4 per cent. for money loaned and the Commonwealth is charging 5½ per cent. for our money loaned back to us. We are getting only a small percentage of the amount required, for which we are paying 5½ per cent. interest for the loan of our own money. The hon. member for Wide Bay is very satisfied with the 5½ per cent. Is it any wonder that the Premier feels a very lonely man when he finds that the Queensland Country Party members in the Federal House—of course we take the Liberals for granted—are strongly supporting Mr. Menzies in his neglect of this State. The same Federal member said—

“I submit that the proposition is a good one. I agree entirely with the Premier of Queensland that the arrangement made with the Commonwealth is satisfactory, and I support the Bill.”

He always supports everything that is brought forward by the Commonwealth Government.

The other day the hon. member for Roma rushed in and screamed across the Chamber that he admired the Federal Government for having made £20,000,000 available on 20-year terms at 5½ per cent. He said that he strongly supported the agreement and would give it all the support he could when it came before Parliament. He thought it was just and equitable. He thought that the State was receiving a fair share. He evidently had forgotten that the Premier has disagreed with him. After having written that letter and realised that the interest terms were not going to be as acceptable as he thought, the Premier disagreed with the hon. member for Roma.

**Mr. Ewan** interjected.

**Mr. DAVIES:** I am addressing my remarks through you, Mr. Taylor, to the Premier, not to the hon. member for Roma.

**Mr. Ewan:** Did the Labour Government ever approach the Commonwealth Government to get money to recondition the Mt. Isa railway line?

**Mr. Walsh:** The Premier told you they did.

**Mr. DAVIES:** I am not wasting time on stupid interjections. I will come to that point. Mr. Menzies also mentioned in his report that the Labour Premier of this State at that time, Mr. Gair, made the necessary approaches for a £10,000,000 scheme, which later on was changed to a £30,000,000 scheme.

**Mr. Ewan:** Did he get anything?

**Mr. DAVIES:** The 1957 report was brought in and in 1958 we had the final report when this Government were in power. The negotiations have drifted on for four years. I will deal with that.

I read from Commonwealth "Hansard" of 25 October, 1961, when the Deputy Leader of the Opposition (Mr. Whitlam) referred to questions asked in this Parliament by our leader, directed to the Premier. He said—

"The Honourable John Duggan, Leader of the Labour Party and of the Opposition in the Queensland Parliament—

(1) In view of the enlarged major contribution to Australia's overseas funds which will result from the reconstruction of the Townsville-Mt. Isa railway, primarily through the consequential increased output of minerals from Mt. Isa, does he not feel that Queensland should have received much more favourable treatment from the Commonwealth in the provision of finance for the railway?

Mr. Nicklin answered, 'Yes.'

(2) Is not the Commonwealth's attitude towards Queensland niggardly in view of the fact that 70 per centum of the cost of similar projects in Western Australia and South Australia is being defrayed by the Commonwealth Government?

Mr. Nicklin answered, 'Yes.'

(3) Has he read the Press report stating that the Commonwealth has offered the South Australian Government financial aid of £1,325,000 for the dieselization of the Port Pirie-Broken Hill railway and that South Australia will be required to repay over 30 per centum of the expenditure over a term of 50 years, interest to be at the long-term bond rate?

Mr. Nicklin answered, 'Yes.'

(4) If so, does he not think South Australia is getting more favourable treatment than Queensland, which has to repay the Mt. Isa railway loan in 20 years and, additionally, at a higher interest rate?

Mr. Nicklin answered, 'Yes.'

They are the comments of the Premier on this question. The back benchers of his party would do well to take notice of them.

I will now answer the point raised by the hon. member for Roma. Over the four years that this Government have been in office it has been frequently stated that all praise should be given to them for the negotiations in regard to this line. The Premier mentioned that Mr. Gair, an Australian Labour Party Premier, was the first to approach the Commonwealth Government on the matter, in 1956.

It has been asked when the Commonwealth Government suggested that a bigger scheme should be planned, from £10,000,000 to £30,000,000, why they did not say that the scheme included the standardisation of this railway line. It is not necessary that it should be done immediately in regard to

the width of the line, but why could the sleepers and foundations not have been laid to enable a wider gauge to be provided later on? I invite the Premier's comment on that angle.

Would that not have prevented the Commonwealth Government from raising that side issue and evading a grant to this State, and would not this State then, if comparable treatment had been given to it have been entitled to a £20,000,000 grant? The additional expenditure incurred through widening the track and laying extra foundations would, of course, have lifted the scheme beyond £30,000,000 but, from a long-range point of view—so many authorities today are talking about the standardisation of railways throughout Australia—it seems a pity to see such a length of railway laid without provision being made for standardisation as is being done in certain southern States. Where a wider gauge is being laid provision is made for the necessary holes to be bored or whatever is necessary when laying a railway line so that a narrower gauge may be easily laid upon those sleepers later on. Although it is a temporary job the fact remains that the money has been made available by the Commonwealth on the basis of standardisation. No consideration has been given to this matter by the State Government or Commonwealth Government. If the State Government had proceeded in that way, the job would have been much cheaper for the State than the present one for which a £20,000,000 loan has been granted. The money would then have been made available by the Commonwealth Government for what would have been a standard gauge project.

I hope the Minister for Transport will speak in this debate and give us details on the points I have raised, including the fact that the report has not been made available. We will have to wait until the Bill is printed before we can study the various clauses. We are very anxious to study them.

When the loan was first mentioned the Commonwealth said they could not afford to make £20,000,000 available, yet we read in this morning's newspaper of the possibility of an outlay by the Commonwealth Government of some £60,000,000 or £70,000,000 on new bombers in the next few years. We do not say that the expenditure is not necessary or not justified, but we do say that the development of the northern part of Australia is so necessary and so important for the defence of the country that the money should have been made available for this project. The Commonwealth Government said they could not make the money available, and they searched the world for it. It is admitted that they searched beyond the International Bank. They sought money from other financial sources. All that was required was £4,000,000 or £5,000,000 for each of five years, yet according to them the resources of the country were not sufficient to make the money available.

**The CHAIRMAN:** I ask the hon. member to confine his remarks to the Agreement and not enter into a discussion on the defence of the country.

**Mr. DAVIES:** Defence involves more than the provision of battleships and 'planes.

**The CHAIRMAN:** Order!

**Mr. DAVIES:** We must populate the country.

**The CHAIRMAN:** The hon. member must not keep on speaking when I call him to order. I am not going to allow him to get into a discussion on the defence of the country.

**Mr. DAVIES:** The view I have expressed is an important one, and it has been used as the basis of discussion on the development of the northern part of the State. That is why I say the Commonwealth Government should be prepared to give greater financial assistance to this project, instead of pouring money into the southern parts of Australia.

**The CHAIRMAN:** Order! If the hon. member does not confine his remarks to the Agreement, I shall be obliged to ask him to resume his seat.

**Mr. DAVIES:** My point was that money should have been made available for this very important developmental work. If we are able to show that we have the financial resources to develop the country and take advantage of its rich potential, the countries to the north of us will be convinced that we are worthy of holding Australia, but by their action the Commonwealth Government lowered the prestige of the country. They gave the impression that Australia was an impoverished country that could not find the money to carry out important projects. Both the Prime Minister and the Premier have emphasised the great importance of the project. Mr. Menzies, in his letter to the Premier, of 26 October, 1959, said—

"In effect, therefore, the great problem of the financing of the railway from Collinsville to Mount Isa in North Queensland will be solved and a new era of North Queensland development will be opened up."

That was his view in 1959. He appreciated the importance of the project, yet apparently it was not important enough for the Commonwealth Government to decide to make the money available from their own resources. They hid behind all kinds of pretexts and excuses that do not hold water.

**Mr. Hanlon:** Maybe the Prime Minister would not give us any money because he thought some Communists would ride on our trains.

**Mr. DAVIES:** Possibly, and he also had the influence of Broken Hill behind him.

He went on to say—

"It will be widely realised that this has been a big decision for us to take."

He is doing well out of it at 5½ per cent. interest. How can the Government claim any credit for lending us money that we have already lent to them? The Prime Minister's letter continues—

"We have taken it because we have a great faith in the future of Queensland and have felt all along this railway undertaking is the key which can unlock the door to major development."

That letter was written to the Premier, and the Premier replied that he was very grateful for the assistance, and the work done. He thanked them for the agreement.

Mr. Menzies continued and said—

"But as we know, from what you and others have told us, and from our own investigations, the whole of the North-West region is rich in possibilities of other developments, some of them perhaps being likely to materialise in the not far distant future—vital not only for Mt. Isa expansion itself, but for the whole future of North Queensland."

We cannot run the risk of being caught by not developing this area and inviting other people to come in. In my opinion this is definitely one form of defence.

This Government should have been in a position to show the people that Queensland had received treatment on this scheme in keeping with the schemes advanced by other States that have been mentioned in detail. The Adelaide to Mt. Gambier railway line, which has a wider gauge, attracted a £5,136,000 loan from the Commonwealth Government. Seventy per cent. of it was given by the Commonwealth, and 30 per cent. was to be paid by the State. The time granted for the loan was 15 years, and the interest rate was 4½ per cent. The Wodonga to Melbourne line, which was a standard gauge line cost £14,485,000, 70 per cent of which was given by the Commonwealth Government, and 30 per cent. paid by the State. The terms were 5¼ per cent. interest, over 50 years. Fifty per cent. had to be repaid by Victoria, and 50 per cent. by New South Wales. For the Kalgoorlie to Kwinana line which was built for £35,000,000, 35 per cent. was given by the Commonwealth Government and 65 per cent. had to be paid by the State. The interest rate was 5¾ per cent., and half of the loan had to be repaid over 50 years and the other half over 20 years. The Mt. Isa line is to cost £30,000,000, 66⅔ of this amount is to be lent by the Commonwealth Government and the rest is to come out of our own resources, so that nothing is given by the Commonwealth. One hundred per cent. has to be paid back by the State to the Commonwealth, in 20 years, at 5½ per cent. Then, there is the railway equipment, and Port Pirie to Broken Hill line, at a cost of £1,325,000, when the Commonwealth gave 70 per cent. of the money required with 30 per cent. to be paid by the States, over 50 years, at a 5¾ per cent. interest rate.

We say it is a very sorry story. It is no wonder that hon. members on the Government side are not willing to rise to support the Premier.

**Mr. Houghton:** They are not half as sorry as the waterside workers at Urangan.

**Mr. DAVIES:** It so happens that the watersiders at Urangan are in a Minister's electorate. They had better approach him.

**The CHAIRMAN:** It is not necessary for the hon. member to take notice of irrelevant interjections.

**Mr. DAVIES:** I thought I should correct a wrong impression.

It seems to me as if we are to have yet another hidden report, like the Hytten Report, that has not been made available. Before this debate is finished we hope the Minister will see fit to table the report of 1957, and 1958 so that hon. members may have all the facts before them to enable them to make an appraisal of the whole situation.

At various times we have been accused of not giving support to the construction of this line. We have done everything possible to assist the Government by focussing public attention on the tardiness of the Federal Government in their approach to this subject. We believe that the Federal Government could have made the money available if they had wanted to do so instead of putting Australia to shame by searching the world for funds. Mr. Menzies was able to speak of the tremendous importance of the reconstruction of the line to the nation when he made his speech, one that he makes every three years when he visits the area. He then returned to the South and made all kinds of promises. Now he is claiming credit and we hear speakers boasting to the public from the platform that £20,000,000 has been made available by the Commonwealth to the State. We intend to make it our business in the next few weeks to place the truth of the position before the public and that is that not one penny is being given to the State by the Commonwealth Government for the project. Every penny that we are getting has to be repaid, and repaid at a high rate of interest. At the same time, when our money goes into the coffers of Canberra and when we contribute to the various loan funds, we receive a very much lower rate of interest than we have to pay for the same money when it comes back to us. I invite members of the Government to rise in their places and disagree with the Premier, particularly after his earlier straightforward statements to the effect that the Commonwealth Government were niggardly and were treating Queensland unfairly, and that the southern States were being given more favourable treatment.

**Mr. Mann:** The Minister for Mines, too.

**Mr. DAVIES:** Yes, the Minister for Development, Mines, Main Roads and Electricity is another.

(Time expired.)

**Mr. TUCKER** (Townsville North) (3.22 p.m.): I want it to be known right from the start where I stand in this matter. I and the members of my party believe that Queensland received a rotten deal from the Menzies Government. Particularly is this so with regard to the Mt. Isa project. A great deal was said this morning about Mt. Isa's contribution to the growth of Townsville. I have no argument with that but I do not think we should cloud the present issue, which is the strengthening of the Collinsville-Mt. Isa railway line, with talk about Townsville's growth. I hope that that growth will continue and that Mt. Isa will continue to contribute to it. But the issue before us today is the Mt. Isa rail project and the Commonwealth Government's failure to treat it as a national project.

The Commonwealth Government have seen fit to lend us £20,000,000. It is passing strange that only about four months ago Mr. Menzies visited Mt. Isa. He discovered Mt. Isa for the first time in his life just as he discovered Weipa some three years ago. He told us of the great potential of the area. He said its development would continue to bring in tremendous national revenue. But the moment we went to him and asked him to do something about the project he changed his tack and refused to treat it on a national basis. We had the spectacle first of all of our representatives being sent to the World Bank and being torpedoed by the Prime Minister before they even got there and then of their being forced to return to the Commonwealth Government and on their bended knees beg for help. Of course the Premier and his Government realised that they had to find the money somewhere so they had to go back to Mr. Menzies, much as they hated to do so. When he was here four months ago the Premier did not even see him at the Brisbane airport. When the Premier and the Treasurer and others with them went back to Canberra and asked Mr. Menzies to do something about the project, the Prime Minister said, "I will not treat it on a national basis but I will lend you £20,000,000. You will have to pay it back to us at the ruling rate of interest or thereabouts, whatever it may be." I do not care whether it is a  $\frac{1}{2}$  per cent. or a  $\frac{1}{4}$  per cent. more; it is over 5 per cent. It is dreadful that Queensland should have to pay that rate of interest.

I think this matter is linked with the loan for the Mt. Isa rail project, too. The Premier left here one day with his brief case in his hand to visit the Prime Minister in Canberra to protest against the rotten deal that Queensland had received. In fact, I think he sent the Deputy Premier to Canberra before him. He came back holding

aloft what appeared to him to be the shining diamond of £4,500,000 for beef roads. He said, "We were not able to get what we wanted, but we have got this £4,500,000 from Mr. Menzies." That was the greatest hoax of all time. If one does a simple interest calculation on the £20,000,000 loan to Queensland over five years, £4,500,000 is approximately the sum we will pay in interest on the loan. In fact, in spite of what hon. members on the Government benches may say, we are financing our own beef roads out of the interest we are paying on the £20,000,000 loan for the Mt. Isa project. I want the people of Queensland to understand that it is a hoax and that the money has not come out of the coffers of the Commonwealth.

When Mr. Menzies visited Mt. Isa four months ago he saw fit to call it a national project. Why could he not consider the strengthening of the railway line to Mt. Isa on a national basis? Although I have not seen the agreement, the Premier's remarks this morning indicate that, far from being treated on a national basis, it has been left on a State basis. We definitely need development in North Queensland. I do not argue against that. As hon. members know, I rise in this Assembly on every possible occasion to call for development in North Queensland. But we do not want to borrow money and bleed ourselves white in the next 20 years in paying it back. That is what will happen with this loan. We will have to pay 5½ per cent interest and the State will be bled white in trying to pay it back. Every hon. member should get to his feet and say, "This is not good enough from the Commonwealth Government. We do not want to be bled white in financing one particular project." If we borrow £20,000,000 at 5½ per cent. interest, we will pay the Commonwealth another £15,000,000 in 20 years, and it will probably cost us about £35,000,000 in all. It will be a struggle to get that burden off our shoulders. Instead of assisting in the development of the State, these iniquitous interest charges will retard development. This is a matter of national development, really, because the mine will contribute to the national revenue. The Snowy River scheme will cost £300,000,000, and our share of that will probably be about £50,000,000, but we are not squealing about that because it is a national project. However, Queensland will get nothing from it. We do not squeal about that but we ask that the Commonwealth Government treat this great national project in Queensland in the same fashion. If they do not they have sold Queensland down the line. Indeed, they have done just that.

**Hon. G. F. R. NICKLIN** (Landsborough—Premier) (3.30 p.m.), in reply: I listened very intently to the contributions by hon. members opposite in an endeavour to find out just exactly what was their approach to the agreement. As an introductory remark

every one said that he was in favour of the agreement but for the rest of the time they kept saying what a bad agreement it was. I still do not know whether they are in favour of this very advantageous agreement to carry out one of the most spectacular developmental projects in a very important part of the State. However, we shall soon see where they stand.

I was very interested to hear the comments about the agreement and the suggestions by some speakers that they could have secured a much better agreement had they been given the opportunity. I say very definitely that I guarantee no hon. member opposite would have received a better agreement in the circumstances than the one that has been achieved by the Government.

