

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 30 SEPTEMBER 1965

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

QUESTIONS

RESUMPTIONS OF LAND BY BRISBANE CITY COUNCIL.—Mr. Lickiss, pursuant to notice, asked The Minister for Lands,—

In view of the situation revealed by recent events regarding the resumption of the Carter property at Kenmore, that Brisbane City Council can resume private property without the necessity for any notice whatever to owners, will he give urgent consideration to (a) making it mandatory that a "notice of intention to resume" must be served on the owners at least thirty clear days before the final notice of resumption is issued and (b) providing a basic right of appeal against resumption, so ending a situation which as it now stands violates all elementary concepts of democracy?

Answer:—

"Yes."

PAMPHLET ON RIGHT-OF-WAY TRAFFIC RULES.—Mr. Davies for Mr. Lloyd, pursuant to notice, asked The Minister for Transport,—

In view of the high rate of road accidents caused by motorists failing to yield right-of-way and the apparent confusion that exists on the part of many drivers, will he arrange for the Road Safety Council to have printed diagrams and descriptions of right-of-way issued with new and renewed registrations of vehicles?

Answer:—

"In its issue of Wednesday, September 15, *The Courier-Mail* published an excellent interpretation of the right-of-way rule with supporting diagrams. As the daily circulation of *The Courier-Mail* exceeds 247,000 there has already been a substantial distribution of advice on the right-of-way rule. However, the Queensland Road Safety Council immediately approached *The Courier-Mail* and sought their approval for the reproduction of the article in pamphlet form for further distribution. *The Courier-Mail* not only agreed to this proposal, but generously offered to reprint 50,000 copies and donate them to the Council free of charge. The offer has been accepted and the pamphlets are now being printed. Following its usual practice, the Council is examining various avenues of distribution to ensure that the pamphlet is studied by the recipient and retained for future guidance. A copy will certainly be enclosed with the congratulatory letter forwarded by the Council to car drivers in the 17 to 23 year-old group when

their license is first obtained. It will also be distributed by Road Safety Field Officers and members of Road Safety Branch Committees on all suitable occasions, such as addresses to meetings, film shows, &c., where a personal message is likely to emphasise its importance. My colleague, the Minister for Mines and Main Roads, has offered his co-operation in the use of Main Roads facilities to widen the distribution, and the Queensland Road Safety Council will continue its efforts to educate the motoring public of Queensland in the observing of this and other life-saving and accident prevention traffic rules. It will also welcome, from any other interested parties, practical assistance on any lines similar to that offered by *The Courier-Mail*."

PROTECTION OF BARRIER REEF MARINE LIFE.—Mr. Tucker, pursuant to notice, asked The Treasurer,—

(1) Has his attention been drawn to an article in *The Courier-Mail* of September 28, headed "Protecting the Reef Attraction" and to its editorial of September 29, 1965, headed "Stop Robbery of the Reef"?

(2) What steps are presently being taken or are likely to be taken to protect this State's greatest natural tourist attraction, the Great Barrier Reef, and its attendant marine life from denudation by commercial interests for financial gain?

Answers:—

(1) "Yes."

(2) "I think we should consider this matter in its proper perspective. The Great Barrier Reef stretches along some 1,500 miles of our coast line. Practically the whole of the Reef has never been touched by human hand and probably never will be. It is clear to me that in these areas are to be found the reefs which offer the greatest potential as a tourist attraction. These are the reefs which are constantly covered with water and where we will find the greatest angling grounds in Australia as well as the opportunity to view the reef in its natural and most beautiful form through glass-bottomed boats. The removal of coral from the Great Barrier Reef is illegal except in sixteen (16) areas totalling some four (4) square miles where the taking of coral is permitted by license. This coral is treated and will be found displayed throughout the world quietly advertising the wonders of this unique attraction. To suggest that the reef is being denuded by commercial interests is gross exaggeration in the extreme. With regard to attendant marine life, I presume the Honourable Member refers to shells. These may be taken and sold by a holder of a Master Fisherman's License. I am having enquiries made of the statement by the

Chairman of the Great Barrier Reef Committee regarding shell removal. I have no reason to believe that the position is serious. However, if it calls for action, I will see that such action is taken. Already extensive areas of reef close to dense tourist traffic have been declared as total sanctuaries. As population pressures increase, these declarations will be extended and other protective measures will be instituted. It is my personal belief that the time will come when, in the really dense areas, foot traffic on the reef will have to be prohibited as live coral is a delicate animal. The use of glass-bottomed boats is an excellent viewing medium and can't possibly damage the reef. Foot traffic can and does."

SEPTIC SYSTEM, MAIDVALE STATE SCHOOL.

—Mr. Coburn, pursuant to notice, asked The Minister for Education,—

(1) Further to his Answer to my Question on March 23, 1965, did the investigation of the application of the Maidavale School Committee for the removal of the septic system from the closed McDesme State School to the Maidavale State School reveal the technical difficulties that were anticipated?

(2) What is the estimated cost of the work involved?

(3) Is it his intention to approve that the work be done?

Answers:—

(1) "The equipment from the recently closed McDesme school is at present held in storage by the Department of Works. This equipment is considered suitable for re-use with a septic system at the Maidavale State School."

(2) "A recent investigation by the District Architect, Department of Works, of a request for the enlargement of the present classroom at Maidavale State School revealed that the existing building cannot be enlarged economically. Approval was given, therefore, on the 27th instant, for a working plan and estimate of cost to be prepared for the provision of a new school building and installation of a septic system. It is proposed to re-use the equipment recently removed from McDesme closed school in conjunction with the septic system, but no estimated cost of this part of the project is available."

(3) "Upon receipt of the working plan and estimate of cost for the construction of a new school building and installation of a septic system, consideration will be given to approving of this project in relation to funds then available for works of this nature."

SALE OF UNSAFE USED CARS.—Mr. Houston, pursuant to notice, asked The Minister for Labour and Industry,—

(1) Further to his Answer to my Question on September 29, 1965, is it customary for the Machinery Department not to be interested in reports of the sale of unsafe motor vehicles?

(2) If the Machinery Department is interested in such reports, what action did it take to ascertain the truth or otherwise of the report in *The Sunday Mail* of September 26, headed "Unsafe Cars are still being sold"?

(3) As a result of these enquiries, what action is being taken to stop the sale of unsafe cars to the public?

Answers:—

(1) "It is incorrect to assume that the Machinery Department is not interested in reports of the sale of unsafe motor vehicles. Numerous verbal reports are received from purchasers of vehicles complaining of conditions. Whilst the Department cannot assist the purchaser once a vehicle has been sold, the name of the dealer from whom the vehicle is purchased is ascertained and an inspection of the premises is made."

(2 and 3) "There is no reason to doubt the accuracy of the report, especially as it appeared in such a reputable newspaper. However, I would refer the Honourable Member to the Answer I gave his colleague, the Honourable Member for Nudgee, on Thursday, September 9, 1965, wherein, among other things, I referred in detail to the research presently being conducted, with a view to endeavouring to ascertain the most appropriate manner of dealing with this problem, and wherein I also stressed that the Chief Inspector and his staff are regularly conducting, to the greatest extent possible, snap inspections of used car dealers' premises. These inspections include premises operated by large used car firms. A perusal of the latest Annual Report of the Chief Inspector will also further enlighten the Honourable Member on the work being done in this field by the Department."

AVAILABILITY OF FUNDS FOR PURCHASE OF HOUSES.—Mr. Houghton, pursuant to notice, asked The Premier,—

Will he approach the Federal Government seeking the release of funds through banks and other institutions for the purchase of homes in this State?

Answer:—

"If there is evidence of unsatisfied demand for housing finance, it must also be emphasised that the present volume of funds for housing finance constitutes an all-time record. An examination of quarterly building figures reveals increasing activities in house and flat commencements. It is reasonable for me to assume that these dwellings are being purchased,

for if this were not the case, there would be an indicated decline in new building. The building industry is at present under pressure and whilst it is highly desirable that demands be met, the prospective home purchaser is entitled to protection from rising costs pressured by a shortage of materials and/or skilled tradesmen. If the Honourable Member will let me have details of any particular difficulty which he has in mind, I will be very happy to have those details examined with a view to such further action as is warranted."

QUASHING OF CONVICTIONS OF A. B. COLLINS AND M. J. ALPIN.—

(a) Mr. Wallis-Smith, pursuant to notice, asked The Minister for Justice,—

In view of his recent promise to apply to the Court for a writ of *certiorari* quashing the conviction of Anthony Brian Collins and Michael John Alpin,—

(1) What were the grounds for the quashing of this conviction?

(2) Have these youths been advised of his decision and, if so, when were they advised?

(3) Will the parents of the youths concerned be reimbursed for the part of the fine and costs they have paid?

(4) What compensation will be paid to these youths for the time they had been wrongfully detained?

Answer:—

(1 to 4) "An application is being made by me for a writ of *certiorari* to quash the convictions of Anthony Brian Collins and Michael John Alpin. The necessary affidavits by numerous witnesses in support of the application have been prepared and will have to be sent to various parts of Queensland for execution. When the application is made, the two youths will be served with the application. Any fine and costs paid by them will be refunded if the convictions are quashed. One of the difficulties concerning the application is that the Magistrate applied the rule advised by the Full Court in *Hallahan v. Kryloff, ex parte Kryloff*. Collins told the Magistrate that he pleaded guilty of his own free will and had not been influenced by any other person to plead guilty. Alpin told the Magistrate that he had not been influenced by any other person to plead guilty. Both admitted the facts as cited by the Police Prosecutor. When it was discovered that they had not committed the offence they told the Police that they made the admissions for the purpose of protecting coloured children (two of whom are under 14 years of age) whom they knew had committed the offence. There is a line of cases that a person cannot profit by his own fraud on the Court. However, in this case I am making the application for the writ of

certiorari on the ground that there has been an irregularity in the proceedings before the lower Court.

(b) Mr. Wallis-Smith, pursuant to notice, asked the Minister for Education,—

In view of the recent quashing of the convictions recorded against Anthony Brian Collins and Michael John Alpin,—

(1) Did these youths deny the charge when first questioned?

(2) Were they then subjected to threats, abuse and other methods of persuasion?

(3) Was the subsequent confession obtained?

(4) What safeguards are being taken to ensure that there will be no repetition of this incident in other cases?

(5) Has the allegedly stolen rifle been recovered and, if so, what were the circumstances and has any subsequent charge been made?

Answers:—

The convictions recorded against Anthony Brian Collins and Michael John Alpin have not as yet been quashed but the matter has been referred to the Solicitor-General. I now answer items (1) to (5) of the question.

(1) "Yes."

(2) "The Police concerned reported that neither Collins nor Alpin were subjected to threats, abuse and other methods of persuasion and that on being questioned by the Presiding Magistrate, the parties stated they were pleading guilty of their own free will."

(3) "A written confession was given by Collins, and Alpin confessed to the particular offence verbally, after the usual warning was administered."

(4) "In this case the Police concerned acted on voluntary confessions submitted by the parties concerned and in the belief that the confessions were in fact true. There is no evidence that the Police concerned acted improperly on the occasion in question and there is no reason why any special action should be taken by way of instruction to Police generally as a result of this episode."

(5) "Yes, it was recovered in the possession of three lads, aged approximately 14 years 9 months, 13 years, and 14 years 5 months. The question of whether any further charges will be preferred is in the hands of the Crown Law Office."

ELECTRICITY GENERATING PLANT FOR CROYDON.—Mr. Wallis-Smith, pursuant to notice, asked The Minister for Industrial Development,—

In view of the possibility of surplus generating machinery being available after reorganising the Normanton powerhouse,

will he consider any request from the Croydon Shire to have a generating plant installed at Croydon?

Answer:—

"I am informed that the Cairns Regional Electricity Board intends that the existing plant at the Normanton Power Station will be retained in service after new plant, for which tenders are to be called at an early date, is installed. Therefore no plant from this power station will be available for installation elsewhere."

LEAVE ENTITLEMENTS OF MARRIED WOMEN TEACHERS.—Mr. Newton pursuant to notice, asked The Minister for Education,—

Are married women teachers employed by his Department entitled to sick leave and long service leave? If so, on what basis?

Answer:—

"Married women who are employed as teachers in a temporary capacity are entitled to sick leave and long service leave in accordance with the Public Service Regulations. They are eligible for five (5) working days sick leave on full pay and five (5) working days sick leave on half pay for each completed year of service. They are eligible for twelve (12) weeks long service leave on full pay after twelve years service. Further long service leave accrues by one (1) week for each completed year of service. The maximum amount of leave that may be granted in any one period is twenty-six (26) weeks. For sick leave purposes married women who are employed in a temporary capacity are given credit for their total service provided no break in service exceeds twelve (12) months. For long service leave purposes credit is given for total service providing no break in service exceeds three (3) months."

FUNDS FOR LOCAL AUTHORITY WORKS.—Mr. Newton, pursuant to notice, asked The Treasurer,—

(1) Is he aware that contract work on water and sewerage schemes being performed in the Gympie Local Authority area has ceased because of shortage of finance?

(2) What action will he take to ensure that this and other Local Authorities will have a continuity of funds to enable the completion of works already approved and in the course of construction?

Answers:—

(1) "I understand that the contractor was proceeding at a rate beyond available resources and the Council has reduced the tempo of the works. Management of work volume in relation to available funds

is and always has been a common exercise in public works. To suggest that the works have ceased is quite wrong. Steady progress is being continued."

(2) "This is already assured in the approved debenture programme for this year. I suggest that the Honourable Member pay particular attention to the Financial Statement which I will introduce later today. I am sure that he will be interested in my remarks touching on the approved debenture programme. On the Question generally, Gympie water and sewerage will be nearing completion. As it reaches 100 per cent. of designed reticulation, all work will cease. This is the everyday experience."

TRAFFIC LIGHTS AT MAIN STREET-SHAFSTON AVENUE JUNCTION.—Mr. Bromley, pursuant to notice, asked The Minister for Mines,—

Has the truncation scheme and the installation of traffic lights at the junction of Main Street and Shafston Avenue, Kangaroo Point, been abandoned? If not, and in view of the fact that accidents are still frequent there and that pedestrians run the risk of being knocked down by vehicles whilst crossing to Mount Olivet Hospital at this point, when will the project to alleviate the danger to vehicles and pedestrians be commenced?

Answer:—

"The scheme for truncation and the installation of traffic lights at the junction of Main Street and Shafston Avenue, Kangaroo Point, has not been abandoned. However, the plans have had to be re-examined in the light of the Wilbur Smith Report recommendations to ensure that the presently proposed minor scheme, including the costly work of rearranging underground service mains, is capable of being incorporated into the future expressway proposals. It is expected that plans for works at this intersection will be completed within a short period."

TEACHER-EXCHANGE SYSTEM WITH ASIAN COUNTRIES.—Mr. Bromley, pursuant to notice, asked The Minister for Education,—

(1) In view of the proximity to Australia of Asian countries and Malaysia, and the growing importance and power of these countries, has he given thought to inaugurating a teacher-exchange system with these countries?

(2) Will he recommend to the Government that such a scheme be considered and commenced as soon as practicable?

Answers:—

(1) "Yes. The matter has been considered here and in other States."

(2) "It is not proposed to implement a scheme immediately. The matter will receive further consideration."

CUISENAIRE METHOD OF TEACHING MATHEMATICS.—Mr. Bromley, pursuant to notice, asked The Minister for Education,—

(1) With regard to the Cuisenaire method of teaching mathematics in primary schools, what progress has been made in the preparation for its adoption in State primary schools?

(2) Have any teachers been instructed in the use of this advanced system? If so, how many, where are they being instructed, and who is responsible for the cost of instruction?

(3) Are the Cuisenaire rods issued free to any State primary schools at present and have any been supplied on request?

Answers:—

(1) "All schools wishing to introduce the Cuisenaire method of teaching mathematics in 1966 will be supplied with the Cuisenaire material free of cost prior to the beginning of the 1966 school year."

(2) "During the past three years several hundred teachers have been instructed at seminars conducted by the Research Section of the Education Department. During third term of this year District Inspectors of schools will hold seminars within their districts for schools introducing the method next year. It is anticipated that all teachers who will be concerned with the method will receive instruction. Plans have already been approved for senior officers of the Research Section to travel to the main northern centres to assist District Inspectors in the conducting of these seminars. The costs of instruction are borne by this Department."

(3) "See (1) above."

TRANSFER OF TRAFFIC COMMISSION STAFF TO BRISBANE CITY COUNCIL.—Mr. Melloy, pursuant to notice, asked The Minister for Mines,—

How many members of the staff of the Traffic Commission and/or Traffic Engineer's Department were transferred to the Brisbane City Council and how many were offered and accepted positions with other State Government Departments?

Answer:—

"Thirty-three Field Staff were transferred to the Brisbane City Council, 31 Field Staff were transferred to the Main Roads Department and 22 Staff were transferred to the Main Roads Department. This comprises the whole of the employees of the Traffic Commission and Traffic Engineer's Offices."

RAIL DENTAL CARS.—Mr. Melloy, pursuant to notice, asked The Minister for Health,—

(1) How many rail dental cars are presently in operation?

(2) If any are not in use, what is the reason?

(3) Is the provision of additional rail cars under consideration?

Answers:—

(1) "There are four rail dental cars presently operating in Queensland. One is based on Cairns and serves the Far North-west area, another is based on Townsville and serves the North-west area, the third is based on Rockhampton and serves the Central-west area, whilst the fourth is based on Dalby and serves the South-western area of the State."

(2) "See Answer to (1)."

(3) "No."

PAINTING OF HOUSING COMMISSION RENTAL HOUSES, ZILLMERE.—Mr. Melloy, pursuant to notice, asked The Minister for Works,—

When is it proposed to call tenders for the internal painting of Housing Commission rental houses in the Zillmere area?

Answer:—

"The Commission has implemented a programme of internal repainting of State Rental Houses, which to date has been confined to houses of earlier construction than houses in the Zillmere area. However, vacant houses in the Zillmere area have been repainted where necessary before being re-let, and this will continue. It is anticipated that the repainting programme will extend to the Zillmere area before the end of the current financial year."

EMPLOYEES AT NORTH IPSWICH AND REDBANK RAILWAY WORKSHOPS.—Mr. Donald, pursuant to notice, asked The Minister for Transport,—

(1) What was the number of (a) employees engaged in the metal trades and the wood-working trade, (b) unskilled employees, and (c) clerks, at the North Ipswich Railway Workshops for the year ended June 30, 1965, or, if this information is not available for this period, then for the year ended June 30, 1964?

(2) What was the number employed in the same classifications at the Redbank Railway Workshops during the same period?