It is a good agreement. The important fact about it is that at the present time the job is under way. As a result of the agreement work is being provided at a time when we badly need jobs for the workers. I do not always agree with the hon. member for Townsville South, but I did on this occasion when he said that even if the agreement is not perfect, if we did not get all the conditions we should have liked, at least we have got something that is bringing about important development in an important part of the State.

A great deal was said by the Leader of the Opposition and others about the negotiations that took place between the Commonwealth Government, the Queensland Government, and the International Bank. It is not much use talking about that now. All I shall say about it is, "Thank goodness we did not conclude an agreement with the International Bank where we would have been paying 6½ per cent!" Under the present agreement we pay only 5½ per cent. We were very fortunate in getting those overseas loans. They were the two most advantageous borrowings outside Australia in recent years. It is all very well for hon. members opposite to say that we should have got the money at the ruling rate of interest for internal loans. We could not have got any money at all if we had had to depend on internal loans. The Loan Council laid it down very definitely that the loan required for the Mt. Isa line had to be raised overseas. We were able to borrow advantageously at that time and we received the money at a very favourable rate of interest for overseas borrowings.

The Leader of the Opposition said that money could have been secured from Western Germany and other places on advantageous terms. We knew of the offer of money from Western Germany. The terms seemed to be very attractive until they were examined. When the lead was followed up we found that the money was not there, and the terms offered were not at all advantageous.

Reference was made to the constitutional aspects of the sinking fund requirement. The hon. member for Barooka suggested that

notwithstanding the fact that the agreement has been concluded we should still determine that legal point. We accepted the agreement for the quid pro quo in the £5,000,000 for the beef roads. We are standing by our agreement with the Commonwealth Government.

**Mr. Hanlon:** Would you not have been entitled to this beef road money anyway?

**Mr. Nicklin:** We were entitled to it but whether we would have got it is another matter. We would not have got it if we had not put up the fight we did on the agreement now being discussed.

The hon. member for Bundaberg, of course, is noted for always putting up "Aunt Sallies" in this Chamber and endeavouring to knock them down. I envisage him, for the last fortnight, sitting with a block of ice on his head thinking of these marvellous discoveries he had made about some differentiation between the Auditor-General's report and the rest of it, as a result of which he argues, "How was it that 4.3 million pounds were available in the Estimates this year for the Mt. Isa project?" It was there because it was put there. When the Treasurer was forming his Financial Statement he stated very plainly that 4.3 million pounds was to be made available from Commonwealth sources to meet expenditure on the Mt. Isa line this year.

I will examine the comments of the various speakers and reply to them on the second reading if a reply is warranted.

Motion (Mr. Nicklin) agreed to.

Resolution reported.

#### FIRST READING

Bill presented and, on motion of Mr. Nicklin, read a first time.

### LAND TAX (FURTHER ADJUSTMENT) BILL

#### INITIATION IN COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

**Hon. T. A. HILEY** (Chatsworth—Treasurer and Minister for Housing) (3.39 p.m.): I move—

"That it is desirable that a Bill be introduced relating to land tax in and for the financial year begun on the first day of July, One thousand nine hundred and sixty-one."

This Bill is designed to give legislative effect to a financial promise contained in the Budget speech presented in September. The purposes of the Bill are twofold—

(1) To extend the provisions of the 1960 Adjustment Act for a further period of 12 months in respect of land valued by the Valuer-General in the complete valuation

of land in a local-authority area which came into force at midnight on 30 June, 1960; and

(2) To apply the provisions of the 1960 Adjustment Act in respect of land valued by the Valuer-General in the complete valuation of land in a local authority area which came into force at midnight on 30 June, 1961.

In other words the Bill applies the provisions of the 1960 Adjustment Act to the current valuations and for the previous year's valuations extends the exemption for a further period of 12 months.

I think I should take this opportunity of repeating what has already been said publicly on more than one occasion concerning the Government's intentions on land tax. Might I remind the Committee that when we came into power we found that there were more than 25,000 people paying land tax and that too much of the burden was being borne by householders and small land-owners. The Government wanted to ensure that the vast majority of purely householders paid no tax. Accordingly, we raised the exemptions, and we lifted the minimum assessment from 10s. to £2, and the combined effect of those two steps was to cut the number of taxpayers by half.

When last year it was clear that the reflection of the land boom would bring a great number of people who had been excused, back into the field of paying land tax, the Government devised and brought into effect its relief for half the increase in value, the extension of which for a further year is the reason for bringing down this Bill. When presenting my Budget speech in September last, I had this to say—

"The interim relief for Land Tax which was brought down as a measure for one year only will be extended for a further year. By that time, the task of first valuation and of current re-valuation should be carried to such a degree as to provide the essential background against which it will be possible to revise both the level of exemptions and the scale of tax applicable."

Apparently, what is intended and what I had regarded as a clear declaration has escaped notice because within the last week, in spite of that declaration, there have been leading articles in both metropolitan newspapers calling for some statement on the Government's intentions. Consequently I am repeating what I then said and lest there should be remaining doubts I propose to amplify that statement.

The Government do not wish land tax to operate as a general tax against landholders—it must be a tax on aggregation.

**Mr. Hanlon:** You said at one time that you were going to wipe it out altogether.

**Mr. HILEY:** Yes, but the hon. member's Government said many silly things in their day.

Accordingly, as the current level of values becomes apparent, exemptions will be adjusted to ensure that the vast majority of people who own only their own dwelling will be exempted. Indeed, it is in my mind to suggest to the Government that not only should there be a raised exemption but there should be a further provision to the effect that the householder who owns only his own dwelling should be excused from the necessity to pay any land tax or even lodge a return if his block does not exceed what we will calculate to be a reasonable area. To illustrate that, in my own case I choose to live on half an acre of land and this is too high for the general standard, but, without committing myself and certainly not the Government at this stage, my quick-travelling thought is that an area of not less than 32 perches and possibly 40 perches would not be unreasonable.

**Mr. Houston:** What about the man on 2½ acres in the back blocks?

**Mr. HILEY:** They would not be troubled by reason of value.

**Mr. Houston:** Don't worry about that. They will in time.

**Mr. HILEY:** By that time we will have exemptions high enough to take care of them. In those districts where 2½-acre sales are taking place the blocks are mostly green belt blocks. They are mostly of low capital value and I should think it would be a long, long time indeed before the pressure of valuation would even bring them remotely near the field of land tax.

**Mr. Houston:** The position I am worried about is the one where a subdivider goes in and buys an area and there is still adjacent to it a 2½-acre block.

**Mr. HILEY:** Let us be fair. If a man chooses to live on an excessive area compared with the surrounding allotments, I do not think we should always help him to remain free of land tax. However, the man who has a home on a reasonable area of land, in my opinion, should never be called upon to pay land tax.

I hope that these observations will allay the fears that I thought would have been quietened by my earlier statements. I hope also that this time the newspapers will give publicity to what apparently was not brought fully under public notice when I made my statement in the House two months ago.

**Mr. HANLON (Baroona) (3.46 p.m.):** The Treasurer has explained that the Bill merely extends for another year the provisions to alleviate the effect of land tax in certain areas of the State where revaluations would cause hardship in individual cases. The Government have been obliged to extend the provisions introduced last year to cover valuations from 1 July, 1961. That seems to indicate that the Opposition were correct.

**Mr. HILEY:** I explained that I was bringing in the provisions for a year, but I thought it would be necessary to re-enact them for a further year.

**Mr. HANLON:** That may be so. We thought at the time that a year would not be long enough to allow matters to settle down so that the Government could declare a set policy relating to later valuations. It is interesting to note, as I said by way of interjection, that the Premier is on record as having stated, when speaking on the Land Tax Amendment Bill—

“There is an unanswerable case for either a substantial reduction in land tax or its abolition. I strongly advocate its total abolition.”

The Treasurer has indicated that the Premier in that case made a silly remark some time ago. When I reminded him about it he said, “You people have made some silly statements, too.” In other words, this was a silly statement by the Liberal-Country Party. If the Treasurer is prepared to acknowledge the fact that there is a case for land tax on large aggregations of land, and not on say a 32-perch block that would be required by the ordinary householder as a residential block, then we are prepared to accept his statements. I have a note here of what the Treasurer said last year when he introduced the Act. He said—

“The Bill is quite frankly something to apply for this year and in the light of our experience in this year, the Government will indicate in 12 months' time where they think the longer-term path of relief will be.”

The Treasurer has indicated that the Government are trying to protect the average householder who has an average block of land. He has indicated that they will do that. However, under the Act, revaluations take place every five years. The real point at issue is that some areas are revalued time and time again, and there seems to be no settling down, while other areas are not valued at all. It would appear that the Treasurer will have to bring down Bills from time to time to try to meet this problem. Even if we accept the Treasurer's assurance that he does not want to tax anyone on an average block of land, if he sets an arbitrary minimum such a person could eventually be required to pay land tax. An ordinary residential 32-perch block of land may not be very valuable in the beginning but may become valuable, perhaps for commercial purposes, as the character of the area changes. Fixing a minimum does not necessarily protect the owner of that block. It is true that he can always sell it and make money but many people dislike moving after they have lived all their lives in the one place and even the prospect of making money on the transaction does not attract them. How the Treasurer will deal with that I do not know.

It would seem that the Government's measures in this matter this year and last year will accomplish something of broad justice rather than carefully measured individual justice. We can only await the Government's future moves to see how they will affect the position. While the number of people who have been paying land tax might have decreased, the Government are certainly collecting more land tax than before.

With the increases in valuations it is not easy to establish whether the increase in taxation is coming as much from the bigger landholders as the Treasurer tried to make out. Seemingly the burden has been thrown onto the larger aggregations of land but with the increase in valuations it is possible that many people in the lower brackets will still pay a proportion of the increased amount. For example, in 1957-1958 £1,488,000 was collected in land tax but by June, 1960, the figure had increased to £1,650,000, so there has been a substantial rise. If it has come from those with large aggregations of land who are in a position to contribute to the funds of the State we do not object, but if it is imposing a greater burden on people in the lower brackets it is certainly not achieving the Treasurer's professed objective. Though many have been exempted by the provision for the £2 minimum assessment, many between £2 and £50 to £100 may have contributed to the increase. All we can do is wait till we see the Bill. Apparently it is along the lines of last year's measure. When we study it we will look forward to the steps the Government propose to take to bring about their aim, that is, to ensure that an ordinary citizen on an average block of land will not be called upon to pay land tax which he did not have to pay before, or that he will not be required to pay greatly increased land tax through inflationary pressures in the economy.

**Mr. WALSH** (Bundaberg) (3.54 p.m.): Hon. members will agree that there is nothing in the Bill calling for serious debate because, according to the Treasurer's outline, it simply extends the relief approved by the Parliament 12 months ago. His other remarks were very interesting and very important. Like him, I have followed the criticism of new valuations that has appeared in "The Courier-Mail." It is wise, I think, to give the great body of owners of residential blocks of land an indication that the Government intend at a later stage to bring down legislation providing that any bona fide residential area shall be free of land tax. It will be a great comfort to people to know that. Such a provision should make it unnecessary to bring down amendments to the Act from time to time, as has been done since 1952. Former Governments had to bring down amendments raising the exemption from £300 to £500, from £500 to £750, and so on, so that the great body of people owning residential land in the Brisbane area could escape the payment of land tax.

Although the Treasurer, since taking office, has made some adjustments for the benefit of the people who would be liable for small amounts of land tax, he must concede, of course, that he is collecting far more in land tax than former Governments did. Speaking as a former Treasurer, I have always argued that the Government must have funds, and they have to get them from somewhere. But we have now reached the stage where taxation on land is becoming a very serious problem for the bona-fide producer and the bona-fide resident. The Treasurer has said that the Government might give relief by bringing down amending legislation in the near future, but wisely he has not committed the Government completely. He has thrown out enough hints to show that a person living on a 32-perch block or a 40-perch block of land will at least be free of any land tax in the future. But that is not the end of the matter. The method of arriving at the valuation of the land in the first place causes all the worry and trouble, because that is what makes it liable for taxation. Before the Treasurer decides to allow the Valuer-General's Department to be broken up—I only make these remarks in passing—and accedes to any suggestion that valuations should revert to local authorities, I ask him to consider the matter very carefully. For goodness sake let us keep away from that system of valuing. We have had experience of it in the past. New South Wales has had uniform valuation for donkey's years, and we should be able to make the system succeed here. Irrespective of the conflicting opinions in relation to the suggestion that the Valuer-General's Department should be thrown overboard, I suggest very seriously to the Government that they should appoint a Royal Commission to go into all the principles of valuation that should be applied generally. I suggest that they appoint a Commission composed of men who cannot be identified in any way with vested interests. When I say that, I mean a Commission under the guidance of a Supreme Court judge, for example. They could get opinions from men who would be qualified to advise the Government on new principles that might be adopted. Something of that sort was done in England after the last war. A Commission was appointed under the chairmanship of a District Court judge to inquire into the question of compensation and the betterment of land following the devastation during the war. We have now reached the stage where the Treasurer is suggesting that a person using a home as a bona-fide residence, not for investment purposes, should not be troubled with this irritating form of taxation. If a dairyman is using his property to produce milk, butter, cream, whatever it might be, how can the position be justified where his property is valued on the basis of, say, what Chevron earns from its position or the Commonwealth Bank may be earning from its administrative block? I do not know what the position would be on the south side with Torbreck on a very small area of

land, compared with residences around about, if the residential areas are valued on the basis of the value of the land on which Torbreck is situated. I can quite imagine a great deal of complaint arising. As the practice grows the problem will become greater and greater for this or any other Government. Before any drastic measure is taken to change the position an independent tribunal removed from the political structure should be set up so that a lead along a realistic path can be given to this and future Governments. There is no doubt about it, with valuations going up by 200, 300 and 400 per cent. it is becoming very difficult for the man on a salary or wage.

**Hon. T. A. HILEY** (Chatsworth—Treasurer and Minister for Housing) (4.1 p.m.), in reply: In reply to the hon. member for Baroona I think what I have in mind will take care of the difficulty he has in mind. It is a double basis of exemption. The first step is to raise the monetary amount that applies to everyone and the second step would be the minimum area subject to its use for residence—

**Mr. Hanlon:** Valuation for use?

**Mr. HILEY:** No. Let the hon. member take his own home in which he resides, as an example. Irrespective of its valuation, if it is the only property he has, and if the area does not exceed whatever is fixed, 32 perches or 40 perches, whatever it may be, he does not put in a return and does not pay any tax. In other words there is a dual basis of exemption. If he has an ordinary area in the city and a seaside home as well, the monetary exemption applies. If all he has is his own house and the area of land surrounding it is not excessive, and he lives in the house, he is totally out. I think that would overcome the problem of the residents in old houses such as the hon. member illustrated. They may be getting on in years and for sentimental reasons do not want to leave their homes. Even though the property has become extremely valuable they will not pay land tax. A property residence test for exemption would take care of it. It is true that these old people may have lived in their homes all their lives. Their earning capacity may have disappeared. They may be living on a pension or small savings. Their land may have become extremely valuable but they still want to live there. If rates do not hunt them away land tax never will. The rates on their property would be 10 or 20 times the burden of land tax at that level. I repeat that the person living in his home on land up to 32 or 40 perches, with no other property, will be out on that basis.

Methods of valuing do not come within the provisions of the Bill so I hope that the hon. member for Bundaberg will forgive me if I refuse to succumb to the temptation to say anything about that.

Motion (Mr. Hiley) agreed to.

Resolution reported.

#### FIRST READING

Bill presented and, on motion of Mr. Hiley, read a first time.

#### CREMATION ACTS AMENDMENT BILL

#### SECOND READING

**Hon. H. W. NOBLE** (Yeronga—Minister for Health and Home Affairs) (4.6 p.m.): I move—

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

As I indicated during the first reading of this Bill, the provisions of the existing law cover three broad headings—firstly, the requirements to be complied with before a human body may be cremated; secondly, the provisions governing the establishment and operation of crematoria; and thirdly, the provisions relating to the preservation of essential records relating to cremations.

**Mr. Walsh** interjected.

**Dr. NOBLE:** Yes, my word! The provisions relating to the conditions under which cremations of human bodies may be carried out have been retained in their present form.

The major portion of the Bill is devoted to the transfer to the local authority of the powers of approval and licensing of crematoria and the conferring on the local authority of the necessary powers to control the operation of crematoria.

The existing provisions, enacted in 1913, which made the establishment of crematoria, the preparation of plans and specifications, and the nature of the apparatus to be installed in the crematoria, subject to the approval of the Director-General of Health and Medical Services, have been repealed. Adequate safeguards have been retained to ensure that all reasonable and necessary attention is given to health aspects, aesthetic considerations, town-planning, and the prevention of any possible nuisance or disability being caused to surrounding property owners.

This provides a much broader method of approach to the question than is provided in the existing law. Under present conditions, the Director-General would be concerned primarily with health considerations whereas the local authority would be influenced by many other considerations.

As I explained at the introductory stage of the Bill, the position has arisen that the Health Department was prepared to approve of a site and the plans for a crematorium and to recommend the granting of a licence in a particular local authority area, while the local authority was strongly opposed to the project.

The existing law provides for objections to the establishment of a crematorium to be lodged with the Registrar-General or to a Registrar of Births and Deaths. These provisions are obviously outdated. There is no

provision in the present law for a provisional approval of a proposal for a crematorium or for a preliminary investigation.

Although in actual practice applications for the establishment of crematoria have been dealt with in stages to obviate applicants being involved in unnecessary expense, there is no assurance that a similar procedure would be followed by a local authority unless a definite procedure were laid down. As will be explained later, this has been done.

In the amending Bill it is laid down that a crematorium may not be established unless authorised by the issue of a crematorium licence by the local authority. Heavy penalties are provided in the event of the illegal establishment of a crematorium and the local authority is empowered to cause any unauthorised structure to be removed.

The new provisions authorise the local authority to grant a provisional approval for the establishment of a crematorium, after due investigation, and to prescribe the conditions under which such provisional approval is granted.

The procedure laid down provides in the first instance that any intending applicant for a licence may apply for a provisional approval. This application must be in the prescribed form and be accompanied by such information and particulars as the local authority may require.

The Bill proceeds to lay down the conditions which must be satisfied and grounds upon which the application may be rejected. If the application survives this preliminary investigation the local authority must then proceed to carry out the prescribed procedure including the advertising of the application in the Press and the posting of a notice on some conspicuous part of the proposed site for the crematorium. The provisions relating to advertising have been strengthened in comparison with the existing law and provision also has been made for the depositing of a sketch plan and a site plan which are open to inspection at the office of the local authority.

The site plan is required to be drawn to such a scale as will enable any person who wishes to lodge an objection to assess without difficulty the distance between the proposed crematorium or any part of the structure, and his own property. This provision has particular reference to the owners of property in the vicinity of the proposed crematorium.

The Bill ensures that no structure connected with a crematorium can be built within 100 yards of any house or land if the owner has a valid objection. This is in line with the provisions of the existing law but the new provisions have been made more definite.

If no valid objection is lodged the local authority can immediately decide whether or not the application for provisional approval is to be granted.

In the event of there being a valid objection lodged the procedure to be followed is laid down and it ensures that the applicant is afforded adequate opportunity of answering the objections.

The local authority then proceeds to consider the application and to make a decision on the granting of a provisional approval.

It is mandatory on the local authority to reject the application in any instance where an owner or occupier of a house or land within 100 yards of the proposed crematorium building or any part of the structure lodges a valid objection.

**Mr. Lloyd:** With the local authority?

**Dr. NOBLE:** Yes. The local authority may either refuse the application or it may grant the application in part or with modifications and subject to certain prescribed conditions. These conditions shall include a requirement that the applicant will complete the establishment of the crematorium, including the furnishing and equipment in accordance with the local authority's requirements.

These conditions are to be contained in a notice, in writing, which the local authority is required to serve on the applicant. These include the submission of plans and specifications within a period of time to be laid down by the local authority, although there is power for the local authority to grant an extension of time if warranted.

Following the compliance of the applicant with the various requirements laid down, including the approval of the plans and specifications the local authority may then grant the applicant a licence to establish a crematorium.

The crematorium licence must specify the name of the licensee, date from which it comes into force, and shall specify the terms wherein the licensee is authorised to establish and operate the crematorium.

Power is taken to ensure that the local authority will at all times be in a position to enforce its requirements in relation to the maintenance of the crematorium building and the satisfactory operation of the crematorium.

Provision also is made in the Bill for the necessary machinery for the transfer of a crematorium licence and to prescribe the conditions governing any such transfer.

Power also is taken to enable the local authority to vary, rescind or modify any of the terms or conditions under which a crematorium licence has been granted.

Hon. members will recognise that this power must be provided in the Act as a crematorium licence is not granted for a limited period but for all time. It is therefore necessary that some provision be made for a variation in the terms of approval to meet new conditions which may arise in the course of time.

The local authority is empowered to suspend or to cancel a crematorium licence but such power can only be exercised in the event of default being made by the licensee not complying with the terms and conditions under which the licence is granted. The Bill includes provisions affording the licensee opportunity to show cause why his licence should not be cancelled or suspended.

Provision is made for the re-building, renovation or extension of crematoria and the Bill lays down the procedure which must be followed before any such work can be commenced. In general, such procedure follows the same procedure which is laid down in connection with the granting of an original application for a crematorium licence.

**Mr. Lloyd:** There are no local authorities with their own crematoriums.

**Dr. NOBLE:** They are entitled to have them. I will mention that later.

The provisions relating to the advertising of intention, and for the lodging of objections, are applied to any application for approval to reconstruct, renovate or extend an existing crematorium, and this would include any structure in connection with a crematorium, including a wall.

The hon. member for Carnarvon raised the question of whether the extension of an existing structure could bring such extension within the distance of 100 yards from a private residence.

This matter is effectively covered by Clause 9 of the Bill, which includes a new Section 4N. This requires the local authority to refuse approval for any such addition or alteration if any part of the structure will be within the prescribed distance of 100 yards, and where the owner of adjoining land or property lodges a valid objection.

The remaining clauses in this section of the Bill are purely machinery clauses providing for powers of inspection, and for the infliction of penalties for obstructing an inspector in the course of his duties.

There is a saving clause in the Bill to protect the holder of licences which have already been granted under the existing provisions, such as the licence granted for a crematorium at Aspley. That is not being made retrospective, in other words. Without this saving clause a licensee would be required to comply with the whole of the new procedure laid down in the amending Bill.

Provision is retained in the new provisions for the schedule of charges to be made by persons conducting crematoria to be submitted to and approved by the Governor in Council. Charges made which are in excess of the approved schedule are not recoverable at law. That is the question the hon. member for South Brisbane raised during the introductory stage.

Penalties are provided for breaches of the provisions of the Bill.

The penalties include a substantial penalty up to £500 or imprisonment for six months on conviction of the offence of cremating a human body at any place other than a licensed crematorium.

Provision is made for exceptions in specific circumstances. Certain religious sects, such as Hindus, have, in the past, been permitted to dispose of the remains of members of their religious sect by means of burning it on a funeral pyre, subject to the consent of the Minister and to strict police supervision. The clause I have referred to authorises the Minister to direct the issue of a permit in the circumstances prescribed. The clause, however, does not remove the responsibility for the production of medical certificates and/or coroner's certificates as required elsewhere in the Act or in the Coroners Act.

The third feature of the Bill deals with the preservation of essential records relating to cremations.

Under the existing law officers in charge of crematoria are required to record and retain indefinitely all documents and certificates for cremations. It has been found that the permanent keeping of these documents has caused considerable space and storage problems, and unnecessary inconvenience at existing crematoria. The provisions in the amending Bill permit the destruction of these documents after a period of 15 years, thus bringing the Queensland law into line with that of Great Britain and New South Wales.

The Register of Cremations, in which are recorded all cremations carried out at the crematorium, will still be retained indefinitely. The Director-General of Health and Medical Services is satisfied that no such records require to be kept longer than 15 years.

The hon. member for Townsville South raised the question of the power of a local authority to establish a crematorium. For the hon. member's information I would mention that local authorities have power under the Local Government Acts and the City of Brisbane Acts, as part of their functions, to undertake, construct, maintain, manage, etc., cemeteries or crematoria and to control the disposal of the dead.

**Mr. Bennett:** I pointed that out to you.

**Dr. NOBLE:** Yes, the hon. member did.

A new Section 12 of the Cremations Acts, which is inserted by Clause 14 of this Bill, provides that the Acts shall not affect or limit any power of local authorities or the Brisbane City Council as set out in the Local Government Acts to establish and maintain crematoria.

When the Bill becomes law, crematoria may be established by any local authority or any person licensed by a local authority. By virtue of the Acts Interpretation Acts the word "person" will include any body corporate.

**Mr. LLOYD (Kedron)** (4.20 p.m.): I do not think we need keep the House long on this Bill. Obviously the main principle transfers from the Government to the local authority the power to approve and generally to superintend the location of the sites of crematoriums. The principle is a good one. With the local authority controlling its own town plan and designing its own area as far as it can and as efficiently as possible, naturally it would have a very good idea of suitable locations for crematoriums. One of the features of cemeteries and crematoriums in the past has been the rather morbid aspect for people who build homes nearby. Giving the local authority complete power to decide the location will greatly assist the ordinary householder.

A surprising feature of the original legislation is that only proprietary companies seem to have been interested in establishing crematoriums and local authorities generally have confined their attention to establishing new sites for cemeteries. In my opinion most of the cemeteries at present are not conducive to good town planning and they tend to detract from the value of surrounding land. Most of them are in the vicinity of house properties. With a crematorium it is possible to have a very good aspect. A crematorium established by a local authority even within a quarter of a mile of an area with a high density of population may not detract from the value of the residential land.

The inclusion in the Bill of the charges for cremation is a very desirable feature especially with so many proprietary companies controlling or owning crematoriums. The high price of death seems to be a horrible feature of the modern way of life. Many people in the community have suffered from the high cost of burial or cremation and it is very necessary to have strict control over it.

It would be desirable in the future for local authorities to take an interest in crematoriums because more people in the community tend to favour cremation these days. The provision is a very desirable feature of the legislation. The high cost of funerals is a very undesirable feature of our economy. I am sure that many people in the community have been shocked, as I have been shocked, to find that when a man dies and his widow has little or no money she is almost forced to apply for a pauper's burial. The fact that we have some control over these matters will mean that certain people in the community will not be able to exploit the death of others, as happens in many instances now.

The principle of allowing local authorities to establish their own crematoriums is most desirable.

**Dr. Noble:** They already had that power under the Local Authorities Act.

**Mr. LLOYD:** I think that the Minister is possibly effecting an improvement in this Bill. It is most desirable in the interests of

the community that local authorities should take advantage of the opportunity given to them by the Bill.

I should like to elaborate slightly on the charges. Many people in the community are not in a position to meet the high charges imposed by funeral companies, and this unfortunate feature of modern life places a very heavy burden upon them. I do not know much about the organisation of the industry at present, and I do not know whether or not the charges are exorbitant, but people whose loved ones have died should not be forced to pay very high prices because people have organised themselves into an industry. It is rather horrible to think that a crematorium should be established by a proprietary company purely and simply for commercial purposes and in an endeavour to make profits and pay dividends to shareholders. I hope that local authorities will take advantage of the privilege given to them under the Bill and that instead of allowing private companies to establish themselves as an industry, they will establish crematoriums for their own areas. This will prevent companies from endeavouring to exploit the public in an attempt to secure more profit.

I suggest that the Minister might give consideration at a later date to moving all funeral parlours out of the city into areas where traffic snarls can be avoided and where the surroundings will be better.

**Hon. H. W. NOBLE** (Yeronga—Minister for Health and Home Affairs) (4.29 p.m.), in reply: Replying to the last suggestion made by the hon. member for Kedron, I do not think it is the function of the Government to allocate sites for funeral parlours. I think it is within the power of local authorities to say whether funeral parlours can be established in any particular area.

The Bill does not control the cost of funerals. It controls the cost of the work done by crematoria. The high cost of funerals depends on the number of cars that people hire to go to the funeral, and so on. Where a loved one dies and a person goes along to make arrangements for the funeral, very often the opportunity is taken to say, "I think you should have a better coffin," and so on. Probably some people think they are doing a little better for their loved ones by spending more than they need necessarily spend. People would be very wise not to be influenced by the sales talk of undertakers who try to sell them better coffins.

Motion (Dr. Noble) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 to 14, both inclusive, as read, agreed to.

Bill reported, without amendment.

## DENTAL ACTS AMENDMENT BILL

## SECOND READING

**Hon. H. W. NOBLE** (Yeronga—Minister for Health and Home Affairs) (4.32 p.m.): I move—

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

As I stated at the introductory stage, the proposed amendment of the Dental Acts is limited to one section of the Act. That section relates to the penalty provided for conviction for the practice of dentistry by unregistered persons.

The Dental Act provides that no person other than a medical practitioner, or a person registered under the Act, shall practise dentistry or take or use the title of “Dentist,” “Dental Practitioner” or the like.

The existing penalties provided by the Act comprise a fine not exceeding £20 and a further penalty not exceeding £5 for every day during which a contravention is continued after conviction.

Apart from the deliberate defiance of the law, instances of which I mentioned during the introduction of the Bill, I consider the important consideration is the protection it affords the community in respect of dental health.

I feel quite sure that hon. members will agree that unregistered dentists, through their unskilled work, could constitute a grave health risk to unsuspecting people who visit an alleged dental surgery under the impression that they are receiving the attention of a qualified registered dentist. Remedial treatment could involve an unsuspecting family in considerable expense and, furthermore, irreparable harm could be done.

In a measure the Bill also safeguards the rights of registered dentists, and rightly so, because to qualify, a dentist must undergo a four-year course at the University. As from 1962 the course will cover a five-year period.

I feel, therefore, that after the effort and expense of qualification, the purchase of equipment for the setting up in practice, it is most unfair for a dentist to find he is obliged to compete with unqualified men.

The penalties provided in the other States of Australia for breaches of their dental laws are much higher than those at present prevailing in Queensland, and the lower penalties of Queensland could be the means of attracting the unregistered dentist to this State.

The proposed amendment will provide for a penalty not exceeding £100 on conviction, and still continue the penalty of not more than £5 for each day during which the offence continues.

**Mr. MELLOY** (Nudgee) (4.35 p.m.): I think it is desirable when we are considering increasing the penalty for any crime,

as the Government intend doing in this instance, that we see that the penalty is commensurate with it.

In providing increased penalties for the illegal practise of dentistry, it is desirable to survey the background of what, in general terms, is an undesirable development in any profession.

The illegal practice of dentistry in Queensland has been carried out during the whole history of dentistry in this State and it will continue despite any action on the part of the Government through the Dental Board or through any increase in penalties.

As a matter of fact, the dental profession in Queensland, and for that matter in Australia, had its foundation, to a large degree, in men who previously practised dentistry in an unregistered capacity.

In 1887 Victorian legislation created an administrative body for the registration of dentists. This was the legislative foundation on which the dental profession in Australia was built. Under the provisions of this legislation, only a person registered as a dentist could use the title of “Dentist” and future registrations could only be obtained by passing examinations which the Dental Board was empowered to prescribe. There was no dental course, no curriculum, and no dental school in existence.

Training in dentistry was secured by apprenticeship. The first register of dentists comprised a small number of dentists with English qualifications, and consisted mostly of persons who had been practising dentistry prior to the Act, or who had been students of dentistry for three years prior to the introduction of the Act. The Act did not forbid the practice of dentistry by unregistered persons, but they could not call themselves dentists. Even the local blacksmith could still extract teeth, and several instances of it were known.

Legislation in 1898 provided for a proper curriculum of study and examinations, which were necessary prior to registration. This legislation also dealt with practice by unregistered persons who, to overcome their inability to call themselves dentists, resorted to the practice of working under such titles as “Dental Company” and “Dental Institute” and used signs such as “Teeth extracted”. The new Act prohibited these subterfuges.

In 1910, a new class of dental practitioner was created. These persons were known as having been recorded by the Dental Board. Any person over the age of 21 who was able to establish that he had practised dentistry for three years, was entitled to have his name recorded. This enabled him to continue to practise dentistry and he was allowed to describe himself as being recorded by the Board but he was not permitted to imply that he was a dentist. In addition he was allowed to display signs to show that he was so recorded.

There were instances of signs 50 ft. x 6 ft. high erected on fences in various parts of Melbourne, and, by virtue of this law, they were regarded as having been permitted to erect them.

In 1927, recorded persons disappeared, those in that category being granted full registration. Subsequent registrations were only granted to those who had carried out the prescribed course and passed the necessary examination.

In Queensland, the history of illegal dentistry followed much the same pattern. The Dental Bill introduced in the Queensland Parliament in 1902 sought to effect the registration of those practising dentistry in the State at that time. The legislation was intended to establish some degree of control over the practice of dentistry, but some provisions of the Act made this control rather loose, inasmuch as Clause 21 of the Act provided that any person who practised as an extractor of teeth only, was not deemed to be performing dental operations within the meaning of the section. At the same time, dental operations were also performed by chemists and the Bill provided that their right to do so should be continued.

Clause 8, which was the real basis of the legislation, provided for the registration of any person, upon proving to the satisfaction of the Board that he had, prior to the commencement of the Act, been for a period of two years bona fide engaged in Queensland in the practice of dentistry, either separately or in conjunction with the practice of medicine, surgery, or pharmacy. The effect of this legislation was that although some form of registration and control of dentistry existed, the practise of dentistry by unauthorised, but not always incompetent, persons still flourished and continued to do so until 1916. Until 1916 the Dental Board had the right to refuse registration to any person and many who had failed to take advantage of the 1902 legislation were held out by the action of the Board. This legislation provided for the registration of such people, in some cases registration being dependent upon the passing of a simple practical examination. The Minister, in introducing the Act at the time, stated that those who had become qualified in dentistry in all matters save that they did not qualify technically within the meaning of the Act could be registered as dentists. Those who could by practical experience extract teeth and generally care for those who came under their treatment could be granted registration. Many of Brisbane's leading dentists in the 1920's and 1930's who had returned from World War I. had secured their registration under the provisions of the 1916 amendment to the Dental Act. They were men who had gone overseas with dental units, who had not been registered dentists and who had accumulated some experience in dentistry while they were members of the Forces. In many cases they had carried out

practical operative dentistry in the Army on various battlefronts in Europe. When they returned to Australia at the conclusion of that war they were able to take advantage of the 1916 amending Act even though they had not at that stage gone through any prescribed form of tuition in this State.