Answers:—

(1) "For the year ended June 30, 1965—		
(a) Metal Trades	..	1,057
Woodworking Trades	..	428
(b) Unskilled	..	824
(c) Clerks	..	38
		—
	Total ..	2,347
(2)—		
(a) Metal Trades	..	179
Woodworking Trades	..	7
(b) Unskilled	..	101
(c) Clerks	..	1
		—
	Total ..	288
	Total ..	2,635"

SURVEY OF TUNA FISHING POTENTIAL OFF QUEENSLAND COAST.—Mr. R. Jones, pursuant to notice, asked The Treasurer,—

(1) Has his attention been drawn to the article in *The Sunday Mail* of September 26, 1965, headed "North Misses Tuna Hunt"?

(2) Will he assure the House that the tuna boat "Degei", on loan to the Queensland Government and owned by Australian Tuna Fisheries, which is conducting surveys, will remain in the area until favourable weather conditions prevail?

(3) If not, will he assure the House that the survey will be extended to allow "Degei" to be retained for a complete survey of the 500,000 square miles of ocean, off the Queensland coast, through all seasons to accurately record the volume of yellow-fin tuna, their pattern of running, the best method of harvesting, &c., which at this time cannot be assessed because of prevailing weather conditions and the limited time placed upon the survey?

Answers:—

(1) "Yes."

(2) "The 'Degei' is under charter to the Queensland Government during the period July 28, 1965, to November 3, 1965. These months are deemed to be the most suitable during which to conduct the survey."

(3) "To rush headlong into a full and complete tuna survey as proposed by the Honourable Member may prove to be a complete waste of the public purse. In the first place what might be described as a preliminary or limited survey has been undertaken covering the waters from Gladstone to north of Cairns. At the best, the results of this survey could be such that commercial interests would move in without further survey having to be undertaken. On the other hand, the results might indicate that a second and more comprehensive survey is required and would give a lead on many of the

aspects of the planning of such a survey. The possibility that the limited survey might give a negative result cannot be overlooked. The results of the limited survey will be available early in 1966. Might I inform the Honourable Member that the method of survey was that put forward by leading scientific workers in fisheries research in Australia and I have no hesitation in accepting their advice as to the best method of approach."

DESIGN OF RAILWAY EMPLOYEES' UNIFORMS.—Mr. R. Jones, pursuant to notice, asked The Minister for Transport,—

In view of recent reports that Brisbane City Council is considering smarter uniforms for tram and bus men, more suited to Queensland climatic conditions, does the Government intend to introduce uniform reform, more in keeping with modern times than the present outmoded Victorian era type railwaymen's issue? If not, will he announce the progress of investigations and research conducted over a long period in this regard?

Answer:—

"The Department has been considering this matter for some time, and has, in fact, obtained opinions and information regarding uniform designs from other States and New Zealand. At present this information is being considered by the Commissioner and Executive Staff, and I am hopeful that an announcement will be able to be made shortly. However, I would point out that any alteration is not as simple as it may seem, as a large majority of employees still request retention of their waistcoats for convenience purposes."

STEEL AND IRON RECEIVED AT QUEENSLAND PORTS.—Mr. Aikens, pursuant to notice, asked The Minister for Industrial Development,—

For the last twelve months for which figures are readily available what were the tonnages of steel and iron received from Australian sources at the ports of Brisbane, Maryborough, Bundaberg, Gladstone, Rockhampton, Mackay, Townsville and Cairns in the following classifications or categories, (a) galvanised sheeting, (b) steel sheet plain, minus $\frac{1}{16}$ in. and plus $\frac{1}{16}$ in., (c) structural steel, (d) reinforced steel, (e) plain steel pipes and (f) galvanised steel pipes?

Answer:—

"The information requested by the Honourable Member is not available in the Department of Industrial Development nor can the Government Statistician assist. If the Honourable Member cares to contact the various Harbour Boards or study their annual reports, he may be able to ascertain

an aggregate import figure for all steel and iron products. However, my advice is that no dissection into the classifications mentioned by him is made. It may be possible to secure more detailed information from the Broken Hill Proprietary Co. Ltd. and Stewarts & Lloyds Pty. Ltd. I shall take up with these companies and then communicate with the Honourable Member."

ENFORCEMENT OF TRAFFIC REGULATIONS.—Mr. Aikens, pursuant to notice, asked The Minister for Education,—

(1) Has his attention been drawn to an article in *The Courier-Mail* of September 29, 1965, in which Miss Breton, chauffeur-chaperon of Miss McCarron, claims that her car should be exempt from the operation of the laws of this State regarding traffic control?

(2) If so, have any instructions been issued to the police to refrain from enforcing the law in the case of Miss Breton, and, if so, will other people be similarly exempted from law enforcement and who are they?

(3) Is there any special reason why Miss Breton should be granted any exemption from existing traffic laws?

Answer:—

(1 to 3) "I have viewed an article which appeared in *The Courier-Mail* of September 29, 1965, and headed 'Miss Warana is booked twice,' but I was unable to observe therein any claim by Miss Breton that her car should be exempt from the operation of the laws of this State regarding traffic control. The Commissioner of Police has informed me that he most certainly has not issued any instructions to members of the Police Force to refrain from enforcing the law if it is infringed by either Miss McCarron or Miss Breton. The tickets, the subject of the newspaper article, were not issued by a member of the Police Force. I can assure the Honourable Member that the law is applied in a fair and just manner to all citizens. Only last week I myself had to pay the penalty for a parking breach, and I hereby produce the ticket as evidence. However, if the Honourable Member wants exemption for parking his bicycle in the parking metered zone in Flinders Street, Townsville, I shall seek to discover whether the law allows it."

BUILDING ALLOTMENTS, EAST MACKAY RECLAMATION AREA.—Mr. Graham, pursuant to notice, asked The Minister for Lands,—

When will the building allotments in the East Mackay reclamation area be submitted for sale and what valuation will be placed upon them?

Answer:—

"A public auction sale of 36 building allotments in Sections 154 and 155 of the East Mackay reclamation area will be held at the Land Office, Mackay, on October 26, 1965. Further sales of East Mackay allotments will be held periodically on the completion of survey and road construction. Upset purchasing prices for the blocks range from \$825 to £1,400. The two blocks with upset prices of £1,400 are corner allotments with areas in excess of 1 rood each."

BURANDA STATE SCHOOLS.—Mr. Bromley, without notice, asked The Minister for Education,—

In view of the anxiety expressed to me by parents of children attending Buranda Girls' and Infants' State School and Buranda Boys' State School regarding the future of these schools, has any discussion taken place or decision been made relative to the boys' school becoming a co-educational school, or will the status quo of both schools remain?

Answer:—

"No. Before any action was taken to amalgamate the two schools the matter would be closely investigated and the Parents and Citizens' Associations advised."

PAPERS

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

Report of the Public Service Commissioner for the year 1964-65.

The following papers were laid on the table:—

Regulations under the Traffic Acts, 1949 to 1965.

Reports—

Brisbane Milk Board for the year 1964-65.

Auditor-General on the Books and Accounts of the Brisbane Milk Board for the year 1964-65.

FORM OF QUESTION

Mr. R. JONES (Cairns) having given notice of a question—

Mr. SPEAKER: Order! The hon. member's question is not in order in two respects. Firstly it asks for an expression of opinion and, secondly, it contains too much statement and not enough question.

BEEF ROADS SCHEME

RESUMPTION OF DEBATE

Debate resumed from 16 September (see p. 500) on Mr. Rae's motion—

"That this Parliament acknowledges with gratitude the financial and advisory assistance rendered by the Commonwealth Government to the implementation of the Beef Roads Scheme in Queensland and, recognising the benefits derived by the pastoral industry from such roads either completed or under construction, urges upon the Commonwealth continued support of the Queensland Government's intention to provide further all-road transportation for the quick and safe movement of cattle from isolated regions to railhead, market and fattening areas."

on which Mr. O'Donnell had moved the following amendment—

"Omit the words—

'acknowledges with gratitude the financial and advisory assistance rendered'

and insert in lieu thereof the words—

'is firmly of the opinion that for the full benefits of the Beef Roads Scheme to be realised, it is imperative that additional funds be provided for developmental projects in the northern and western areas of the State, but acknowledges the financial and advisory assistance which has been rendered.'

Mr. EWAN (Roma) (11.31 a.m.): In making my contribution to the debate on the motion and the amendment which was adjourned two weeks ago, I was explaining the difficulties associated with the bringing in to the Channel Country of fattening-age store cattle from the Barkly Tableland, the Gulf Country and the Northern Territory on the hoof, and also the difficulties associated with their removal to market when fat.

It must be appreciated, basically, that the Northern Territory, the Barkly Tableland, and the huge area extending up to the Gulf of Carpentaria can be classed only as breeding country. I think that, realistically, it will be agreed that it cannot under any circumstances, under present conditions or conditions obtaining for many past years, be classed as fattening country. That does not say that, with the advance of new methods, it will not be fattening country in the future. However, we are dealing with the present and we have to take action that is appropriate to the present time. Because of the difficulties associated with bringing cattle in from the areas mentioned, it is very rarely that we see culled cows, culled breeders, or any culls at all, being brought in from those areas. Consequently, they stay there until they reach old age, when they die and fertilise the country. They cannot be brought in because they cannot stand the racketing occasioned

by 10 to 16 weeks, in many instances, on the road—on the hoof—being brought to the fattening country.