Again, in 1935, what might be termed a purging amendment was brought down coincidentally with the establishment of the Faculty of Dentistry at the Queensland University. This contained provisions of a similar nature to those of the 1916 Act, providing that those able to show evidence of practical experience in dentistry prior to enactment of the amending Bill would be allowed to present themselves for a very modified practical and oral examination and, if successful, subsequent registration. In the period between the enactment of the 1935 Act and the introduction of the present Bill, Section 8, which provided for registration of those qualified but unregistered persons has been repealed by the present Government. In the same period there has developed the same situation in relation to unregistered persons practising dentistry, although to a lesser degree. Today this illegal practice is not of a general nature, but restricted mostly to the provision of dentures. I have here a recent cutting from "The Courier-Mail," which relates an incident of the illegal practice of dentistry. Because of its relevance and interest I think I should read it. It states—

"London, November 16—A private detective was hired by the General Dental Council to investigate a man it suspected of practising dentistry illegally.

"The council told the detective to go to the 'dentist' and have a set of dentures made. He did so.

"Yesterday, the detective testified they were the best dentures he had ever had.

"The detective told the Magistrate's Court the dentist who wasn't a dentist made him the only false teeth he had had which would stay in his mouth while he ate.

"His previous three sets—all unsuitable—were made by real dentists."

The person was fined £30 for making the teeth for the detective. There is one section of the community whose income is such that they are not eligible for treatment at the Dental Hospitals and clinics in Queensland, yet their income is not high enough to enable them to pay the fees charged by private practitioners for dentures. These people will continue to seek the services of those who are qualified to provide them with dentures even if they are not registered. I do not think that any legislation will overcome that. We will always have the unregistered practitioner with us. He will develop as his experience grows. I believe that every dental technician is a potential unregistered dentist,

for the supply of dentures. Their work, in the main, is confined to the provision of dentures.

I would say that those so practising are much more highly skilled than those in 1916 and I consider there are men in Brisbane much more worthy of registration than many of those registered in 1935.

The answers given by the Minister recently about the illegal practice of dentistry do not provide much evidence of the necessity of increased fines. As a matter of fact, it is hard to reconcile it with the answers given by the Minister. For instance, he stated that in the last five years only eight persons had been prosecuted for the illegal practice of dentistry, and seven of them were first offenders. He said that 71 fines were imposed totalling £967. However, in his introductory speech, the Minister stated that one offender had been fined £1,300, whereas in his answer he told us that the total fines amounted to £967. The prosecution of eight persons in five years certainly does not indicate that the illegal practice of dentistry is rampant in Queensland, at least not within the knowledge of the Dental Board. The fact that 71 fines were imposed in a five-year period and the maximum of £20 was imposed on only 28 occasions does not indicate that there is any pressing need or justification for raising the maximum to £100.

It would appear that the measure is purely to cover some individual who has got the Board's back up, and they are determined to crush him financially, if not professionally. I suggest that the Minister should have a closer and broader look at the whole set-up and consider whether the dental profession is providing an adequate service to the public. If the profession is not providing an adequate service to the public it is inevitable that the illegal practitioner will set himself up in business to take up the lag. I believe that the public will patronise a man providing the service.

Legislation of this nature will not make any contribution to the dental welfare of the public, but rather will it close an avenue for those who need it—those who need denture work at a reasonable price.

It would appear from the background that I have outlined that there has been a regular building up of a group of persons in the dental profession, who through extensive practical experience acquire a standard of ability in the practice of dentistry which would under certain conditions entitle them to a registration as dentists. In other words, there comes a time, at regular intervals, at which a survey could be made of those who could so qualify and could be dealt with by legislation. Three such occasions are on record. Under provisions of the 1903 legislation, 44 persons were registered; under the provisions of the 1915 legislation, 28 were registered, and under Section 8 of the 1935 legislation, 38 were registered.

All moves of this nature have been strongly resisted by the members of the dental profession, particularly by the so-called ethical members of the profession. Over the past 20 years, there has been a fast-growing tendency to reinforce the wall around the dental profession. There has been a self-inspired move to create an exclusive status for the dental profession, in an attempt to establish in the public eye a dignity on equal terms with the medical profession. Throughout the years dentists have tried to elevate themselves to equal status with the medical profession. To this end they have done all sorts of things. Years ago it was unheard of for a dentist to dress himself up in a white uniform and wear white shoes and in every way try to present himself as being of the same standing as a medical practitioner. I do not think there is any comparison in status between the two professions and I do not think there will ever be.

There has been created in the dental profession a series of specialties, which is nothing more than a quid pro quo arrangement between the various dentists, with the emphasis on the quid. The general attitude of these specialists is, "You send them along to me and I will send them to you and we will get an extra quid in the process." One dentist will not mind sending along to one of his colleagues a patient requiring work of a type he would not normally do and the patient may be called upon to pay as much as 10 guineas more for that operation. I do not think specialising in dentistry is warranted; it is only an imposition on the public. Let me give the House some idea of the specialties that have been created. I am connecting these remarks with the subject of the Bill, Mr. Speaker, because I think the Bill will only help build the wall around the profession.

First we have orthodontics. I have no great objection to that designation of specialty, dealing as it does with the regulation of teeth.

Then we have the periodontics. The average practitioner knows as much about periodontics as the specialist will. The specialist will have no practical experience; his only knowledge of the subject will be book knowledge. The procedure is for any dentist to spend a month or so studying a particular phase of dentistry—in this case periodontics—and then set himself up as a specialist in the field.

Prosthodontics is another specialty; it is concerned with the production of dentures. I do not think the prosthodontist will get very far as a specialist. Not many dentists will refer their denture patients to a colleague because that is their greatest meal ticket and they will not want another dentist to reap the benefit.

Then there is endodontics—the treatment of root canals. I do not think there has been any change in the basic principles of root canal treatment or preparation in dentistry over the last 20 or 30 years. For anyone to specialise in it is just to stretch the profession

a little too far. The work sometimes involves a great deal of trouble to the average dentist and he may be quite willing in certain circumstances to hand it over to a colleague.

As I suggested at the introductory stage, increasing fines for the practice of illegal dentistry is not the answer to the problem. The Government must take a broader look at the situation, which will continue, and I suggest that the Government consult all sections of the profession with a view to establishing some form of control over what are termed in the Bill illegal practitioners. I do not think we will achieve anything by banning them; they should be controlled rather than banned, and we can control them only by providing some form of registration for them. I think that is the answer to it. No matter what the dental profession does I do not think that it will suppress this denture service to the public which is often termed "unqualified." It is unregistered, certainly, but not unqualified, and I think that, in the interests of the public, we should endeavour to control rather than suppress it. There is legislation pending in New South Wales designed to do this, and in Tasmania the legislation controls denture services by dental technicians and is working satisfactorily. I suggest that the Minister should consult all sections of the dental profession in an endeavour to control the supply of dentures to the public.

**Hon. H. W. NOBLE** (Yeronga—Minister for Health and Home Affairs) (4.56 p.m.), in reply: The hon. member for Nudgee went into great detail in outlining how dentistry started and how, from humble beginnings, it reached its present high standard in Queensland and the other States of Australia. Now that we have reached such a high standard of University training, I think that is all the more reason why we should endeavour to maintain that standard and do nothing that might lower it. I thought for a moment that the hon. member was going to get back to the days when the blacksmith removed teeth, and I wondered whether, arguing along the same lines, he would allow the barber to do the operating, as he did in days gone by. Hon. members know the significance of the poles that barbers put outside their shops.

The hon. member spoke of the signs put up by the early practitioners of dentistry. I can remember being amazed, in my student days at Sydney University, by a big sign in Neon lights that appeared at night at the railway station. I think the name of the dentist who used the sign for advertising was Moses. The sign depicted the extraction of teeth. They were ferocious looking teeth. The first part of the sign showed a patient with an agonised expression on his face and a gentleman with forceps standing over him. The last part showed the patient with a smile on his face after the tooth had been extracted. We used to refer to the dentist as Painless Moses. We do not want to get back to the days of that type of dentistry.

The hon. member also referred to men who were registered soon after the war under what I think was called the "Dog" Act and allowed to practise dentistry. Soon after I began practising medicine, it was my misfortune to go out with a dentist to give an anaesthetic. It was customary to go into the home and give the anaesthetic to the patient on the kitchen table, and the teeth would be extracted there. On this occasion the fellow did not even change out of his waistcoat, and he had the forceps that he was using to extract the teeth in his waistcoat pocket. He had the patient lined up near the window. When I saw this I was terrified because I did not know what would happen to the teeth. I thought, "Heaven only knows what will happen if the teeth get down into the lungs." If that happened, it was the anaesthetist who was responsible, not the dentist. I gave the patient the anaesthetic and the dentist pulled his forceps out of his waistcoat pocket. He got hold of the first tooth, shook it vigorously, and broke it off at the gum, then threw the broken tooth out of the window. The next tooth came out well and he put it in a saucer. By the time he had finished I was in a lather of perspiration. I said to him, "I hope you do not do anything silly, old fellow. Take it steady." He put all the sound teeth in a saucer and threw all the others out of the window. After he had finished extracting the teeth, he went down and buried the half teeth in the ground with his boot. The roots of the teeth remaining would slowly extract themselves, and I had a miserable time because I knew the patient would say, "The old so-and-so could not get the roots out." We do not want to get back to that stage. The University standard of dental training is very high. With the five-year course starting in 1962 very highly-trained men will be turned out. At all times we must keep up the standard of dentistry in Queensland. I should say that there is no snobbery on the part of the medical profession to the dental profession. We regard dentists as our colleagues. I have never heard doctors and dentists referring to each other in disparaging terms. We are more or less members of the one team.

The hon. member for Nudgee talked about registered specialists. I agree with the registration of specialists in the field of dentistry, as we have in the medical profession. When a person goes to a registered specialist he knows that he is obtaining the services of a man skilled in his particular field. It is a good thing. The same would apply when a person consulted a specialist in the field of dentistry. I should not like to do away with the registration of specialists in the field of dentistry. There is a present move to extend the practice. Some States are looking into it; I hope that it becomes Australia-wide.

**Mr. Duggan:** The only disadvantage is the tendency of some people to send you to about five specialists whereas whatever is required could be done by a general practitioner.

**Dr. NOBLE:** General practitioners in Australia are highly trained in a general sense. Their training has to be such that they can go to a one-man town and cope with anything that comes along.

**Mr. Melloy:** There is not the field for specialisation in dentistry, other than oral surgery. Dentists who specialise in oral surgery have entered a field that perhaps would not be covered by the general practitioner. But other than that there has not been such an advance in dental procedures as to warrant specialisation.

**Dr. NOBLE:** There are specialists with special skill and qualifications. Those who qualify in the higher fields will need the requisite knowledge to get there, which is greater than that of the ordinary dental practitioner.

I agree that dental health in Queensland is in a parlous state. I should say that only 20 per cent. of the population get proper dental treatment. If I had the necessary finance I would introduce the New Zealand dental system. Trained dental nurses work under the supervision of dentists. Children from the age of two until they leave school at the age of 15 are seen by one of those girls every six months. It is a wonderful system. The standard of dental hygiene in that country has increased considerably. Recently health authorities from Great Britain went to New Zealand to examine the system because they realised its great value. They have started to introduce a similar system in Great Britain. The World Health Organisation have made a survey of the New Zealand dental scheme.

**Mr. Melloy:** The New Zealand Government spend about ten times as much per head on dental services as we do.

**Dr. NOBLE:** No. New Zealand has a population of 2,750,000. I could not give the number of children between the ages of two and 15, but the cost of providing a service for all those between two and 16 is £1,000,000 a year. They have an extension of the scheme to 17-year-olds on a payment basis, which costs an extra £1,000,000 a year. It is an excellent scheme but it is not so very costly when it is realised that the total cost to the New Zealand Government to treat everyone from two to 16 years does not amount to more than £1,000,000 a year. If I could get the finance to introduce it in Queensland it would go a long way towards bringing the dental hygiene of the people of this State up to a better standard. It would take probably 20 years to implement the scheme fully.

**Mr. Bromley:** You would have the girls practising illegally within six months.

**Dr. NOBLE:** No, there are heavy penalties in the Act to prevent that. The whole scheme is closely supervised by trained dental practitioners. The scheme is a very good one.

On the whole, he said that the increased penalties would not stop illegal practitioners from practising and he mentioned an illegal dentist who was fined on so many occasions, and the amount of money that he paid in fines.

I pointed out that this person commenced practising as an illegal dentist in Gympie in 1959 and, over the period of 12 months the Board successfully proceeded against him on 63 occasions and that he was fined a total of £1,300.

**Mr. Bromley:** And still made a profit.

**Dr. NOBLE:** I do not know if he is still doing it but, if he is, we will stop him eventually.

Motion (Dr. Noble) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 and 2, as read, agreed to.

Bill reported, without amendment.

#### PICTURE THEATRES AND FILMS ACTS AMENDMENT BILL

##### SECOND READING

**Hon. H. RICHTER** (Somerset—Minister for Public Works and Local Government) (5.8 p.m.): I move—

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

As I mentioned at the introductory stage, the general position is that by the 1958 Amending Act, power was given to the Commission to rescind and otherwise modify conditions specified in a determination made after the coming into force of the Act, but it did not give similar powers in respect of determinations made prior to its coming into force. That was an oversight and was not intended. We are rectifying the matter.

Motion (Mr. Richter) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 to 3, both inclusive, as read, agreed to.

Bill reported, without amendment.

#### LOCAL GOVERNMENT ACTS AMENDMENT BILL

##### SECOND READING

**Hon. H. RICHTER** (Somerset—Minister for Public Works and Local Government) (5.10 p.m.): I move—

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

I gave a summary of the provisions of the Bill at the introductory stage, and I do not think it is necessary to repeat what I said

then. However, I should like to touch on one matter in particular, the point made by the hon. member for Carnarvon. The Bill provides that loans proposed to be borrowed by a shire council are deemed to be for the benefit of the whole shire unless the Minister defines a part only of the shire to be the benefited area. The hon. member for Carnarvon questioned the provision, and I propose to comment on his remarks.

At the outset I would mention that the modern trend in local government is for the abolition of financial divisions in shires. In a total of 112 shires in the State only 26 are divided financially. The division of shires for financial purposes is an aftermath of the days prior to the advent of modern means of transportation. In those horse-and- buggy days almost every shire was divided into divisions and each of those divisions became separate little shires inside a larger shire.

**Mr. Davies:** And through pure jealousy they refused even to build roads between their towns.

**Mr. RICHTER:** That is right.

A natural corollary to the abolition of financial division is the principle that loans should be for the benefit of the whole area. That is to be expected, because the community is one community and the interest of the whole community is involved. This is the case in the majority of loans borrowed by shire councils today which are not financially divided. The Bill recognises this principle but provides that, where the local authority is of the opinion that a loan will benefit a part only of its area, it must apply to the Minister for the definition of the benefited area. It will be noted that the Bill vests the Minister with power to define a benefited area of his own motion without any application on the part of the local authority. I should like to point out that the powers of the Minister in this respect are supreme. As I mentioned at the introductory stage, the definition of the benefited area is only one stage of the loan procedure. The final authority to borrow rests in the hands of the Governor in Council. If the Governor in Council felt that the benefited area had been improperly defined by the local authority, he could withhold his authority to borrow.

I feel that there are adequate safeguards in the matter and I commend the Bill to the House.

**Mr. DUGGAN** (Toowoomba West—Leader of the Opposition) (5.14 p.m.): The Opposition did not raise any particular objections to the provisions of the Bill, nor do I raise them now, but we did query one or two points, particularly the right of a local authority under Clause 4 to make some payments to a general fund by way of bur-saries.

The Deputy Leader of the Opposition dealt with the point. I have read his comments and I agree entirely with what he

said. We do not want unduly to hamstring the right of local authorities to exercise their charter, nor do we want to prevent people on the other hand from getting some help in the matter of educational facilities, but I should like to have seen this provision narrowed down and confined to the more remote parts of the State. The local government charter in Queensland is one of the widest and most democratic in the world and has proved most desirable and has been approved by non-Labour Governments. However, there is an increasing tendency for some local governments to make grants covering a wide range of activities for which there is sometimes a measure of criticism. However, their conduct is not of sufficient seriousness to warrant their being turned out of office. From time to time the Minister has argued that they are duly elected by adult franchise, and if the electors are dissatisfied with their administration it is in their own hands to tip them out. Many of these things are not important in themselves, but I have found, in various parts of the State, including Toowoomba, quite a measure of resentment against local authorities for giving funds for this purpose and that purpose, but in the main, the electors are prepared to accept the administration as being satisfactory.

I can quite understand that the hon. member for Balonne may think that in certain parts of the State where there are no high schools this measure may be of advantage. I can quite appreciate his problem, and I am not averse to these principles being extended to such areas. However, I hope that it will be only in exceptional circumstances that the local authorities will use this power. I appeal to the Minister and I ask him to exercise some caution when he comes to consider such payments by local authorities from time to time. It seems to me that there is a spirit of apathy abroad and unless something very serious is done people will regard it as a nine-day wonder.

With all the charges being imposed these days it is quite an expensive business to own a property and pay rates. I have seen rates go up continually in Toowoomba until the ordinary person finds he has to pay £1 a week. It may be said that the rates are ever so much higher in the southern States. It may be that water rates and sewerage rates are higher in the southern capitals, but the general rate is often very much lower than in Queensland.

We find that local authorities are vying with one another to increase their expenditure. It was mentioned the other day that under the present system of measuring salaries there is always an incentive for councils officials to support these ideas because it boosts the expenditure and thereby increases their emoluments. That is wrong.

I recall what I was told in San Francisco by a man in an automobile association. He told me he had a fixed appropriation from the automobile association, which was

one of the biggest in America, and in the world, that he received a certain base salary, but if he were able to save on the allocation, they gave him a bonus of what he could save. He told me that a friend of his went to Harvard and joined the Federal civil service, and that the only chance that man had of increasing his status was to build up the importance of his department by increasing his staff, say from three to seven, and from seven to ten. The more he could inflate his department, the higher his salary became. When an absurd measuring stick is used by local authorities to measure salaries, that is what happens. Goodness knows, I do not want to be accused of trying to take away the salaries of public servants, but quite often we hear from local authorities that someone has offered £200 or £300 more for their shire clerk, and they are obliged to match the offer. This is going on continually, and it is insidious. These practices are carried out, but they do not cause sufficient discontent to turn the Council out of office. I hope the Minister will watch what happens. I should be very loth to interfere with the local authorities' rights. I have been a guest at their functions for many years and I know they apply themselves with great diligence to the problems confronting them. I do not put forward these remarks because I am strongly opposed to local authorities having the power to provide funds for this purpose, but after all, education is predominantly a State function. It is an aspect of local authority expenditure that might well be watched.

I make those comments not in any spirit of criticism of the Bill but merely to ventilate thoughts that I have on it and that I know are shared by an increasing number of ratepayers of the various shire and city councils throughout the State.

**Hon. H. RICHTER** (Somerset—Minister for Public Works and Local Government) (5.21 p.m.), in reply: I feel sure the position will not get out of hand, and I do not think the provision will be abused. Requests for it came from the shires in the western areas, and I believe the Leader of the Opposition agreed that it would be desirable there. It was also agreed to by the Local Government Association.

I point out that the financial affairs of every council are subject to audit and a report of the audit comes to my department. I can assure the Leader of the Opposition that the position will be watched very closely.

Motion (Mr. Richter) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 to 7, both inclusive, as read, agreed to.

Bill reported, without amendment.

## VAGRANTS, GAMING, AND OTHER OFFENCES ACTS AMENDMENT BILL

### SECOND READING

**Hon. K. J. MORRIS** (Mt. Coot-tha—Minister for Labour and Industry) (5.23 p.m.): I move—

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

I was very pleased at the reception of the Bill on its introduction. I said then that it was a very simple, not complicated amendment of the law and hon. members will have seen that that is so. It is designed to enable action to be taken under the Vagrants, Gaming, and Other Offences Act for the offence of unlawfully using a motor vehicle instead of under the Traffic Act, as such offences are generally considered to be offences of moral turpitude and to be very much more suitably dealt with under this Act.

I mentioned at the introductory stage that provision will still exist under the Criminal Code for action to be taken on indictment whenever the offence is considered to be serious enough to justify it. I explained, too, that at present there are three Acts under which action can be taken—the Traffic Act, the Vagrants, Gaming, and Other Offences Act, and the Criminal Code. I said, too, that it was our intention ultimately to have action taken under the Vagrants, Gaming, and Other Offences Act rather than under the Traffic Act because the offence falls into the category of moral turpitude and this Act is more suitable.

The hon. member for Windsor suggested that the present provisions of the Traffic Act relating to this offence should be written into the Vagrants, Gaming, and Other Offences Act. The Act now requires imprisonment without the option, but it will not require that when this amendment becomes law.

The hon. member suggested that we should include in the Bill a further amendment making it possible for the owner of a vehicle to receive compensation for the loss of his vehicle, and he proposed that the compensation should be determined under the Act. I do not recall exactly what I said at the time, but I believe that I said I was quite attracted by the idea and would look into it to see whether the amendment could be made at this stage of the Bill. I must confess that I was attracted to it because there is a measure of fairness in recognising that a man who has his car stolen should be recompensed for any loss that he suffers because of the absence of the car. I was attracted by the principle for a few days after the hon. member made the suggestion and I discussed his suggestion subsequently. I have since conferred with the Parliamentary Draftsman, Mr. Seymour, and I have had another talk with him this afternoon. As all hon. members know, he has had a great deal of experience with legislation, and I am very impressed by his point of view. It is this:

that this provision certainly has been in the Traffic Act and could be included here, but it would introduce the principle of having a trial or hearing in regard to the offence and, mixed up with that, what is really a civil matter—that is, whether or not damages should be paid and the extent of the damages. I am very much impressed by his advice to the effect that it is undesirable to mix civil and criminal jurisdictions. I am also even more impressed with the advice that, should such an occasion arise and a person lose the use of his car, proceedings could be taken under the Vagrants, Gaming, and Other Offences Act, as normal procedure relating to the commission of an offence, and that the owner of the vehicle could subsequently take proceedings in civil jurisdiction for recovery of damages. It may be said, of course, that this complicates the requirements and puts the responsibility on the owner of the car to take action when in fact he has been wronged, and that may be correct. It is a subject that I think could probably be argued at very great length by members of the legal fraternity. However, I am responsible for making the Vagrants, Gaming, and Other Offences Act as good as I can, and I am therefore proposing the amendment that will remove the compulsory imprisonment. I do not want to take it any further at this stage, and I believe that that is the right course of action.

I have gone to some little trouble to explain the process that I adopted in considering the proposal, and I did that for two reasons. Firstly, I thought it was right that I should explain the background, and, secondly, I think a suggestion should be examined fully, no matter where it comes from. There are almost invariably two schools of thought on all subjects, and I have now given my reasons for the action I have taken.

**Mr. SMITH** (Windsor) (5.30 p.m.): I thank the Minister for his explanation. I suggest, however, that had the provisions of Section 60 of the Traffic Act been taken in toto from that Act and placed in toto in the Vagrants, Gaming, and Other Offences Act we quite clearly would not have been introducing a principle, as the Minister calls it. The principle in the Traffic Act was inserted in 1949. That is when that Act was drawn and that section was part of that Act as drawn. I think we had the same Parliamentary Draftsman at that time. That provision has been part of our statute law in Queensland since 1949. Therefore I do not think we can correctly describe our action as introducing a principle. We could be continuing that principle, whereas in effect we are now discontinuing it. The Minister has already pointed out how three Acts deal with the offence of unlawfully using a vehicle—the Traffic Act, the Vagrants, Gaming, and Other Offences Act, and the Criminal Code. As I understand it it is proposed that on future occasions for a first offender the Traffic Act will continue to be used,

until such time as the Traffic Act is reviewed when the compensatory provisions will be deleted from the Traffic Act. As I understood the Minister, on the review of the Traffic Act all mention of “unlawfully using” will be deleted. There are some strange consequences that flow from that. I think it is proper that at this stage I make my position clear because I feel those consequences may not be fully appreciated by the Minister or some of his advisers. In the case of the first offender it is proposed that he will be prosecuted under the Traffic Act.

**Mr. Morris:** That is not necessarily so. He need not.

**Mr. SMITH:** I understood the Minister to say that in the case of first offenders they would be proceeded against under the Traffic Act until the review was made. Thereafter there would be proceedings under the Vagrants, Gaming, and Other Offences Act, and in cases of a more serious nature they would be dealt with under the Criminal Code. That is what I understood the Minister to say, and I think that is right.

**Mr. Davies:** Why didn't you have all this out in Caucus instead of wasting time here?

**Mr. SMITH:** If the hon. member thinks I am wasting time I only hope that he is the next one who loses his car. Then he will come along with a different point of view.

**Mr. Davies:** You are wasting time arguing amongst yourselves.

**Mr. SPEAKER:** Order!

**Mr. SMITH:** A person prosecuted under the Traffic Act from now until such time as it is reviewed faces the risk of having awarded against him compensation to the owner for any loss or damage incurred. It is appropriate to read the section that has appeared in the Traffic Act for so many years. It states—

“The justices may, in addition to any penalty imposable by them under this section, order the defendant to pay to the owner of the vehicle, tram, harness, or other equipment in relation to which an offence under this section has been permitted, such a sum as the justices think proper by way of compensation for any loss, damage, or expense suffered by the owner as a result of the commission of such offence.”

That is the provision presently existing in the Traffic Act dealing with compensation for any loss, damage or expense suffered by the owner. Section 29 (3) of the Vagrants, Gaming, and Other Offences Act states—

“In any prosecution under this section, the court, in addition to any penalty or imprisonment which it may impose under the preceding provisions of this section, may

order the offender to pay to the complainant any sum of money to be assessed by the court for any damage or injury done to or suffered by the vehicle in question."

So that there is a narrowing of purpose in the Vagrants, Gaming, and Other Offences Act from that which is undertaken in the Traffic Act. The Traffic Act allows compensation for any loss, damage or expense suffered by the owner whereas the Vagrants, Gaming, and Other Offences Act restricts it to damage or injury to the vehicle in question. There is between the two provisions, the difference of the loss, damage or expense to the owner. Consequently, if a first offender is taken before the Traffic Court he may be ordered to pay not only the damage to the vehicle but compensation to the owner. If he is brought under the other Act he is immune from any recompense to the owner.

**Mr. Davies:** I do not know why the Premier does not come in and discipline you.

**Mr. SMITH:** The Minister has not said that he is not going to accept it. He has only said—

**Mr. Morris:** I am not going to accept it; I have made that quite clear.

**Mr. SMITH:** To take the basis then that the amendment is not to be accepted—so far as I am concerned it is still acceptable—the position will be that we have already got a blending of civil and criminal jurisdiction under Section 29 (3). I take it that the Minister is impressed by his advisers and that we should not introduce the principle of mixing up criminal and civil jurisdiction. He should therefore, remove Section 29 (3) from the Act because that is exactly what it does—it blends civil and criminal jurisdiction. It provides the same principle as Section 60. It provides that the court may order an offender to pay a complainant any sum of money to be assessed by the court for any damage or injury done. That is purely and simply civil in its function, and consequently, if the idea is that the principle in Section 60 is obnoxious, we must also regard Section 29 (3) as obnoxious.

If, on the other hand, we can continue to retain Section 29 (3) it seems somewhat ironical that we can reject Section 60 of the Traffic Act. That is an inescapable consequence of the proposition.

The other matter is that if one considers the power that Section 29 (3) allows to a magistrate, one must consider that motor-cars today have grown considerably in value since 1931 when this Act was drawn. A motor-car which then could be bought for a couple of hundred pounds, is now bought for something in excess of £1,000. One can buy a Rolls-Royce, a Pontiac, a Mercedes, and such cars at figures that run into thousands of pounds.

It was quite proper under Section 29 (3), if a car was unlawfully used and completely damaged, for the magistrate to make an

order requiring the defendant to pay to the complainant a sum of money up to the value of that motor-car. So, do not in any circumstances consider that this is a minor power granted to the court. It is a power in the court to award a considerable sum by way of damages—a very considerable sum on occasions.

Now I come to the other consequence which flows from all of this—that when we get to the stage of proceeding under the Vagrants, Gaming, and Other Offences Act, without recourse to the Traffic Act, we are excusing the offender from what is already a penalty that can be imposed on him. I have no sympathy for that point of view. I do not see why we should soft-pedal in any way in the treatment of offenders who unlawfully use motor-cars. I think the whole idea of punishment is to act as a deterrent and to make it difficult for the offender.

One may take before the court an irresponsible lout who steals a motor-car, takes it away and maliciously damages it. Under the Vagrants, Gaming, and Other Offences Act the proceedings would be by process of summons on complaint under the Justices Act, and I am not at all certain that one has any remedy open in a civil court if one's car is damaged and the victim has been prosecuted under the Vagrants, Gaming, and Other Offences Act.

There are certain sections of the Criminal Code, I think sections 468 to 470, which provide that prosecutions for those offences are a bar to civil proceedings, one of the offences being malicious damage to vehicles. If my amendment is forever rejected, it may pay a person who steals a car to maliciously damage it, because then he will be prosecuted for maliciously damaging it and he will be immune from any civil proceedings taken by the owner. If we are to use the Vagrants, Gaming, and Other Offences Act, it is quite possible we will find there is no provision for civil proceedings on the part of the person who has lost his car.

**An A.L.P. Member** interjected.

**Mr. SMITH:** No. I am explaining the section.

**Mr. Melloy:** Won't you take the Minister's word for the rejection of your amendment?

**Mr. SMITH:** No, I will not take the Minister's word on a question of law.

**Mr. Melloy:** He has better advice than you can give him.

**Mr. SMITH:** I am not suggesting otherwise. I do not know if the hon. member was in the Chamber when I pointed out that the provision I wanted to insert has been in force for 12 years.

**Mr. Bennett:** Have you conferred with the hon. member for Mt. Gravatt on this point?

**Mr. SMITH:** No, and I do not know that that would take it any further.

**Mr. Davies:** As the hon. member for Gregory can attack the hon. member for Sherwood, you have the right to attack the Minister.

**Mr. SMITH:** The interjection shows that the hon. member is very much astray because I am not attacking the Minister. I am pointing out the consequences that will flow from rejection of the amendment.

In Sections 468, 469 and 470 of the Criminal Code we have specific provisions relating to damage to animals and to vehicles. I know they exist although I have not looked through them. I got the book over to look through them, but the Minister finished his speech before I had time to refresh my mind as to the complete contents or import of those sections.

I repeat that while the Traffic Act is in force the owner has the opportunity of compensation. Once that section is repealed and the Vagrants, Gaming, and other Offences Act is the only one operating in the matter, there is no room for payment of compensation to the owner. If he has a civil right to compensation, I should be surprised.

Furthermore, we have to take into account that, even if he has the right of civil action, he has to wait to issue his process, have it served and get it set down for hearing. In the ordinary course of events the amount of compensation I envisage would be a very small amount. It would have to be related to the loss of the car. It would not be an extravagant amount running into thousands of pounds. It would be compensation, say, for the hire of a car for a day or two or a week or two and with such a small amount in issue—it might be his weekly wage—he could be paid compensation at the time the offender is prosecuted, and therefore reinstated financially as quickly as possible. It is a matter of the convenience of the person who has been discomfited. He has had his car stolen, has had the offender apprehended and brought before the court, and in the one proceedings he could be reimbursed for the financial loss he suffered. If he has to depend on his civil remedy he may have to wait 12 or 18 months for the case to come before the court, and the offender could by that time have left the State. He may have a very empty remedy open to him. When I first mooted the possibility of incorporating this part of the Traffic Act in the Vagrants, Gaming, and Other Offences Act, I did so with a view to facilitating the procedure and to putting the aggrieved person in as good a position as possible, as quickly as possible. Let him get his car back and his compensation as quickly as possible. But, when you foist on him the necessity for civil proceedings for a very small amount of money, the indefiniteness as to when he may get the case before the court and the doubtfulness whether he will have the offender before the court mitigate against the civil proceedings being of much use to the person aggrieved. The

opportunity he needs is given under Section 60. His claim will only be moderate, because he can only claim for what he will lose through the loss of his vehicle and he would be satisfied.

People on a second offence who will not be brought under the Traffic Act are escaping the burden imposed on the first offender who is proceeded against under the Traffic Act and is bound by this compensatory award, in addition to any other penalty. On a second offence, if he is not dealt with under the Traffic Act, he can avoid any request for compensation. I do not think that is desirable. It is not desirable to lessen the burden on the offender in any way.

If I am wrong on the question of civil proceedings being available, it is immaterial, because under the Vagrants, Gaming, and Other Offences Act, there is Section 29 (4) that expressly preserves to people all the other rights they may have had. There is no harm at all.

**Mr. Bennett:** It is not even necessary to have that in the Act. It is in Common Law.

**Mr. SMITH:** That is so. When it is mentioned, it makes it clearer.

The Minister may broaden the panel of his advisers and take another look at it because it raises a real problem, when the damage under Section 29 (3) may run into thousands of pounds on a motor car today. There is no point in coming into this Chamber and saying that we are introducing a principle, because it has already been introduced.

**Mr. BENNETT** (South Brisbane) (5.47 p.m.): The conduct of the Government parties in the Chamber never ceases to amaze me. We have just witnessed a vulgar dispute between the Minister and the hon. member for Windsor on a point that clearly should have been settled before the Bill was introduced. Incidentally, this is one occasion when I agree entirely with the Minister. I think that the retention in any legislation of civil remedies for criminal prosecutions is an anachronism. As a matter of fact, the provision contained in Section 60 of the Traffic Act dealing with property damage is very rarely, if ever, exercised in our courts. There is quite a valid reason for that provision not being retained and not just because it is not utilised. When dealing with a criminal offence, or an offence under the criminal law, the standard of proof has to be beyond reasonable doubt. As taxpayers, we should employ police officers for the purposes of detecting crime and not for the purposes of proving civil damages. If a magistrate is to be required to make an order for civil damages, obviously a police officer, as part of that proof, would be required to submit evidence of the actual damage to a motor vehicle, or the compensation that should be paid.