Therefore, in those areas culling cannot be carried out. They cannot be got rid of because they cannot be brought in without a system of transport. On a few occasions they can be brought in but, generally speaking, it is impossible so consequently very few female cattle are marketed from that area and generally they end their days fertilising the country. Marketing of stock is confined to male cattle over two years of age. Anything younger, and females, cannot stand up to the 10 or 16 weeks—and in some cases the 20 weeks—on the hoof. Many of those who have witnessed the seasonal trek of large mobs of cattle—always bullocks, with up to 1,250 or 1,500 head in a mob—when seasonal conditions allow, are always impressed with the necessity of providing some means of transport, particularly in the difficult seasons.

When these cattle are on the road for periods of up to 20 weeks, the owners are dissipating any chance they have of marketing the cattle for at least six to 12 months after they reach the fattening area. Occasionally in a particularly good year, with an excellent drover, these difficulties can be surmounted, and what I have said about dissipating the chance of marketing the cattle for a considerable period does not apply. But, generally speaking, I think it will be agreed that it does apply.

In many instances, huge losses are occasioned, particularly when water is short and the season is bad, after the stock have started on the road. There is plenty of evidence along the stock routes of the many thousands of cattle that have perished because of inefficient drovers who are not acquainted with the country.

Good drovers are a dying race. There are not too many of them about now. When I look back over the years I can think of many good drovers I knew. They were good drovers—not drivers, as they are today. Evidence of this can be seen on the Downs, in the Goondiwindi area, or in the Roma area and farther west. When one drives up to a mob of cattle or sheep on the road, how often does the boss drover ride ahead of the car and take it through the cattle or sheep? They do not know their job today. The stock are only half-fed on the road. It is because men such as these are allowed to take cattle and sheep for 20 weeks on the road that we have the calamities I refer to.

When I think back to the drovers I was acquainted with, I can think of old-time men like Charlie Reardon and his son Lloyd, who did all the droving for the Q.N. Pastoral Company, Billy Hall, Andy and Bill Clark—the hon. member for Warrego would know these men—Jim McConachie, Jim Hackett, and Jack Easey. Jack Easey used to bring bullocks in from Alroy Downs, in the Northern Territory, to Goolburra, near Charleville and Wyandra, once a year. He

would not lose many stock. It was a pleasure to see him through the property. Many a time when I was an overseer I have seen him through my property. The cattle were trained like working bullocks. He would ride around them when they came to camp at night and say, "Go to sleep, boys; go to sleep, boys," and they would go down like trained bullocks. (Opposition laughter.)

We hear hilarity from Opposition members. It comes from sheer ignorance. They have not had the experience, the pleasure or the delight of seeing cattle handled properly. When the drover was moving the cattle off camp in the morning he would ride around and say, "Wake up, boys; wake up, boys." It is a pity some Opposition members do not wake up and see things for themselves. The cattle would rise like a lot of soldiers, and away they would go. When they were put onto their feed, it was a pleasure to watch them. Those bullocks were broken in and handled properly. I am sorry to say that that cannot be seen today. They were the days of the old drovers I have mentioned. They are a dying race. Consequently, if that sort of thing is appreciated, it must be admitted that if we are to use to the full the potentialities of the areas embraced by both the motion and the amendment, some other form of transport must be introduced.

Over the last 30 years numerous royal commissions have inquired into this matter. A considerable volume of evidence was given and many recommendations were made, some practicable and some impracticable. There was such a divergence of opinion, as is usually the case when these inquiries are made, that many people could not see the forest for the trees. Some wanted railways built through the Channel Country. Some wanted a railway between Charleville and Blackall, which perhaps the Americans may have constructed during the war years if they had been given some encouragement. Others wanted railways from Bourke to Cunnamulla and from Barrington to Cunnamulla, and there were suggestions for many other railway extensions. I think it will be generally conceded, however, that an analysis of the evidence given on railways before these royal commissions indicates that their cost would be prohibitive.

As far back as 1954 the Commonwealth Government set up a panel under the chairmanship of the then Mr. Charles Davidson, now Sir Charles Davidson, to investigate the possibility of air transport of cattle and/or beef in the North. The panel consisted of Sir Hudson Fysh, managing director of Qantas Empire Airways; Mr. Malcolm Newman, a former owner of Anthony's Lagoon Station in the Northern Territory, and a director of Mt. Morgan Limited; Mr. W. A. Gunn (now Sir William Gunn, of whom a lot more will probably be heard in the near future); Mr. R. J. Dumas, a specialist in Western Australian development; Mr. A. S. Bingle, vice-president of the Northern Territory Pastoral Lessees'

Association; Mr. J. L. Shute, chairman of the Australian Meat Board; and Mr. D. J. Hibberd, a Commonwealth Treasury officer.

These gentlemen took evidence throughout the areas to which I have referred, and I made a personal submission to Sir Charles Davidson on this subject. As I have already said, anything good that has been said in the past is worth repeating, and I believe that what I said in that submission has been proved by subsequent events to be correct. I therefore have much pleasure in once again placing it before the House. There was a considerable amount of material in my submission, but, in order not to bore hon. members, I shall be brief and summarise what I said in these terms—

(a) The establishment of small killing works to be operated seasonally and situated strategically, say, approximately 300 miles apart, and the air freighting of beef or mutton therefrom to the nearest practicable storage, and cheaper means of transport should prove desirable but costs would require close scrutiny. (It must be remembered that this panel was set up to inquire into the practicability of air freighting cattle and beef.)

(b) The air freighting of young cattle, say, 12 to 15 months old, may be feasible, although cattle in this age group are notoriously slow fatteners on natural pastures. I cannot, however, visualise air transportation of large stock, such as three and four-year-old bullocks and spayed cows, over long or even short distances, as I believe it would prove to be completely uneconomic.

(c) The necessity for numerous landing strips, and the consequent increased costs occasioned by numerous landings to put down and pick up cargo, would make it impracticable for air freighters to handle heavy development requirements such as building materials, fencing wire, steel posts, and the multitude of necessities required by the various holdings.

(d) The air-freighting of large numbers of livestock in drought periods to agistment country and their return to home pastures would present problems of such magnitude as would occasion a complete recasting of the economics of the livestock industry in relation to the costs factor.

I concluded my submissions by saying—

"After a close study of the problem I am in favour of road transport as a means of providing economic, speedy, efficient and flexible transportation of livestock and all other materials obtained from or required for the development of the areas concerned."

That was in 1954, and when this Government came to office in 1957 it was my very great pleasure to have many hours of discussion on this subject with the late Ernest Evans. The construction of the beef roads will forever remain a monument to his memory, because it was largely as a result of his

representations, his persistency, and his doggedness, that the Commonwealth Government decided to assist us with the provision of a system of beef roads. If I may look into the future, I might say that I am very confident that the present Minister, Hon. R. E. Camm, will be equally dogged and persistent in bringing to fulfilment the great scheme instituted by Ernest Evans, which will provide us with an essential means of transport.

Mr. Hanson: Queensland is not the only State that has been assisted. Western Australia has been assisted, too.

Mr. EWAN: If the hon. member wants to make a speech, let him get up and do so instead of making ridiculous interjections and wasting my time.

Mr. Bromley: Can't you take interjections?

Mr. EWAN: Yes, I can take sensible ones, but not silly ones.

We know that it is necessary to have good roads if cattle are to be moved efficiently by road transport; we accept all the issues that that involves. But we must remember that before the Beef Roads Scheme was evolved, many efforts had been made to overcome some of the difficulties that I enunciated earlier in my speech. In 1948 a Mr. K. Johannsen operated a road train in the Northern Territory, more or less as an experiment, and he was under the supervision of the Australian Meat Board and Queensland veterinary officers.

Mr. Duggan: That is not the same fellow that the Government charged with carting fruit and vegetables without a permit?

Mr. EWAN: No. As a matter of fact, Mr. Johannsen is now operating successfully out of Mt. Isa into the Northern Territory, following the construction of loading ramps and a bitumen road from Mt. Isa out into the Barkly Tableland. Although in 1948 the defence road had been built from Newcastle Waters to Mt. Isa, across to Birdum and Darwin, and down to Alice Springs, he had, of course, to go off the main road to pick up the cattle.

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

Mr. EWAN: Thank you, Mr. Speaker. I am delighted that the hon. member for Redcliffe, appreciating the calibre of my speech, has moved that I be given time in which to complete it.

Mr. Johannsen's experience, particularly off the road where short gullies and rough going were encountered, was far from good, and the supposed experts who were supervising his work came to the conclusion that it was not satisfactory. It was claimed in a report published on these activities that at least 25 per cent. of the cattle were very badly bruised. Of course, it must be remembered, as I previously indicated, that in those days there were very few hopper loading ramps and that sort of thing.

In 1952 Messrs. Fraser Moorhead Ltd. bought a road train, which cost them £60,000, to transport cattle from their properties, Marion and Georgina Downs, in the Northern Territory to the Dajarra railhead. I saw those trucks in operation when they first came up from Brisbane and I thought—I was subsequently proved to be correct—that the design was completely wrong. After they were used for a season, Mr. Fraser came to the same conclusion. His experiences were not very happy, particularly as the roads were very rough and, as I said before, the design of the crates was not satisfactory.

Mr. Rae: That was the first company to introduce the road train.

Mr. EWAN: That is quite true—followed by Johannsen, who was in the Northern Territory. Of course, so were they, but Johannsen's experiments were carried out under the supervision of the Australian Meat Board and Queensland veterinary officers.

Neither of those experiments proved to be very satisfactory, but as time went by we profited by our mistakes and crates for road trains were built to a design that overcame many of the original problems encountered.

The latest stock crates today—say, 36 ft. crates—properly loaded with the heavy beasts in front, are a great improvement. As they are loaded the heavy beasts are put in front and there are three separate compartments which are made simply by inserting the steel rails provided to stop the backward and forward motion on starting and stopping. It also stops, to a large extent, the surging on descending or climbing hills and gullies. These crates are so constructed as to overcome many of the initial troubles that were encountered with the very fine dust in the Channel Country area.

Mr. Rae: Is it true that years ago it would smother the mob?

Mr. EWAN: It is quite true; the hon. member for Gregory knows. That occurred because the crates were not constructed properly and the dust created a difficulty. Because of faulty construction the same trouble occurred in some recent cattle trucks. A vacuum is caused and it brings dust up into the crate. I was about to mention the name of the trucks concerned, but I will not do so because it would not be fair to the manufacturers. However, the construction creates suction under the front axle which brings dust up over the air intake, causing a tremendous amount of wear. The intake only has to be shifted 6 to 8 feet back to overcome this difficulty.

As these difficulties are encountered in the West they are overcome by the application of experience and knowledge. We have come quite a long way since those early experiments, and stock can now be transported over long distances provided they

are spelled if necessary, watered if necessary, and fed if necessary—but, above all, there must be good roads.

A road train transporting 80 or 100, or up to 120 head of stock cannot be taken through short, steep, sharp gullies. It does not matter how good the operator is there will be an undue amount of bruising and knocking about if a road train has to go over sharp gullies. That is why it is so essential to the transport of livestock to have the Beef Roads Scheme established.

It must be remembered also that one cannot just pick up a driver in Queen Street or off the Opposition benches and put him on a stock train to handle stock. He has to be well trained and have a good knowledge of stock and their reactions to certain conditions. It takes a considerable period to train a man to handle a stock train correctly so as to get the best out of the train, not only for his employer but also for the stock that are being transported.

It might be asked why we are talking about the Channel Country. The hon. member for Gregory said that he would confine himself mainly to a discussion of the Channel Country because he knew it so well. I agree with what he said about its potential. As a fattening area I believe that the Channel Country has the greatest potential of any area in Australia. It is interspersed with numerous river systems running north-east to south-west. With the network of channels, they produce the effect of a huge natural irrigation scheme. The rivers are in three groups—the Bulloo, Wilson and Cooper's Creek; Farrar's Creek and the Diamantina; and the Hamilton, Georgina, Eyre Creek and the Mulligan.

Each group rises in its own watershed. One area may flood at different times independently of another area. There may be good rain in one area that will bring down one group of rivers. That means that there will be good irrigation in that area and not in another. Consequently, it is necessary to have a means of shifting stock to areas that are capable of fattening. Bad droughts in some parts can cause tremendous losses if stock are not shifted. The bones of many thousands of cattle lie rotting in the channels of the Cooper only because during a drought there was no means of transporting them to another area. By the time they traverse the stock routes across to Quilpie their feet are bleeding. The hon. members for Warrego and Gregory know all about that. Unfortunately, with the exception of a few hon. members, the uninitiated on the Opposition benches have never seen anything like that. They need to go out and become educated before they start with their hilarious interjections.

After flood rain the Channel Country becomes a veritable Garden of Eden. Do not think that just because an area is not flooded the country is no good. Away from the channels there is excellent country in

good seasons. Out in the mulga country a bit of feed plus the mulga keeps the stock going for a long while. The sandhill country is not so good but after rain it, too, can become a virtual paradise. It does one's heart good to see the wild flowers.

The whole basis of the exploitation of this country is to bring forward stores in quickly, to fatten them as quickly as possible, and to get them out to market as quickly as possible. When seasons are advantageous maximum use should be made of the area for fattening purposes. In this way we can overcome the great losses that have occurred in the past by bad handling. Sometimes, of course, bad luck comes into it. Do not think that I am being derogatory of those who have had heavy losses. It can happen to anyone. The idea is to get the cattle in quickly from the breeding areas so that their condition on the home pastures is not dissipated by being 10, 15 or 20 weeks on the road under harsh conditions.

Mr. Newton: They wander across those roads at night.

Mr. EWAN: The hon. member is talking about the Darling Downs. He need not worry about that up there.

The cattle in these areas are particularly healthy. There are no ticks, and worms are almost unheard of. Occasionally there is a little bit of pleuro-pneumonia. Those of us who have experienced pleuro-pneumonia know how to handle it quite well, and we can combat it. These cattle, in good condition and good health, can go to the South, even as far down as Victoria. Although they are healthy, because of the Victorian regulations they are held at the Victorian border for six months on the hoof. However, because they are healthy they can travel virtually right through the southern States. That is a tremendous advantage, and one that we must take into consideration.

Hon. members may well ask how many cattle will come out of the Channel Country. My investigations show that over a period of 10 or 15 years it would be fair to say, even under the old conditions of bringing out cattle on the hoof, the Cooper Channel Country was capable of producing, and did produce, an average of at least 100,000 head of fats a year. I say "an average" because in some years none can be taken out.

Mr. Davies: Have you given those figures a lot of thought?

Mr. EWAN: I have given them a lot of thought. With the provision of the road scheme as envisaged in the Beef Roads Scheme it is quite possible that, with good husbandry and proper handling on the lines I indicated earlier, the turnover can be increased twofold and even threefold.

Mr. Davies: How much money will be available in the next 12 months for the Beef Roads Scheme?

Mr. EWAN: If the hon. member listens to the Budget he will probably hear that information.

Mr. Davies: You know there is not much there.

Mr. EWAN: The hon. member knows very well that this Government has made arrangements with the Commonwealth Government. He knows the figures quite well. He knows that £7,000,000 has been spent and that £2,500,000 is yet to be spent, and we understand from the Commonwealth Government that it is providing finance of up to £22,000,000.

Mr. Hanson: We have to pay a lot of that back.

Mr. EWAN: The hon. member is disputing it?

Two of the major factors are, firstly, that under no circumstances must we overstock, and secondly we must get the cattle away as soon as it gets dry. Where will this 100,000 head of cattle go? On my experience over a considerable number of years when I knew the country well—I know conditions are changing with the provision of these roads—I should say that only 20 per cent. of the Channel Country stock came to the coastal meatworks. The remainder was distributed between Bourke and Broken Hill, and a lot went to Adelaide. Some went down the Paroo, down through New South Wales, nearly to the Victorian border to Deniliquin, where they were kept for six months for fattening and then went to Melbourne because it provided a better market than any other place. With the extension of the Beef Roads Scheme much of the trade that has been lost to the capital cities and the export meatworks will be restored. I feel that the extension of these roads into the Barkly Tableland, the Northern Territory and the Gulf Country will enable thousands of culls that could not have been marketed in past years to be brought down, not only to the Channel Country but to the Central West, into my own area, and even to the Darling Downs, to be topped up. This will give the crop-fatteners on the Darling Downs an increased market and allow them to use their seasonal and geographical advantages to the full extent, thus making them more prosperous than in the past.

Mr. Hanson: Southern buyers have made an intrusion into the markets now.

Mr. EWAN: That is because there is a shortage of cattle, which this scheme is endeavouring to overcome by enabling all the cattle bred in these areas, which have hitherto not been marketed, to be brought to market to feed the people of Australia and to provide an exportable surplus for people without an adequate meat supply.

I strongly support the motion, and to a lesser extent the amendment, which I cannot altogether divorce from the motion. The

amendment seeks to deny the Commonwealth Government any thanks, consideration, or appreciation for what it has done. I realise, of course, that in moving it the hon. member for Barcoo was probably working under instructions, and that happens to the best of us at times. The building of these roads will benefit the whole of the State of Queensland, and indeed the Commonwealth of Australia, and will ensure greatly increased production of livestock and overall development of our land potential. It will also provide drought mitigation in the form of rapid transportation of livestock, the junctioning of our road systems with existing railways, the provision of an essential means of transport for defence purposes, the provision of more employment, and the betterment of living conditions of employers and employees alike. I am quite confident that the implementation of the great Beef Roads Scheme will do that in its entirety.

Mr. MURRAY (Clayfield) (12.6 p.m.): I am pleased indeed—

Mr. Bennett: On your 24 perches in Hamilton?

Mr. MURRAY: My 24 perches in Hamilton, on the face of it, may not give me much authority to speak on this matter, but, as the hon. member for Townsville North and other hon. members including the hon. member for South Brisbane know, I can join in this type of debate with some knowledge.

I listened with interest to the hon. member for Roma. I was privileged to do so. He knows this subject extremely well. He has had a lifelong experience in the broad picture of the pastoral industry and all its ramifications, and knows it well. No matter how much interjection or criticism is levelled, for one reason or another, by Opposition members, the hon. member for Roma is well able to speak with considerable authority on matters such as this.

The motion says, "That this Parliament acknowledges with gratitude the financial and advisory assistance rendered by the Commonwealth Government to the implementation of the Beef Roads Scheme in Queensland" and recognises the benefits derived from it, and it goes on to urge continued support for it. It is interesting to go back to the initiatory days of the scheme in the late 1950's and the early 1960's, to the early discussions on the initiation of this scheme and the consideration that was given to it by those interested.

Mr. R. Jones interjected.

Mr. MURRAY: The hon. member for Cairns interjected, "After the 1961 election." Although that might be good for political reasons, it is not true at all. The discussions on the initiation of this matter were well in hand in the late 1950's. I know from my own experience that in 1959 and 1960 this matter was being probed and investigated in Canberra.

Mr. R. Jones: When did you get the first money?

Mr. MURRAY: In 1962, I think it was. But that is quite irrelevant. Do hon. members opposite believe that we should rush into this scheme as they wanted us to rush into the Burdekin scheme? Do hon. members really prefer to believe that?