**Mr. Smith:** What about 29 (3)? How do you manage with that one?

**Mr. BENNETT:** The same reasoning, or the same argument, applies.

I was about to say that obviously the disintegration that is taking place in the Liberal Party in Queensland must be a direct result—

**Mr. SPEAKER:** Order! I advise the hon. member for South Brisbane that the matter of parties does not come into the Bill that the House is discussing. The hon. member will confine his remarks to the Bill before the House. While I am in the chair every hon. member will have an opportunity of expressing his views, provided he sticks strictly to the subject.

**Mr. BENNETT:** I am not querying for one moment the right of any hon. member to speak his mind, but I should like to comment on the hon. member's reasons for so doing. However, in view of your ruling, Mr. Speaker, I do not intend to pursue that aspect any further, except to say that my remark was precipitated by the hon. member for Windsor.

The Criminal Courts, or the courts required to sit in criminal jurisdiction, should not also be required to produce evidence relating to civil damages. In courts of criminal jurisdiction the standard of proof is always proof beyond reasonable doubt. If a defendant knows that he may be required to meet an amount of civil damages as well as a penalty for a particular offence, obviously he will be more inclined to rely on his defence with proof beyond a reasonable doubt and also to defend a case whereas otherwise he would perhaps plead guilty and so allow the work of the Police Force and of the Criminal Courts to proceed with more expedition. The mere fact that there are delays in civil actions through the method of administering them is not sufficient reason for changing a principle in the legislation. The standard of proof in a civil action as for property damage is on the balance of probabilities, which enables the plaintiff to obtain the benefit of an easier standard of proof than that required in criminal prosecutions. I fail to understand why the hon. member for Windsor persists with what might be regarded as an empty suggestion in this matter.

However, there is one aspect of the principle with which I entirely disagree. Apparently, according to the Minister's thinking, it is necessary to have three different Acts dealing with the one offence. I think it is a shocking admission to make that our legislation is such that one Act cannot be made clear enough and efficient enough to deal with the offence. I know of very few instances where one offence is covered by three different Acts. The Minister says action will be taken in certain circumstances under the Traffic Act, that it will be taken in other circumstances under the Vagrants, Gaming, and

Other Offences Act and that in different circumstances it will be taken under the Criminal Code. Who is he to say what should be done by the person who has the authority to recommend a prosecution? Either an act is an offence or it is not. In relation to most offences that can be dealt with summarily the court has the authority to determine whether, in all the circumstances put before it, the case should be dealt with summarily or the defendant, or the accused, or the prisoner, committed for trial before the District Court or the Supreme Court.

**Mr. Aikens:** Would not the defendant have that right himself to choose?

**Mr. BENNETT:** The defendant has the right to apply, or to elect, to be dealt with summarily under all our legislation but the final determination is made by the magistrate. Having learned the circumstances he either agrees to deal with the case summarily in certain circumstances or, if the circumstances relating to the offence are sufficiently serious, he may refuse to deal with it summarily where there is a duplication of jurisdiction and commit the offender for trial before a jury.

**Mr. Aikens:** But if the defendant does not want to be dealt with summarily the magistrate cannot deal with him summarily.

**Mr. BENNETT:** That is true. Where there is a duplication of jurisdiction—that is, where a magistrate has the power either to deal with him summarily or to commit him for trial—and the defendant elects to go before a judge and jury, the magistrate must commit him for trial. Therefore, in those circumstances, the Minister is arrogating to himself the authority of the magistracy. Instead of allowing the magistrates to determine whether a person should be committed for trial for the offence of illegally using a motor vehicle, from now on the Minister is going to determine who shall be dealt with summarily and who shall be committed for trial before a judge and jury. I think it is shocking that in the administration of our law a politician of any description, whether a Minister or anybody else, should clothe himself with judicial authority. The principle of our legislation up to date has been that the courts, and only the courts, have judicial power. Parliament, of course, is an exception when dealing with its own domestic arrangements; but Parliament has never endeavoured to give one person power to exercise judicial authority over a member of the public, and that is what the Bill intends to do.

Men in charge of prosecutions in the Police Force or in the Crown Law Office will not know under what circumstances a man shall be dealt with summarily and under what circumstances he shall be committed for trial under another Act, because this Act does not tell them. A person who illegally uses a car and who is friendly with

the Minister, and to whom the Minister is favourably disposed, could find himself still being dealt with summarily under the Traffic Act or under the Vagrants, Gaming, or Other Offences Act. Alternatively, if he is unfriendly with the Minister, or for some other reason unknown to himself, he could be prosecuted under Section 408A of the Criminal Code upon indictment for a criminal offence, and he would then be liable to a maximum term of five years' imprisonment. I think the principle is completely unfair and unjust and will lead to a great deal of abuse. The copy of the Traffic Act that I got from the Parliamentary Library—I hope it is up to date—says that a person who is guilty of an offence of illegally using a car is liable to a penalty not exceeding £100 or to imprisonment for a term not exceeding six months, or both such penalty and imprisonment. On the other hand, the Bill proposes that he will be liable on summary conviction to a fine not exceeding £250 or to imprisonment with hard labour for a term not exceeding 12 months, or to both such fine and imprisonment. As I have already pointed out, if he is prosecuted under Section 408A of the Criminal Code on conviction he is liable to a term of five years' imprisonment with hard labour. We hear from time to time, particularly from the hon. member for Townsville South and others, that there is no consistency in the penalties that are being imposed by the courts for various offences. How on earth can we set a standard for a term of imprisonment or for the type of penalty we suggest to the courts if for the same offence the penalty ranges from a period of five years with hard labour to a fine of £1?

**Mr. Aikens:** I do not complain about lack of consistency. I complain about the lack of harshness in the sentences.

**Mr. BENNETT:** Yes. I know the hon. member takes a very harsh view of sentences. I hope that he never falls into distress, as any other human being may, and has to be dealt with by the courts.

**Mr. Aikens:** I wish I were the judge when you came up for sentence.

**Mr. BENNETT:** I should apply for a remand to the next sittings. It is obvious that we are merely confusing the courts when Parliament makes such a wide range in the penalties that may be imposed for this particular offence. Do hon. members think that any fair-minded judge with a charitable disposition, whose judgments are tempered with mercy, is going to sentence a man convicted by a jury following a prosecution under Section 408A of the Criminal Code to several years' imprisonment when he knows that another fellow was dealt with summarily by a magistrate the previous day and fined a mere pittance? In his defence against what I have said the

Minister no doubt will say that these provisions have been in the respective Acts for a long number of years and therefore he is justified in doing what he is doing.

**Mr. Davies:** He may attack the hon. member for Windsor.

**Mr. BENNETT:** He may even attack the hon. member for Windsor for what he said. It is an undesirable principle in legislation to have one offence covered by three Acts, even though it has been done in this particular case in the past. Under the previous Section 29 of the old Vagrants, Gaming, and Other Offences Act provision was made for this offence, but in fact that section has not been employed for many years to my knowledge. It is only because of certain circumstances that I propose to narrate that the Minister now intends to dolly-up and re-employ that section that had become obsolete. Previously, under Section 29 the monetary penalty was a sum not exceeding £50. The amount has been raised to £250. Previously the minimum term of imprisonment that could be imposed was a harsher or more severe penalty than what is proposed in the new section. Under the old Section 29 (1) if an offence was committed "in respect of a motor-car the offender, on conviction, was liable on summary conviction to imprisonment with hard labour for a term of not less than six months and not exceeding 12 months without extending to any such offender any option of the payment of any penalty in lieu of such term of imprisonment, any law to the contrary notwithstanding."

That section was reprinted from Section 12 of the Vehicles Act of 1912 of Victoria, later repealed by the Police Offences Act of 1915 and re-enacted by Section 204 thereof.

As I mentioned earlier, the State is continuing slavishly to follow legislation adopted in other States where very often circumstances are quite different from those applying here. The position will be that those responsible for launching prosecutions will be confused in the future because by his action in specifically amending the Vagrants, Gaming, and Other Offences Act, the Minister has focussed attention on the fact that he obviously wants certain prosecutions to be launched under that Section 29, which, as I say, had virtually become obsolete. Those responsible will no doubt be impressed by the fact that the Minister's mind is agitated by that section, and will be in a quandary whether or not they should launch all or some prosecutions under that section or under either of the other two Acts. It is going to be very confusing. The Minister can well say in the Chamber what are the reasons for his introducing this special measure to cover the offences, but prosecutors and courts pay little heed, if any—and rightly so—to what appears in "Hansard." They are guided and bound by

what they consider to be the spirit and intention of Parliament as expressed in the Acts. Therefore, they can only find that spirit or intention by reading the respective Acts. Obviously, the skilled mind of any lawyer and the untrained but intelligent mind of a layman would both be confused by reading these three sections, in trying to understand what is required so far as prosecution and penalty are concerned.

I am satisfied, from the pronouncements of the Minister himself, that this Bill has been brought down for at least three reasons. The first is that this offence of unlawfully using motor cars has become so prevalent that the machinery for prosecution in this State is being cluttered up by the large number of people who are being prosecuted for this type of crime. As a result, there is to some extent, a court lag in criminal prosecutions and, rather than overcome that lag in the constitutional manner of appointing an additional judge to deal with the cases, the Minister is obviating the necessity to deal with it in its proper perspective by ensuring that the particular offenders will be dealt with under an Act that will treat them considerably more leniently than would be the case if they were prosecuted as they have been up to date.

The second reason is that certain instructions have been given in relation to police administration. We have read in the Press, and, in fact, we know with authenticity, that the inspector in charge of the Traffic Department, Inspector Risch, has had certain instructions. Mr. Leitch has had certain instructions, as also has the Commissioner of Police. I know that as I have it on good authority. As a matter of fact, the man in charge of traffic, Inspector Risch, reported the instructions in detail—and he had the file present—at the official meeting of inspectors held recently, following which the union resolution was passed concerning instructions to these top departmental staff by the Minister.

No doubt files could be—and, in fact, have been—produced showing the substantial and direct instructions that are being conveyed to these officers by the Minister.

**Mr. SPEAKER:** Order! The matter the hon. member is now dealing with has nothing to do with the Vagrants, Gaming, and Other Offences Acts. He is talking about the Traffic Act.

**Mr. BENNETT:** I submit that the Traffic Department is one department in the Police Force that will be charged with the responsibility of determining by what method these offenders will be prosecuted. In other words, Inspector Risch and others will be called upon to decide whether certain offenders should be prosecuted under the Criminal Code, the Vagrants, Gaming, and Other Offences Act, or the Traffic Act.

I am satisfied from the information I have received that Inspector Risch is so confused with the instructions he is getting that he

will not know under which Act he should prosecute. I am also satisfied that instead of getting instructions on general policy he will be getting detailed instructions for each particular offender as his case comes up for consideration.

**Mr. Ewan:** How did you satisfy yourself on that?

**Mr. BENNETT:** I satisfied myself on it by talking to various people, including those who have close and personal knowledge of the meeting held the other night. My information has never yet been proved incorrect. Therefore I state that one of the reasons why I think this section is being inserted is to allow the Minister to exert more authority over his top departmental officers in the Police Force, and to allow him to give certain instructions as to what method of prosecution should be adopted from time to time and from case to case. It will create confusion in the courts, confusion in the minds of police officials who are charged with the responsibility of prosecutions, and confusion in the minds of Crown Prosecutors who possibly will be called upon subsequently to handle some of the cases launched under the section.

There is another reason, I am informed, why the section is being modernised and it is because of the large number of offenders who are being brought before the courts from week to week. Judges, who until recent times, have been dealing with this offence have adopted a very severe attitude to those who are convicted or who plead guilty. No doubt they have good reasons for adopting a severe attitude. First, the offence has become a very prevalent one; second, the offences did not cease with the imposition of heavy monetary penalties, and as a consequence the judges determined almost unanimously to impose terms of imprisonment.

The offence is a very serious one. In a modern, civilised community, surely a person should have the contentment and satisfaction of being able to leave his car or motor vehicle anywhere, without the possibility of its being used for a joy-ride or illegally used by persons who do that sort of thing from time to time. Although I disagree wholeheartedly and entirely with the expressions of the hon. member for Windsor, it must be conceded that the people who illegally use cars invariably damage them considerably. They are men or youths of straw, people without money who cannot afford to make good the damage they do.

**Mr. Ramsden:** You can have a judgment for 20 years against them.

**Mr. BENNETT:** I agree that they should be prosecuted in a civil fashion or that a civil action should be launched against them, but I agree also with the Minister and his top legal advisers that we should not mix criminal and civil law in the one Act.

**Mr. Ramsden:** Is it not there already?

**Mr. BENNETT:** I conceded before the dinner adjournment that it was there. I am coming to the Minister's defence on this point. The hon. member for Merthyr is a bit rattled, at the thought of their prospects at the forthcoming Federal election.

The people who normally commit this type of offence are people who have no assets, no money. They invariably damage the motor vehicle extensively, and are not in a position to make good the damage, so, in a genuine endeavour to curtail or eliminate the offence, judges, for the reasons I have expressed and no doubt for other reasons, have imposed severe penalties. With some very few exceptions, all the offenders who appear before judges these days and in the past have received a certain term of imprisonment. No doubt in all the cases the term of imprisonment has been justified. The Minister for Labour and Industry is not individually responsible for the weakness or defect, but the Government are in the position that their gaols cannot and do not house satisfactorily the many people now being sent to prison for offences of this nature. The Vagrants, Gaming, and Other Offences Act is to be implemented to avoid the almost universal practice adopted by judges of sending offenders to gaol. Because of a lack of accommodation in the gaols the Vagrants Act is to be employed. Offenders will be dealt with summarily. There is a section in the Criminal Code that says that if a person elects to be dealt with summarily, the magistrate may so decide. However, in this case, the offender will not be able to elect. The Minister is to decide whether he will be dealt with summarily or not. If offenders are dealt with summarily and are convicted, instead of the offence being a crime, or a misdemeanour, it will be regarded purely as a simple offence. If people are convicted of simple offences the magistrates will not feel so readily disposed to send them to gaol as would judges following convictions for crimes tried in the higher courts.

There are anomalies in this procedure. If a person is committed for trial and is convicted before a judge and jury, if he is an employee of the Public Service, or the Brisbane City Council, or other organisations, he would forthwith cease to be an employee. However, if a person is convicted of a simple offence he need not necessarily be automatically dismissed from employment. This means that two people who have committed exactly the same offence could be placed in different positions if one was dealt with under the Criminal Code and sent to gaol, and the other was convicted of a simple offence. If one was convicted he would be summarily dismissed and if the other was summarily dealt with and found guilty of a simple offence he would suffer a comparatively light monetary penalty at the discretion of the magistrate.

As the Minister has claimed on many occasions that the Government are trying to tidy up the law applying to traffic control in the State, surely this was a wonderful opportunity for him to iron out the anomalies in the three specific Acts. He could have done that by bringing down proper legislation.

I am not suggesting that there could not be shades of difference in the circumstances of the offences. I know that some offenders may be guilty of an offence of a more serious nature than other offenders. I fully believe that provision for such circumstances should be included in our legislation, but the three Acts are not needed. I think that proper provision should be made in one Act for an offender to be dealt with summarily, or alternatively, committed for trial in the district court, depending on the gravity of the circumstances of the offence. However, the decision should not lie within the power of the Minister, or his deputies. It should lie in the judicial discretion of the properly-constituted magistracy as in stealing and many other offences.

In other words, I believe there should be one Act to cover the offence. If a person elects to be dealt with summarily, and the magistrate agrees to hear the case summarily, then he should be dealt with summarily and, if on hearing the circumstances, the magistrate is of opinion that the offender should be committed for trial before a judge and jury, he should be so committed. That is the only proper method of dealing judicially and fairly with matters of this nature. Obviously from now on if a man is apprehended for illegally using a motor vehicle, human nature being what it is—and let us not pretend that we do not know about these circumstances—

**Mr. Hughes:** They are not all perfect like me.

**Mr. BENNETT:** No, I am judging many of them by the hon. member, to say the least. Anyway, let us not divorce ourselves from reality. There will be those offenders who will seek political representation to ensure that they are not sent up before a judge and jury. On the other hand, there will be those of a shy disposition who will accept what is coming to them for their offence, and who, in the absence of representations on their behalf, will go before a judge and jury and subsequently serve a term of imprisonment in Boggo Road. If circumstances such as that prevail in a community claimed to be democratic, they must be regarded as anomalous and erroneous. Everybody should be dealt with on the same basis. "Illegally using" is illegally using; it is an offence and of course there should be various degrees of punishment according to the gravity of the circumstances. However, there is no reason why two people in the community should be treated so differently that one is sent to a higher court and put in jeopardy of having a more severe

penalty imposed while the other is dealt with summarily in a lower court and a light penalty is imposed when both in fact have committed the same offence perhaps in different circumstances.

I would exhort the Minister before proceeding with the Bill, to review carefully the comparative treatment of offenders under each of the three Acts, the confusion that will creep in through the difference in penalties, the gravamen of the offences, and his reasons for introducing the provision. As Minister in charge of the department he will be doing the community, the legal fraternity, the judiciary and the magistracy a great service by correlating all three sections into one section in one Act. Then the community will know distinctly and definitely the type of offence involved, the court procedure with which offenders will be faced and the penalties likely to be imposed. At the present time anyone found committing this offence, or accused of it, will be at a loss to know how he is going to be dealt with until the Minister or his deputy or his departmental head determines his future. Obviously when it is left like that to a person without judicial or legal training strange decisions can be made and strong representations can creep in. In all the circumstances the Minister must agree that he himself would become confused as between cases, not knowing under which Act he should proceed. To avoid the possibility of all this confusion he could well consider consolidating the provisions under the one Act, possibly the Criminal Code.

**Hon. K. J. MORRIS** (Mt. Coot-tha—Minister for Labour and Industry) (7.39 p.m.), in reply: During the recess I had a little spare time and, browsing through this evening's "Telegraph", I read that a 10-year-old boy had by using some old house-paint and cement successfully fooled the art experts in a place down South. I do not know whether any other hon. member read it. I could not help thinking what an admirable illustration it was of what happened in this debate. Two of our experts, in this case legal experts not necessarily art experts, have gone one better than the small boy because they have even fooled themselves. Or have they?

The hon. member for Windsor said that in my introductory speech I said we would continue to use the Traffic Act for first offenders who illegally used motor-cars. That is by no means a correct representation of what I said. I shall refer to "Hansard" and remind hon. members of what I did say. First, I said that there were three Acts under which this offence could be dealt with, and then I said—

"The Traffic Acts will be subject to further review when the uniform traffic code throughout Australia has been decided upon. It is then proposed to review Section 60 with a view to deleting therefrom all reference to 'unlawfully using a motor vehicle'. Therefore, in due course, this

offence will be dealt with under Section 29 of the Vagrants, Gaming, and Other Offences Acts and Section 408A of the Criminal Code."

Because we cannot make the amendment to the Traffic Act at this stage, I went on to say—

"In the meantime, all prosecutions for this offence will be taken under the Traffic Acts where the person is a first offender, that is, one who has not previously been convicted of the offence of unlawfully using a motor vehicle . . ."

What I said was that this would happen during the transition period, not that we would continue to proceed against first offenders under the Traffic Act. It is a misrepresentation of what I said.

**Mr. SMITH:** I rise to a point of order. The Minister either has not heard what I said or has misunderstood what I said. For the purposes of my remarks, I took a note of what he said in his introductory speech, and it was that note that I recited to the Chamber.

**Mr. MORRIS:** I do not mind hon. members quoting, but I think it is a good idea to get the correct record before doing so. That is why I referred to "Hansard" in telling hon. members what was said.

**Mr. Davies:** We are pleased that you read "Hansard" to us.

**Mr. MORRIS:** I hope the hon. member is listening, because it might do him a lot of good. I think he should follow what I am saying.

I am really surprised that the hon. member for Windsor expressed doubt about my intention in regard to the amendment because I made it perfectly clear to him. Indeed, I even went to the trouble of telling him yesterday that I did not intend to accept the amendment and why I did not intend to accept it. I make that explanation not because it worries me but because I want the House to know the facts.

Let us now have a look at what the hon. member for South Brisbane said, and let us not forget that he claims to be a legal expert. He made certain statements before the House adjourned for dinner. Wisely, I think, he decided to refer to the Bill and the Act during the recess and he then changed his tune very greatly.

He said first that it is shocking that an offence such as this should be dealt with under three Acts.

**Mr. Bennett:** I still say that, too.

**Mr. MORRIS:** He went on to say that it is dreadful that the Minister should decide how individual persons are to be dealt with. He went on to say, "That is what this Bill is intended to do."

**Mr. Bennett:** That is true. I adhere to that.

**Mr. MORRIS:** It is the absolute antithesis of truth. What does the Bill do? It removes the compulsion of six months' imprisonment for offenders. That is all it does. It varies the penalty.

**Mr. Bennett:** That is not correct either. There is no compulsion for six months.

**Mr. MORRIS:** I remind the hon. member that he can debate the matter in the Committee stage. Let us have a look at the Bill. It contains only two clauses. The first clause is formal, the second amends Section 29. All that it does is change the penalty. Yet the hon. member for South Brisbane led us up a long trail for about 35 minutes. With all respect to you, Mr. Speaker, I venture to say that for 32 minutes of that time he was out of order.

**Mr. Davies:** That is a reflection on the Chair.

**Mr. MORRIS:** Not at all. I am giving the facts about what was said. The hon. member for South Brisbane said, "The Bill is being introduced for three reasons." He said it was introduced because there was congestion in the courts. Maybe there is, I do not know about that, but I would not deny it. He said that the second reason was to enable me to give individual instructions about how specific offenders should be dealt with. If anything is outside the ambit of the Bill, that is. Although I do not get upset nowadays about the meanderings of any hon. member let me say that there is not one person in Queensland who would for one moment believe that I would want to, or could under the Bill, interfere or give any instructions about how any individual should be dealt with.

I am still most anxious to discover how the Bill, varying as it does only the penalty, could have any bearing at all on the internal "hot news" that the hon. member for South Brisbane seems to have about the meetings of certain police officers. I am amazed that he made that statement. I know it is out of order, but I have to reply to the hon. member as I am sure you will agree. He said that at a meeting of the police commissioned officers last week Superintendent Risch had a whole file concerning instructions that I had issued to him. I would not deny that that is so. I do not know whether it is so or not. I am not a bit interested in it. I am merely saying that there is not one irregularity, but there are two. The first irregularity is that if the meeting discussed certain matters, how does the hon. member know what was discussed?

**Mr. Bennett:** I know what goes on in your Caucus. I find out.

**Mr. MORRIS:** Oh, no, he does not. He would like to! The second irregularity is the introduction of such a subject here at all. Perhaps I should say that there is a third irregularity. It can be very simply stated. Even though I am not at all distressed or

upset about it, I do not think it is a desirable practice in the Chamber, even for hon. members who are not regarded as being the best examples of truthfulness, to make insinuations against any person administering any department unless they have facts to back up what they say. He certainly had none. I will not transgress any further by going outside the ambit of the Bill. I shall merely say that, whereas for years there have been three Acts under which this particular offence has been dealt with, I have already given an undertaking and foreshadowed an amendment of the Traffic Act which will make it two only, and I repeat that under this Bill there is a variation of penalty. We are getting rid of the obligatory six months' imprisonment and leaving it to the judgment of the person who hears the case. After all is said and done, that is what I wish to do. I am quite satisfied that these people do not need a minimum penalties clause in this legislation. I am satisfied they will do the right thing, and therefore the obligatory section will be removed.

In conclusion, I suppose I am rather fortunate in that I have never been involved in litigation and I have little personal experience in the courts of the land, but after tonight, as an innocent participant between two of the so-called legal luminaries, I am quite happy that my experience is as limited as it is.

Motion (Mr. Morris) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clause 1—Short Title—as read, agreed to.

Clause 2—Amendment of s. 29; Taking or using a vehicle—

**Mr. BENNETT** (South Brisbane) (7.53 p.m.): Clause 2 of the Bill contains the only obvious purpose in the Bill—to amend Section 29 of the Principal Act. Section 29 has four sub-sections at present. As I pointed out, without reiterating it, sub-section (1) provided that if a person is guilty of using any vehicle the property of any other person, on summary conviction he is liable to imprisonment with hard labour for six months or to a penalty not exceeding £50, with a proviso that if the vehicle involved was a motor car then the term of imprisonment, on summary conviction, shall be hard labour for a term of not less than six months and not exceeding 12 months without extending to any such offender any option of the payment of any penalty in lieu of such term of imprisonment, any law to the contrary notwithstanding.

Let us examine that provision. We have been told by the Minister what the purpose of the amendment was. To quote him exactly, he said, "We are getting rid of the obligatory six months' imprisonment."

The proviso, as I said was—

“Provided that if such offence is committed in respect of a motor car the offender, on conviction, shall be liable on summary conviction to imprisonment with hard labour for a term of not less than six months and not exceeding twelve months without extending to any such offender any option of the payment of any penalty in lieu of such term of imprisonment, any law to the contrary notwithstanding.”

Although the section contains the addition, “Any law to the contrary notwithstanding”, law to the contrary has been followed by the courts, and the Minister has referred to that law—the law under the Traffic Act and the law under the Criminal Code.

The other purpose of the Bill, of course, was to get rid of the remaining section which said that the court could also award damages in its discretion, in the amount of damages involved. That is the second reason for the provision, and the Minister therefore was not strictly accurate in saying that the only reason was to get rid of the obligatory six months’ imprisonment. Although the Minister claims he has been misrepresented, and no doubt he has been misrepresented by the hon. member for Windsor, nevertheless that is not an unusual feature in Liberal Party circles.

**The CHAIRMAN:** Order! I ask the hon. member to deal with the clause, and I ask the hon. member for Rockhampton North not to engage in conversations across the Chamber.

**Mr. BENNETT:** There is another significant feature. I do not know whether the Minister is aware of the results of the provision. He certainly made no reference to them. In fact he expressly stated that the only reason was the removal of the obligatory six months’ imprisonment. That again is a misleading statement, because the previous section of the Act reads—

“Any person who takes or in any manner uses any vehicle . . .”  
other than a motor vehicle—

“ . . . the property of any other person without the consent of the owner or person in lawful possession thereof, is guilty of an offence, and is liable on summary conviction to imprisonment with hard labour for six months, or to a penalty not exceeding £50.”

It follows that any person who illegally uses a vehicle other than a motor vehicle, instead of being liable to a penalty of imprisonment with hard labour for six months or a fine not exceeding £50, is now subjected to a penalty of a fine not exceeding £250 or to imprisonment with hard labour for a term not exceeding 12 months. The Minister has made no reference to this effect of the clause. In other words, if a person takes a vehicle other than a motor vehicle—it could be some comparatively

trivial apparatus known as a vehicle—instead of being liable to a fine of £50 or imprisonment for six months he is liable to twice that penalty in the term of imprisonment, that is, 12 months, or five times the penalty in the form of a fine, that is, £250. In other words the increase in the fine has been fivefold, yet the Minister in his introduction of the Bill and in his second reading speech did not refer to that feature.

**An A.L.P. Member:** Nor did the hon. member for Windsor.

**Mr. BENNETT:** Nor did the hon. member for Windsor. On the other hand the Minister said he was reducing the penalty or making the provision more tolerant. He gave us to understand that the purpose of the section if anything was to reduce the obligatory term of imprisonment. He failed to indicate that he was increasing considerably the penalty for the illegal use of a vehicle other than a motor vehicle, which offence is not prevalent. The offence that is prevalent is the illegal use of motor vehicles. Therefore, in dealing summarily with trivialities which rarely occur the magistracy instead of considering a fine of £50 will be considering a fine of five times the amount, that is, £250. I think it behoves the Minister to advise the Chamber to that effect when he is debating the Bill. Instead of reading the newspaper he would have been well advised to—

**The CHAIRMAN:** Order!

**Mr. BENNETT:** I am convinced that my information is reliable, and absolutely authentic. The Minister has obviously focussed his attention on one aspect of this proposal in relation to the prosecution of people for the illegal use of motor vehicles and he overlooked all other aspects. That leads me to believe that he is anxious to give certain directions to his departmental staff.

In conclusion, may I say that there is evidence on the files to prove that the Minister gave individual instructions, to individual members of his department, that are written in his own handwriting and are on the file.

**Hon. K. J. MORRIS** (Mt. Coot-tha—Minister for Labour and Industry) (8.2 p.m.): Again I have cause to say that the allegations made by the hon. member for South Brisbane are completely untrue. Is there no possible way of getting the hon. member to realise the truth? What is much worse, the hon. member referred to a matter that has no bearing whatsoever on the amendment.

**The CHAIRMAN:** Order! If the Minister believes that the hon. member for South Brisbane has made a statement that is untrue I will ask the hon. member for South Brisbane to accept the Minister’s denial.

**Mr. Walsh:** Has he?

**Mr. Hanlon:** He has not said what it is yet.

**The CHAIRMAN:** Order! Does the Minister want the hon. member to accept his denial?

**Mr. MORRIS:** Yes. The hon. member said that the amendment is being introduced to enable me to give individual instructions to police officers. That is untrue, and I want it withdrawn.

**The CHAIRMAN:** Order! I ask the hon. member for South Brisbane to accept the Minister's denial.

**Mr. Bennett:** I acknowledge the Minister's denial.

**Mr. MORRIS:** I again have before me "Hansard" of 2 November that contains a transcript of the debate. Let us look at some of the things that have been said recently. The hon. member for South Brisbane said that I said that the only principle in the Bill was to abolish the obligatory aspect of gaol. That is not true at all. I said that its purpose is to vary the penalty. That is exactly what it is. I do not know why people cannot read. Let us look into it further. The hon. member also said when speaking on this clause, that another purpose of the Bill is to abolish the provisions for compensation. Again, there is not a word of truth in that. We have hon. members making these statements in the House who should know better. I do not know whether the hon. member has the capacity to read correctly because what I said is printed in "Hansard" and could have been read quite easily by him. He said that I had made no reference to any other part of the Bill, that I was only going to abolish the obligatory aspect of gaol. It varies the penalty. I should like to pin this matter down a little more. The hon. member said, "The Minister has made no reference to the monetary increases in penalty, either in the first or second reading."

**Mr. Bennett:** In relation to other vehicles.

**Mr. MORRIS:** Well, may I again refer him to page 1243 of "Hansard". If he looks at that page, second paragraph, he will see that I refer to the monetary penalty. Further down, I said—

"It is therefore proposed to delete Section 29 (1) and insert in its place a provision that persons who commit the offence shall be liable on summary conviction to a fine not exceeding £250 or to imprisonment with hard labour for a term not exceeding 12 months, or both. In future—"

and then I go on. But there I made two references to the monetary penalty. Any man who will deny matters like that is not worthy of any further reply.

Clause 2, as read, agreed to.

Bill reported, without amendment.

## LABOUR AND INDUSTRY ACTS AMENDMENT BILL

### SECOND READING

**Hon. K. J. MORRIS** (Mt. Coot-tha—Minister for Labour and Industry) (8.6 p.m.): I move—

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

As I mentioned on its introduction, this is a simple measure which, briefly, provides for two things, namely that members appointed to the Industries Assistance Board shall be appointed for a term of three years instead of for an indefinite period as is presently the case, and secondly, that the Industries Assistance Board may seek the co-operation of persons in country areas in respect of the investigation of applications received for assistance from localities outside the metropolis.

Hon. members will recall that the Leader of the Opposition or his deputy by way of interjection during the introductory stage at about four minutes to 12 noon on a day set aside for debate on the Estimates, inquired, "Who are the two members of the existing board representing commerce and industry?" I informed him that they were Mr. Petfield and the late Mr. Harden. That information was correct about two members. However, I should have said that there are three representatives of commerce and industry on the board, the third member being Mr. T. J. Weedman. Mr. Petfield replaced Mr. N. Harper. This is the first opportunity I have had to correct that statement.

The Leader of the Opposition made very eulogistic references to Mr. Weedman and I most certainly concur in them.

**Mr. Hanlon:** Also Mr. Petfield.

**Mr. MORRIS:** Yes, but he has been on the board for a much shorter time. I think the Leader of the Opposition wanted to recognise the many years of good work by Mr. Weedman and I am delighted to join with him in that.

The Leader of the Opposition also spoke of another matter concerning the co-operation of other people. Now that he has seen the Bill I am sure he realises it is quite clear on that point.

I remind hon. members that the other amending provision is to enable the Industries Assistance Board to seek the co-operation of appropriate persons in country areas in investigating applications received for assistance from localities outside the metropolis. I want to make it quite clear that there is no intention whatsoever of making such persons additional members of the board or of delegating any authority to them. They will simply be asked to co-operate with a view to supplying the Board with information and views regarding local conditions and circumstances that might assist the Board in making

its determination in regard to the relevant application for assistance. Before such persons are asked to assist the Board in this manner, the Board will seek approval from the applicant. It is very important that we should recognise this fact. If it is obvious from the nature and circumstances of the application that it is not practicable for the Board to assist the applicant, the Board will not approach any local person.

The point I wish to make there, which I think is quite important, is that the Board can act only within the strict limits of the law in this regard. There are, of course, many applications that do not conform to the law, and they could refer to quite a wide variety of matters. However, I repeat that the Industries Assistance Board is strictly limited in its activities.

I think I said at the introductory stage that such a person might be able to furnish the Board with information concerning local conditions and circumstances that may be of assistance to the Board in making its decision. There are many instances, of course, in which one can visualise information of that type being of great value to the Board. For example, I am sure there would be many occasions when people in remote areas who knew the circumstances of a particular industry could guide and advise the Board. I point out, however, that the Board will still be responsible, as it is at present, for investigating and considering the applications and making recommendations concerning them. I believe that this arrangement will operate to the advantage of country applicants and will establish a ready means whereby the Board can be acquainted with information relating to local conditions, but I repeat that the applicant must give his approval to any such approach to any person before the Board will act.