Mr. Walsh interjected.

Mr. MURRAY: The hon. member for Bundaberg should know that the Ord River scheme required years of investigation, and it was splendidly documented and presented to the Commonwealth Government in 1959. Gradually it came to fruition, and it is still in its infancy.

Mr. Walsh: I am talking about beef roads in Western Australia.

Mr. MURRAY: Beef-cattle roads in the Northern Territory and Western Australia are going ahead apace.

Mr. Walsh: Before Queensland started.

Mr. MURRAY: Fair enough. After all, no submission was made by the Government of Queensland on the matter of beef-cattle roads prior to 1958, and that is relevant to this matter.

Mr. Ewan: They repudiated the agreement of 1949; remember that.

Mr. MURRAY: I remember it well.

The scheme is a very worth-while one and was entered into carefully as a proposition by the State, to be investigated by the Commonwealth, to attract grants and loan moneys. I heard one hon. member opposite—I think it was the hon. member for Port Curtis—interject during the speech of the hon. member for Roma to the effect that not all of the money was granted. Of course it was not. All who have any elementary knowledge of the financial arrangements between the States and the Commonwealth know that there is an amount allocated for grants and an amount for loans, and these matters are arranged at Premiers' conferences and the Loan Council.

Mr. Walsh: What is the extent of the grant? Is it one-third?

Mr. MURRAY: Offhand, I cannot give the hon. member that information. He knows quite well that these things are ever changing. There is now a new agreement in force, and these things change from time to time by agreements made between the States and the Commonwealth. In the allocating of special grants for specific purposes, generally all the States have to concur on matters considered to be of national importance. Cases in support of aid are built up on this basis, and specific grants are made.

When this Government came to office it very honestly and diligently searched for ways and means of attracting Commonwealth assistance to the beef industry. It

had already had, as is well known, quite a lot of political trouble over the Burdekin scheme. When we look back, which is perhaps a little unfair, on what has happened as the years have passed, we realise how vital it is to base plans for vast undertakings of this nature on the soundest of advice from agricultural economists. Had the Burdekin scheme been implemented at that stage, and had it proceeded on the planning then envisaged, small-crop farms, vegetable farms, and dairy farms would have been set up, and what has happened has shown that, for marketing and other reasons, such farms in that environment are wholly unsuitable.

The planners must not be discredited for this. What we should do is take heed of the lessons learnt from the history of this type of plan. I might also mention the Tinaroo Falls Dam scheme and how dangerous it can be to base such schemes on a narrow or specific line of thought. If the Tinaroo Falls Dam scheme proceeded only because of the tobacco industry, look at the problems with which we could be faced.

Mr. R. Jones: You are not "knocking" that scheme, too, are you?

Mr. MURRAY: I am not going to "knock" it. In the light of the knowledge that we will gain from research, I am sure we shall get great benefits from it. But if we base our thinking and our economic planning on only one industry, such as tobacco—

Mr. SPEAKER: Order! The hon. member for Cairns.

Mr. MURRAY: The hon. member for Cairns is very interested in this subject, Mr. Speaker, and he thought I wanted to "knock" the Tinaroo Falls Dam. I did not want to do anything of the sort. I only mentioned it. The hon. member for Tablelands will agree with me, I think, when I say it is dangerous to narrow our thinking down to a specific line of production or a specific industry, such as tobacco, that is fraught with many problems.

Mr. Wallis-Smith: Water from the Tinaroo Falls Dam has saved thousands of cattle along the Walsh River.

Mr. MURRAY: That is quite right, but that was only a side-line benefit and was never envisaged when the dam was being built. The hon. member knows that water was let go for a trial period to fill water-holes. It proved highly successful, and no doubt the dam will play this role again from time to time.

Mr. Armstrong: There were 1,450 or 1,500 small farms envisaged, too, which might have given us a headache.

Mr. MURRAY: The hon. member for Mulgrave knows the story very well. I point out how dangerous it is for us to endeavour to attract vast sums of money, much of which is repayable, into schemes

that could get us into trouble. We must take risks, of course, but they should be calculated risks.

In its efforts to benefit the beef industry, the State Government came forward with the proposal that it thought would bring the best short-term results. A great deal of argument ensued at both Commonwealth and State levels as to what in fact was the most important requirement of the beef-cattle industry in outback areas. We heard the academic argument between those who favoured putting the moneys into nutrition and those who favoured initially the building of roads. Of course, that argument was a very interesting one.

Mr. Tucker: You favoured nutrition, didn't you?

Mr. MURRAY: The hon. member for Townsville North might not know that my submission to the Prime Minister at the time was that the overall problem—the greatest problem—was nutrition, but that, in the short term, roads would have the most beneficial effect. After all, roads could be built straight away and would have an almost immediate effect.

Mr. Armstrong: And very necessary, too.

Mr. Tucker: Listen to the parrot in the corner!

Mr. Armstrong: I know a bit about this. That is where I have an advantage over the hon. member.

Mr. MURRAY: Roads such as these bring increased development; they also bring an immediate economic benefit to the people in the Outback in the form of better surfaces on which to run their vehicles. People will now be able to use their vehicles for a little longer than the 12 months they were using them previously. The hon. member for Tablelands knows only too well the state of the roads in the Gulf Country and the Peninsula, and hon. members representing far western electorates know the disadvantages of bad roads and the advantages that flow from the construction of developmental roads of the type that we are discussing. Such roads open up the country and give people easier access to points of supply; they also improve the morale of the people generally in the areas that they serve and give them a feeling of greater security.

Getting on to the beef-cattle industry itself, it is elementary to recount the various benefits that have been well covered by the hon. member for Gregory, the hon. member for Roma and others, including the ability to get stock out without bruising and to get stock quickly to fattening areas and in times of stress or drought. The economic advantages of good roads are further enhanced in that transport costs per head are gradually reduced as bigger units can be used. Therefore, the benefits are wide and great.

Mr. Rae: I should say we have saved over 200,000 head of cattle since the scheme was introduced.

Mr. MURRAY: That, of course, is an estimate, but we will have concrete evidence some day of what these roads, even in their present state, have meant to the beef-cattle industry, particularly during the period of strain and stress occasioned by the present drought.

Although nutrition is basically the overall problem, roads represented one of the short-term things that we could successfully do. That was something we could get onto straight away. Nutrition is a rather abstract problem. We were also faced with the fact that although many of us were keen on doing everything possible to build up the nutritional level, to lengthen the wet and shorten the dry, and particularly in the northern regions to build up better grasses and legumes, we were still in the experimental stages in so many of these matters and it was considered that we must get straight on to roads. That is what happened, and we can see the benefits.

I often feel somewhat distressed when I hear from the other side of this Chamber, and even nationally, uninformed criticism of the amount spent by the Commonwealth and the State in the North. Of course, this is used as a political weapon.

Mr. Bennett: Dr. Patterson knows all about that.

Mr. MURRAY: The best example that the hon. member for South Brisbane could cite as a political weapon is Dr. Patterson, a disgruntled, mixed-up young man who comes out now and uses this blunt political weapon—that is what it is, a blunt weapon—and uses it without much skill, in an endeavour to secure political gain.

If the facts could be realised or accepted—they have been told often enough—by hon. members on the other side and by so many other ill-informed people, they would appreciate rather than criticise the efforts that have been made to do worth-while things in this State, particularly in the North.

Let us look at the history of this. After all, we have such a small population across northern Australia. We have had such little attention, we have had such a graveyard of failures from earlier days—

Mr. Armstrong: And bad representation.

Mr. MURRAY: The representation has been shocking.

Mr. Tucker interjected.

Mr. MURRAY: If the hon. member for Townsville North was fair on this he would admit that I did, in such a short time, inject a little bit of new thinking into these problems, and I think I am quite modest in saying that it had some significance at that time. I was in the Commonwealth Government from 1958 to 1961.

Mr. Bennett: Why did you leave the North?

Mr. MURRAY: One of the reasons I left the North was to endeavour to put into the thick skulls on the other side of the House the worth-while benefits of these projects. Perhaps I should not have left the North. It is a cry in the wilderness. It is still a political wilderness. If, with my colleagues on this side, I persistently advocate these things we will ultimately get an appreciation from the other side of where their worth lies and the true value of our efforts.

We have gone ahead with the beef roads project. I have mentioned a few of the elementary things that will be of benefit to the industry, but let us look a little further into the overall scheme and what it will do for the State. We have to look into the future. Although the roads can be built in a short time their planning was done on a long-term basis. Starting from the North we have a break-through with the wet coast; we have a break-through with the spear-grass and we have a break-through with the brigalow development. Taking those three alone, forgetting the traditional advantages of the Channel Country, we would not deserve to sit on this side if we——

Mr. Bennett: You don't.

Mr. MURRAY: The hon. member for South Brisbane should remember and give full credit to this Government for its planning in these matters. I will not go into past history and engage in recriminations. Hon. members opposite fail to appreciate what this type of development can open up. They do not realise the value of the wet coast, spear-grass or brigalow development. With the development of the wet coast and spear-grass areas and the diversification of grazing and agriculture in the brigalow country we will have suitable fattening areas. Coupled with the Beef Roads Scheme, those developments can give security to the breeder in the Outback.

As the hon. member for Gregory knows so well, this is vitally important. The hon. member for Bundaberg knows it, too. The breeder can get ahead with a different programme for his herd. He can get rid of his old five-year-olds and six-year-olds. He can get down to holding only two-year-old and three-year-old steers. He will know full well that he does not have to hold his cattle but can let them go to suitable fattening areas adjacent to meatworks.