I think hon. members may be interested to learn that the proposal has been considered by the Federation of Chambers of Commerce of North Queensland, and I should like to give the House a little information about this matter. I received a letter dated 20 October from the Federation of Chambers of Commerce of North Queensland, which reads—

**"Re Industries Assistance Board**

"I acknowledge your letter of 7 August last wherein you advised that you would give consideration to obtaining the comments of a group of local representatives when applications are received in reference to an industry in a particular area."

It goes on to say that, subsequent to further discussions, when the Bill was introduced it was put before a meeting of the Federation. The letter concludes—

"I have been instructed to express the appreciation of members for the consideration of this matter."

and expresses the hope that it will be followed through. It has been followed

through. The Bill makes provision for it, and I am satisfied that the matters I have dealt with will clarify a few points that were in doubt.

**Mr. HANLON** (Baroona) (8.14 p.m.): When the legislation was introduced by the Minister, the Leader of the Opposition indicated that we thought that the machinery provisions relating to the appointment of the Industries Assistance Board were an improvement on the old provisions which laid down no specific period of appointment. As the Minister has indicated, the Leader of the Opposition had some reservations about the second principle covering country applications. I think the reason for his doubts was that he considered that very often possibly the only person in a country area qualified to give an opinion to the Board might be someone whose interests ran counter to those of the applicant. He could be a competitor, the representative of an existing industry in the same field. At that stage the Minister had not indicated that the applicant would have the right to approve of the referee or adviser that the Board employed. That is a safety provision. If the applicant does not consider the person selected to be sincere in his advice he will have the right to veto him apparently. In any case we have confidence in the present members of the Board. No doubt they would not appoint someone with a strong antipathy to an applicant. Nevertheless we will watch the operations of the new provisions with interest to see how they work. No doubt the Minister will do the same. If there is any indication that they are not working well we shall ask the Minister to look at the matter again.

It is a pity that the functions of the Board cannot be extended. Naturally they are bound by the Act. In many instances applications come before the Board that are outside the Act. Therefore help cannot be given. No doubt many industries could with advantage seek the assistance of the Board. Perhaps more spectacular results could be obtained, particularly in country areas, if there were not the present limitations. Perhaps at some future time the Minister might be able to widen the scope of the Board's activities by amending the Act.

**Mr. DAVIES** (Maryborough) (8.18 p.m.): I agree that the proposal is a wise one, but I issue a word of warning. I hope that the Minister will not allow any prejudice to enter his mind when appointments are being made. He might say that such a warning is uncalled for but I remind him of what happened with hospitals boards when the Government came into office. Many good men were removed because of political prejudice.

I personally have had a good deal to do with many industries that have sought assistance from the Board and have benefited

financially from the investigations carried out by the officers of the department. I pay a tribute to the men who have carried out the investigations. I commend particularly Mr. Young for his good work. I have great respect for the way that officer has carried out his investigations. Even after investigations are completed and the Board gives favourable consideration to an application so that a guarantee is forthcoming, there is still the problem of finding a bank that will accept the Government guarantee. Of course, that is not a matter that comes within the scope of the Bill. Investigations must be thorough, so naturally sometimes they are lengthy. When it is necessary to seek the advice of a local person in a country area members of development leagues, chambers of commerce and other similar organisations may be able to give the necessary assistance.

Even though they have the best of intentions, these men have not the detailed, particular knowledge of every industry. Collectively, they have a tremendous fund of knowledge. I should think that even at the present time, without any amendment of the Act, the information gained by these very valuable organisations would be available to the Minister and his officers who may visit a district to inquire into the advisability of making a guarantee to a particular industry. In some cases the information may be held by a person who is a competitor and, with the very best intentions, there is always the possibility of bias. Therefore, I join with the hon. member for Baroona in warning the Minister to watch this matter very closely.

I recall a case in the last 12 months where extensive inquiries were made and the only people able to give information which might have been of value were competitors in the field. I do not think that advice from a quarter like that would be completely reliable although it may be given with the very best of intentions.

I was wondering why the Minister considered this change to be necessary. I prefer the organisations to the individuals and I suggest that he restrict the inquiries to those bodies who have gathered the information in the past.

I suggest that he concentrate more on establishing new industries outside the metropolis. I should like to congratulate the officers who have, over the years, given much valuable advice. Provision is made to pay travelling expenses in coming to Brisbane, but, it would be much better if the members of the Board went to the outside districts. The members of the Board are valuable but they live in Brisbane and they cannot possibly have the experience of the various industries that the Minister's officers have. They are men of high personal integrity with great ability and business acumen but it must be very frustrating to

the officers who after special investigations find that the Board may hesitate about accepting their recommendations.

**Hon. K. J. MORRIS** (Mt. Coot-tha—Minister for Labour and Industry) (8.24 p.m.), in reply: The hon. member for Baroona suggested that the basis on which the guarantee can be given should be broadened. It would naturally be very pleasing to be able to do that but certain things have to remain fundamental. The first is that we have always to remember that we, in giving guarantees of this nature, are responsible for the expenditure of public funds. This system has been operating for many years, even when the hon. member's father was actively associated with the work. The Board has an excellent record of good, sound investment, that has not cost the State a great deal of money. That principle is vital and must be considered at all times.

I should mention a second point that I think would be of interest to hon. members. There is a great reluctance on the part of members of the Board to permit a situation to arise whereby a guarantee for a certain amount of money is agreed to before any money is invested in the company, thus inducing people to invest money that they would not otherwise invest. That is an important factor, and I mention it because I know it will be of interest.

I agree with the remarks of hon. members who referred to the good work of the Director of Secondary Industries, Mr. Young. I have referred to other officers as dedicated men, and that description could very fairly be applied to Mr. Young. I think he even dreams about the work. I could bring to the House a file a foot high of letters of appreciation of his work that have been received during my term as Minister. It is pleasing to know that the work he has done has been appreciated.

Motion (Mr. Morris) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 to 4, both inclusive, as read, agreed to.

Bill reported, without amendment.

### BRISBANE CRICKET GROUND ACT AMENDMENT BILL

#### SECOND READING

**Hon. G. F. R. NICKLIN** (Landsborough—Premier) (8.27 p.m.): I move—

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

The Bill contains only one principle. It enables the Brisbane Cricket Ground Trust to deal with a section of trust land in a different way from which it was anticipated it would

be dealt with in the original Act of 1958. This portion of land is on the corner of Main and Stanley Streets. In the original Act permission was given to the Trust to sell the land after it had been advertised. Since the Act was passed, as the Treasurer explained, an arrangement has been entered into with the Brisbane City Council, which desires the land for two purposes—road-widening and a turn-round for buses, if necessary. As the land is required for public purposes, it was thought desirable to amend the Act to give the Trust power to sell the land to the Brisbane City Council without the necessity of advertising the sale. The sale will be made at the very satisfactory figure of £20,000. The funds that will accrue to the Brisbane Cricket Ground Trust as a result of the sale will be used very advantageously by the Trust on Brisbane Cricket Ground improvements.

The Brisbane Cricket Ground is an excellent sports ground and it is a pity that the Trust has not plenty of money to spend on improvements. It is one of the best playing fields in Australia. It is not obstructed in any way with big stands. All cricketers who have played there say that it is one of the best fields in Australia to play on. The facilities for the general public need improvement, although the Trust have done a good job with the limited money available to them. They have good grounds, and good gates, and if money could be obtained by the Trust to improve the stands we would have an even better sports ground which would be a greater credit to the State.

This Bill will suit the Trust and will provide them with the necessary finance. It will suit the Brisbane City Council because they will be able to carry out improvements in the vicinity of the cricket ground.

**Mr. HANLON** (Baroona) (8.31 p.m.): The Opposition do not offer any objection to the Bill. The provisions are certainly advantageous to the Trust. Under the 1958 Act the ground would have to be sold at auction and the Brisbane City Council would have been the only bidder. When the 1958 Act was passed it was not anticipated that the Brisbane City Council would be interested in the land. No doubt the land is very valuable but if the Act was not amended the trustees would unfairly become the victims of the 1958 legislation. We offer no objection to the Bill. The Brisbane City Council are to be commended for meeting the trustees of the cricket ground in a mutually satisfactory way.

Motion (Mr. Nicklin) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 and 2, as read, agreed to.

Bill reported, without amendment.

## POLLUTION OF WATERS BY OIL ACT AMENDMENT BILL

### SECOND READING

**Hon. G. F. R. NICKLIN** (Landsborough—Premier) (8.34 p.m.): I move—

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

This is a simple Bill containing only one principle which is to overcome a legal defect that became apparent after the Act was passed last year. The purpose of the Bill is to deal with the pollution of waters by oil in any of the harbours along the coast. It is essential that we should have some power to control the release of oil in the enclosed waters of our harbours and rivers, otherwise considerable damage may be done to harbour installations and to the shores of rivers like the beautiful Brisbane River. Last year a ship released oil in the river and caused untold damage. When the master of the ship was prosecuted he disclaimed all responsibility because it was allegedly released by crew members without his knowledge. Unfortunately there was a weakness in the legislation which prevented effective prosecution of the master or owner of the vessel. The Bill will make the owner, master or person in charge of the ship responsible for the actions of any person on board so that the original purpose of the Act can be effectively carried out.

**Mr. Hughes:** Does the Bill give legal power for action in the case of pollution of water by ships of a foreign country?

**Mr. NICKLIN:** Yes, by any ships using the port.

Motion (Mr. Nicklin) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 and 2, as read, agreed to.

Bill reported, without amendment.

## PARLIAMENTARY CONTRIBUTORY SUPERANNUATION FUND ACTS AMENDMENT BILL.

### SECOND READING

**Hon. G. F. R. NICKLIN** (Landsborough—Premier) (8.37 p.m.): I move—

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

As I explained yesterday in introducing the Bill, it is designed to provide additional benefits because of the very sound actuarial position of the fund. I have had an examination made of the various contributory superannuation funds of the Parliaments of the Commonwealth and it is very interesting to note that not only is ours the soundest financially but also it requires the smallest contribution from the public funds of the State. Its benefits compare more than

favourably with the other parliamentary funds and I think we can be proud of the way in which it has become financially sound in such a comparatively short time.

Contributions by hon. members to the funds throughout the Commonwealth are as follows:—

Commonwealth	..	£10 a fortnight
Victoria	..	£8 a fortnight
New South Wales	..	£12 a fortnight
Western Australia	..	£8 a fortnight

South Australia has optional contributions of £72, £100 and £150 per annum. Tasmania, which is just in the throes of reviewing their fund, has contributions of £6 a fortnight at the present time but could co-opt a scale of £8, £10, or £12 a fortnight with greater benefits flowing from the greater contributions.

The service qualifications are in the main the same in most States. The qualification in Queensland is 8½ years, and under the Commonwealth scheme it is three Parliaments or eight years. In New South Wales it is three Parliaments, in Victoria eight years, in South Australia 10 years, in Western Australia seven years, and in Tasmania eight years. There is also a variation in the various contributory schemes in relation to the qualifying age at which payments are received. In Queensland it is 50 years, in the Commonwealth 40 years, and in New South Wales three Parliaments, irrespective of age. Victoria has no age limit, and in South Australia it is 20 years' service if under 50 and defeated. No age limit is imposed in either Western Australia or Tasmania.

The benefits under the various funds are in the main comparable with our present benefits. Some of the other funds pay greater benefits to widows than are paid in Queensland. The Commonwealth fund, the West Australian fund, and our fund are the only funds that make any provision for orphan children. As I said previously, the Government subsidy is less in Queensland than it is in any of the other States and the balance in our fund is the healthiest.

I thought hon. members would be interested to know the state of the fund to which they are contributing. Over the years the trustees have followed a policy of having actuarial investigations of the fund made periodically before any alteration is made to either contributions or benefits. As I mentioned yesterday, an actuarial investigation was made at the end of last year which revealed that the fund was in a position to more than adequately cover the benefits that are included in the Bill.

**Mr. DONALD** (Ipswich East) (8.42 p.m.): I think it is very gratifying to members of Parliament and to the public generally that the fund is in such a sound position. Whilst we have made the provisions retrospective to a certain date, I express my

personal disappointment that we could not go back and include the original contributors to the scheme who gave years of unselfish service to the State and who are now receiving pensions of only £5, £6 or £7 a week. Hon. members who are here today are giving no more valuable service than those men gave in their time. It is true that the contributions have doubled, but the benefits have almost trebled. It may be true that some of the beneficiaries have received more from the scheme than they put into it; but, after all, it is a superannuation scheme, a scheme to provide at least some degree of security to people who have served the public as parliamentarians. Many people who come into Parliament burn their bridges behind them. If they are defeated they find it impossible to return to their former occupation. It is equally difficult for people who served in the Parliament and were defeated or who retired shortly after the scheme came into operation. There are some who belonged to the present Government parties and the present Opposition parties who are receiving only £5 a week in superannuation. We will be able to get £20, not £5, £6, or £7. People who served as members of Parliament not for 8 years and 6 months, not for 11 years and 6 months, not for 14 years and 6 months, but for 9 years, 12 years and 15 years, missed out by a few days in getting anything at all, and I think that the Bill could have taken that into consideration. I express my personal disappointment that we have not looked after those who have gone before us. We have amended the Act so that the benefits from the fund will have the same value as they had when it first came into operation, but we have not conferred any benefit on people who served just as conscientiously as we are serving now. The superannuation payment that they must try to live on is just sufficient to prevent them from getting the age pension.

**Mr. HANLON** (Baroona) (8.45 p.m.): Like most hon. members I regret the position that confronts many former contributors and dependants of contributors to the fund because of the way inflation has eaten into the value of their benefits. I have in mind particularly the widow of the late Leader of the Opposition. She is on a very small pension. I think she would qualify for only about £3 a week. It is a matter for regret that such a position arises. We have to remember that it is not confined to members of Parliament. The same thing happens with contributors to all superannuation schemes and every other form of insurance. Recently I attended a function given for a very popular policeman who was retiring. During a discussion about pensions reference was made to the difficulties of older retired members of the Police Force. I mentioned then that it largely boiled down to how much was going to be paid in by the present contributors. It is open to the present contributors to the

fund, as it is to the contributors to all superannuation funds, or pension funds, to pay in more to bring up the payments of those already in receipt of outdated benefits. Many hon. members would be willing to increase their contributions for this purpose. In any event it has to be done on an actuarial basis. Everyone would like to see the time when people receiving benefits by way of pension or superannuation did not have them eaten away by inflation. It will not be any comfort to members of Parliament to know that they are in the same boat as other people who are contributing to various benefit schemes, but it might be some comfort to other people to know that they are in the same boat as members of Parliament.

**Hon. G. F. R. NICKLIN** (Landsborough—Premier) (8.47 p.m.), in reply: I share the regret of the hon. member for Ipswich East about the matter he raised. But as the hon. member for Baroona pointed out all superannuation funds are calculated on very careful actuarial bases. If you alter those bases to make contributions retrospective there is only one thing to do. The contributions of present contributors have to be increased to carry the extra load imposed on the fund. An examination of the contributions and the annuities indicates that only one annuitant has not received more from the fund than was paid in on his behalf. In the main, all contributors, particularly the older ones who made low payments, have received a great deal more out of the fund than they paid into it.

**Mr. Hanlon:** Largely because the scheme did not start until late in their Parliamentary career.

**Mr. NICKLIN:** Because of various circumstances.

**Mr. Hanlon:** It will not happen so much in the future.

**Mr. NICKLIN:** No. One widow of a member who died very early in the scheme has received almost £3,000 from a payment of only £57 3s. by the contributor.

**Mr. Donald:** She could have received a lot of that from the Department of Social Services.

**Mr. NICKLIN:** Of course there is that fact. Unfortunately we can look at this only on an actuarial basis.

The hon. member for Ipswich East suggested retrospectivity for those contributors who joined the fund in its early stages. That could only be done by increasing the contributions of the present contributors. Those early contributors paid only £2 a week whereas present members are paying £4 a week.

**Mr. Donald:** At least one other superannuation fund has done it.

**Mr. NICKLIN:** It must have been a long time ago.

**Mr. Donald:** There are men on the miners' pension who have never paid a penny into the fund and they are still getting a full pension.

**Mr. NICKLIN:** The miners' pension fund is slightly different from this one.

**Mr. Donald:** It is actuarially sound.

**Mr. NICKLIN:** The contributions paid to that fund are at a higher rate per head than is the case with our parliamentary fund. However, it is unfortunate that we cannot deal with these matters. We have to allow our fund to carry on until such time as members would like an alteration either by increasing their contributions or in the only other way that seems possible, by building the fund up by wise investments as has been done in recent years.

Motion (Mr. Nicklin) agreed to.

#### COMMITTEE

(The Chairman of Committees, Mr. Taylor, Clayfield, in the chair.)

Clauses 1 to 7, both inclusive, as read, agreed to.

Bill reported, without amendment.

The House adjourned at 8.53 p.m.