This is a pattern that is not new. It is a pattern that has developed in other parts of the world. The Middle West of the United States of America was developed this way. With the improvement in their grazing areas and the corn belt they have developed a stage further than we have. It has developed into a feed-lot system. The breeding areas in the United States have developed into a desirable pattern because those people know full well that their cattle can be taken off into the feeding areas. The trend towards

the feed-lot system is slowly but surely developing here, but the economics of it will determine its future development in Australia.

In turn, what will it do? It will have several remarkable results to which I can point. Firstly, with the older bullocks being turned off there will be an increase in the breeding herds on properties with an increase in other types of cattle. Obviously there will be an increase in the breeding herds. In the past the pastoralist sold the four, five and six-year-old bullocks—the traditional marketing ages for beef cattle, ages at which they held condition. Now he can turn more to breeding—building up his breeders—knowing there will be an effective demand for younger cattle. This will give economic stability. There will be a continuity of supply, providing economic stability between the grower and the fatterer.

The second advantage which comes to my mind is that the fatterer will have stability of operation because he will know that the grower or the breeder in the outback areas is settling into a pattern of stability in breeding. Therefore, he may pursue his fattening operations with greater vigour knowing that he can get his stock either by contract or on the open market. He knows that the road and rail systems will benefit him, but of even greater importance is the fact that there will be continuity of supply for the export trade.

Mr. Aikens: And it will save terrific wastage in times of drought.

Mr. MURRAY: How right the hon. member for Townsville South is; he understands this subject.

This will give stability to the industry from A to Z. How often have we looked at the position of the industry and deplored the fact that we could not continue the chilled beef market to the United Kingdom and the other markets of the world.

Mr. Rae: We will now, with young beef.

Mr. MURRAY: Of course we will. This will give us an opportunity to restore our chilled beef to the markets of the world. Our shipping lines built magnificent ships to try to encourage us but they have virtually fallen by the wayside because we have been unable to give continuity of supply to the shippers.

Mr. Aikens: In the past they were concentrating on old, fat cattle.

Mr. MURRAY: That is right. The world trend is now towards young, lean meat.

Hon. members on both sides know this full well. If they go to a butcher shop they do not want 1½ inches of fat, however desirable the meat may be. We cannot afford fat meat. Meat is expensive but, with improved economics in the whole of the beef industry, I sincerely hope and trust—and I believe—that we will be able to get meat

on to the family table at a more economic price so that it will become more and more a part of the family budget as it was in the past. I think this will happen although it may take time. With stability in the industry from breeder to supplier, right through to home consumption and export, I believe this trend will develop, and that is what we desire. This Government knows what is needed. It is important to remember that these matters were investigated and submissions were made on them. I know that for one reason or another hon. members opposite will criticise or interject, but I ask them to remember that this subject was faced up to in 1958-59, when it was thoroughly investigated. Here is the blueprint—the plan. Therefore, this motion as moved by the hon. member for Gregory should commend itself to the House.

Mr. Aikens: You will have a big job convincing some graziers who are stubbornly living in the past.

Mr. MURRAY: The hon. member for Townsville South has raised something that is almost traditional. After all, this happens in all industries, and it certainly is applicable because it is so visible in the primary industries. But time changes everything. We are establishing rural training schools. That is one answer; others are field days, industry support, and an awareness day by day, year by year, of the need to bring to the farm the technological knowledge of the industry's research men who are playing their part in gradually getting rid of the traditional type of inefficiency which the hon. member for Townsville South mentioned. We know this and we recognise it.

Let us give credit to the pioneers for the work they did. Many of them came into this new environment with a full knowledge of the environmental nature and temperate climate of the districts they had left, and endeavoured to develop country that did not have a temperate climate. We should give credit to them and to those who opened up the North. So many of them failed. So many of them were prophets without honour in their own country. But if, from above, they can look down today and see what this Government is doing, and the awareness we now have of these problems, they will at least feel that their efforts were not in vain.

Mr. SULLIVAN (Condamine) (12.37 p.m.): It is indeed pleasing for me to participate in this debate. It is proper that such a motion should have been moved by the hon. member for Gregory and seconded by the hon. member for Flinders. Those two hon. members have had a lifetime of experience in the area where these roads are being constructed. I commend them for the manner in which they moved and seconded the motion.

Before entering this House, the hon. member for Gregory was associated with wool-broking firms and stock agents on many occasions. He had experience of travelling

with stock and bringing stock out of the areas in question, so he knows the disadvantages that face graziers. Since becoming a member of this Parliament he has played an important part in many of the discussions at Government level. It is proper, therefore, that he should have moved this motion expressing to the Federal Government the appreciation of the State Government for the assistance given to it.

It is a true indication of the wisdom of the people of Australia that there is a Liberal-Country Party Government in Canberra and a Country-Liberal Government in Queensland. We are continuing to progress as a partnership, and while those governments remain in power—it seems that they will for many years to come—there will be nothing but progress, particularly in the development of roads.

It is proper that the hon. member for Clayfield should participate in this debate. He was a member of the Federal Government from 1958 to 1961, when deliberations took place and recommendations by the Queensland Government for the implementation of this scheme were considered. I am sure that, with his experience on the land in Northern Queensland and in the grazing industry in New South Wales, his knowledge was valued by the Federal Government.

Mr. Aikens: He was one of the few members of the Menzies Government who was not a Q.C.

Mr. SULLIVAN: With due respect to Q.C.'s, they may have some knowledge of rural areas but the hon. member for Clayfield would have been of great assistance to the Federal Government. I am sure all hon. members will agree with that.

Mr. Aikens: Any man from the back country is worth ten of them.

Mr. SULLIVAN: The hon. member for Townsville South could be right, too. Whilst I am dealing with interjections, I feel that the hon. member for Townsville South was right on the mark when he mentioned that prior to the development of this system of roads the cattle coming in were old, fat cattle, bullocks of six or seven years. I have seen them coming in from the Channef Country and other areas, and apparently he has seen them arriving in the North.

Mr. Rae: They lost us our overseas trade.

Mr. SULLIVAN: There is no doubt that they lost us our overseas trade, as the hon. member for Gregory says.

Mr. Aikens: Some were so fat they didn't walk, they waddled.

Mr. SULLIVAN: That is very true. I think it was the hon. member for Roma who mentioned in a previous debate that it has been necessary on occasions to shoe cattle being walked in from the Channef Country. It can well be imagined how hard

such a trip would be for beasts aged six or seven years and with liveweights of about 1,800 to 2,000 lb.

Thanks to the foresight of this Government, that situation has changed. All this development has taken place since the Government assumed office, so I think hon. members opposite will give us credit for taking the initiative in this matter. The old days are behind us, thank God.

I live in an area in which we look for cattle from the breeding areas of the West. As the hon. member for Gregory has often said, the construction of the system of beef-cattle roads has made it possible to bring stock from the breeding areas to the fattening areas at a much younger age. This is most important. The agricultural lands of the Darling Downs are too expensive for the breeding of cattle, and they are consequently used for fattening purposes. As was mentioned by the hon. member for Clayfield, the roads system, together with other means of transport, makes it possible for a fattener to work out his programme. He knows where he is going. He knows that when he has feed available for fattening, cattle will be available.

Mr. Aikens: And in many cases they can turn off a fat beast every 90 days.

Mr. SULLIVAN: That is true. I might mention for the benefit of hon. members opposite that when the Minister for Mines and Main Roads was with me the other day he saw not only on my property but all round it cattle that 90 days ago were drought-stricken and are today in nearly prime condition. It is economic to have good forward stores, and if there is a crop to put prime cattle on they can be turned off in three months.

Looking back over the history of the Beef Roads Scheme, much credit must go to the Co-ordinator-General of Public Works, Sir James Holt, and the Commissioner of Main Roads, Mr. Barton.

Mr. Newton: Who gave you that steer—the hon. member for Gregory?

Mr. SULLIVAN: No. I do not need to be given any steers. I make a few investigations of my own and I know what is going on. I am trying to be constructive. Most hon. members opposite are being attentive, but the silly interjection of the hon. member for Belmont was not worthy of him. When a scheme had to be put before the Commonwealth Government, the men to whom I have referred were the ones charged with that responsibility.

I am sure the hon. member for Gregory will agree that people living in the areas in which the roads have been built are very appreciative of the work of the Main Roads Department and of that great statesman, the late Ernest Evans. I have mates whose politics differ from mine, but with the development of the main roads and a system

of beef roads over the length and breadth of the State, they, together with most other people, agree that the Government has done a very good job in this field. If roads are required in certain areas, the question of whether or not they are represented by members of the Government parties should not come into consideration, and I think I am safe in saying that it has not during the life of this Government. As I said, most people are appreciative of what has been and is being done.

I wish to bring to the attention of the House a road in an area closer to Brisbane the construction of which, in my opinion, could be assisted by the provision of moneys under the Beef Roads Scheme.

Mr. Aikens: Don't be parochial.

Mr. SULLIVAN: I do not intend to be parochial; I am going right out of my electorate and into the electorates of a couple of other hon. members. I refer to the road from Bauhinia Downs to Taroom. I see that even brings a smile to the face of the hon. member for Barcoo, because that road would serve the brigalow area being developed in his electorate.

Mr. Aikens: And then he would take all the credit.

Mr. SULLIVAN: I do not think he would be as unfair as that. A submission has been made by the Taroom Shire Council in this respect, and I have heard my colleague the hon. member for Roma refer to it in this Chamber previously. After reading what he said and looking at a map, it seems to me that the road is almost a direct link from Clermont through Taroom and the Darling Downs to Brisbane. There is a great deal of detail in the council's submission—I will not bore hon. members with it—but evidently it is difficult for the Taroom Shire Council to finance the construction of the road from its own resources. It mentions in its submission that in the shires of Bauhinia, Duaringa, Emerald, Peak Downs, Jericho and Tambo there are about 631,000 head of beef cattle, and it has worked out that about 200,000 head of fat cattle are killed annually. Quite apart from the cattle that are slaughtered, this is a breeding area, and the development of this road would provide a direct route to the fattening areas of the western Darling Downs and the Darling Downs as well. That is why it interests me so much, and the submission put forward by the Taroom Shire Council and expounded by the hon. member for Roma during the session of this Assembly last year—I think both the hon. member for Barcoo and the hon. member for Mackenzie have commented upon it—is something to which the Main Roads Department could give consideration when allocating financial assistance under the Beef Roads Scheme.

Mr. O'Donnell: We would rather fatten them out in our own area than send them to the Downs.

Mr. SULLIVAN: That is very true; but if that area experienced very adverse climatic and weather conditions, such a road would be very beneficial. I am sure the hon. member will agree with that.

From the south-west and far west of Queensland, where properties unfortunately are still drought stricken, cattle are coming to the Darling Downs. Road transport is taking fodder out to the properties and bringing stock back to the Darling Downs, which has been blessed with good rains in the last couple of months.

Mr. Aikens: Even in good seasons there are parts of Queensland where you can fatten stock for only part of the year.

Mr. SULLIVAN: That is very true. It applies even in my area. The Minister for Lands is out there at the present time going over some country. I think the Minister for Works and Housing will agree that the country between Kingaroy and Jandowae is good only during the spring and summer months. It is good fattening country during certain times of the year. It is heartening to hear an interjection such as that because it draws attention to the fact that whilst we live in a wonderful cattle-fattening area the time has come when, in some parts we must fatten quickly.

At the present time, Dalby is the second biggest stock market in Queensland—it is second to Cannon Hill—and graziers in that area are looking to the possibility of providing a servicing or killing works there. At the present time it is all in the very initial stages but Dalby enjoys a very good market and I feel that if the road to which I refer, a plan of which has been forwarded by the Taroom Shire Council, was constructed, it could be of great assistance in bringing cattle to a quick market and servicing works at Dalby.

The Chinchilla saleyards provide a very good outlet for store cattle and buyers come up there from the South, in addition to the Darling Downs fatteners. Once again, because of the partnership between the Commonwealth and State Governments, we have been able to secure finance for the development of the brigalow lands in Central Queensland—in the Fitzroy Basin. But development and roads go together. We have the finance to develop the land and the men there doing it, many under great hardship, and it is necessary to have these roads constructed in order to get the produce out. I believe that the market for store cattle that exists at Chinchilla would be of great assistance to these people. It is the greatest fattening area in Queensland. As I say, we have buyers from New South Wales looking for store cattle which are taken from this area, through the Mackenzie electorate, Taroom, Chinchilla and Goondiwindi, to New South Wales.

Mr. Aikens: Do the southern buyers take the stores to New South Wales on foot or by road transport?

Mr. SULLIVAN: By road transport.

Mr. Rae: Many of them are taken by foot.

Mr. SULLIVAN: A few years ago men like Dave Cross, who died recently, took out thousands of cattle on foot every year, but in the main they are taken by road transport. As the hon. member for Gregory has mentioned, some are walked. Many cattle go across the border on foot from the Balonne electorate.

On behalf of the Taroom Shire Council, I recommend the building of this road. Once we have the roads that have been outlined in the Beef Roads Scheme by the hon. member for Gregory and the hon. member for Flinders, we must look at some of the closer-in roads.

There is another road in my area that serves a soldier-settlement area 70 miles north of Chinchilla. It is a big store cattle area. At a sale in Chinchilla a fortnight ago some 800 head of cattle were sold and 640 of them came from that area. One man sold 240 two-year-olds at an average of £49 17s 6d. a head. When this Mt. Auburn settlement was opened up after the war, unlike some areas it was not opened up specifically as a soldier-settlement area although participation in the ballot was restricted to returned soldiers. Unfortunately, it did not attract money for the construction of roads.

There is a lot of forestry land in the Chinchilla Shire and not very much money is collected in rates. Money allocated for beef roads in this area would be well spent in assisting graziers to get their stock to market. Not many years ago drovers walked the cattle in, whether they were in big mobs or just the dairy farmers' eight or ten culled cows. Nowadays around the Darling Downs we do not see any cattle driven on foot. They are all transported by road transport.

Mr. Aikens: The beauty of the fattening system is that the grazier in the West can now concentrate on breeding the type of cattle suitable for the particular area.

Mr. SULLIVAN: That is true.

Some years ago Sir Henry Abel Smith indicated his displeasure that we were not fattening sufficient of the type of cattle suitable for the chiller trade. Perhaps I may have been a little critical of him at the time but he has since been proved to be right. Graziers have very quickly woken up to the fact that if we are to retain our overseas markets we must produce the right type of beef.

Mr. Aikens interjected.

Mr. SULLIVAN: Even some breeders of Herefords and other British breeds who over the years had been most critical of the

various exotic breeds will admit today that some of those cattle in their particular environment do a better job than the straight-out British breeds. This is possibly more noticeable in the northern areas, where they are tick-resistant. I think we have a place for all of them. I always thought that no cattle would be more suited to the Darling Downs than the British breeds—Herefords or Angus—but at Jandowae a young man named George Greenup has developed the Santa Gertrudis breed over the last seven or eight years. What a great job he, his family and staff have done for the cattle industry in Queensland. I have his catalogue here. He is having his annual sale in a fortnight's time at which he will be selling pure-bred Santa Gertrudis cattle. He has done it for two years. It takes about four or five years to get a pure breed.

Mr. Aikens: In the North the Brahman, the Droughtmaster, and various other new breeds are taking over.

Mr. SULLIVAN: That is true. Here is a man developing a new breed right on the Darling Downs where we have always believed that the British breeds were the most suitable. His cattle are being used in competition with the British breeds. They are also being used in the northern areas. They go right up into the North and the North-west. It is an interesting story that we could talk about for a long time.

Reference has been made to the benefits to the tourist trade from these roads.

Mr. Aikens: It is a pity we cannot get metropolitan members more interested.

Mr. SULLIVAN: It is. The hon. member for Clayfield, who is a metropolitan member, has indicated his interest. I am sure most of his Liberal colleagues share that interest.

[Sitting suspended from 1 to 2.15 p.m.]

In accordance with Sessional Order, the House proceeded with Government business.

TREASURER'S FINANCIAL TABLES

Hon. T. A. HILEY (Chatsworth—Treasurer) presented the tables relating to the Treasurer's Financial Statement for the year 1965-66.

Ordered to be printed.

ESTIMATES-IN-CHIEF, 1965-66

Mr. SPEAKER read a message from His Excellency the Deputy Governor forwarding the Estimates of the probable Ways and Means and Expenditure of the Government of Queensland for the year ending 30 June, 1966.

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

SUPPLY

OPENING OF COMMITTEE—FINANCIAL STATEMENT

(The Chairman of Committees, Mr. Hooper, Greenslopes, in the chair)

Hon. T. A. HILEY (Chatsworth—Treasurer) (2.17 p.m.), who was received with Government "Hear, hears!", said—

MR. HOOPER,

The year 1964-65 will go down in history as a year of mixed fortune.

The State's economy suffered the grievous blow of the Mount Isa Mines strike which also seriously affected the State's own finances. The year saw a sharp decline in the prices of wool and sugar. During the second half of the year—a period in which we would normally expect a wet season—the grim spectre of drought loomed over much of the State. Examination of rainfall data for the period January to July, 1965, shows that every meteorological district in Queensland was below normal in its average rainfall registration for the period.

This, in few words, was the grim side of the picture. However, there was a bright side.

The Government's strenuous efforts to foster industrial and mineral development in Queensland bore real fruit and this development was a substantial factor in minimising seasonal fluctuations which, perforce, periodically strike every community largely dependent on primary industry.

As I was able to inform the House in my last Financial Statement, the State's economy has been progressively improving over recent years, with personal income and certain other indicators improving at a rate faster than the general Australian rate of improvement. Particularly is this noticeable in the case of those indicators which reflect improvements in income and expenditure, such as retail sales and new motor vehicles registered. Whilst the drought and lower prices for wool and sugar will, no doubt, temporarily slow down this relative improvement of Queensland conditions as compared with the Australian average, I have no doubt that any such retardation will be short-lived in its effects and the State's relative rate of improvement will continue undiminished.

It is gratifying to be able to report to the House the very evident benefits which are flowing from our policy of industrialisation and mineral development. The ever-growing tonnages of rail traffic from Mt. Isa and of coal from the Central Queensland coalfields will boost rail and other revenues this year and thus help to offset the decline due to the drought. Manufacturing and other industrial developments are continuing at high levels. This is evidenced by such statistics as the increase in employment in manufacturing and in commerce, where the Queensland

increases between June 1964 and June 1965 have considerably exceeded the Australian percentage as the following figures show:—

	Queensland %	Australia %
Manufacturing ..	6.27	3.89
Commerce ..	4.76	2.57

The value of work done on new buildings other than dwellings during the March quarter, 1965 was about £11½ million or some 24 per cent. above the level twelve months earlier. The Australian increase was 19 per cent. These figures continue the trend over recent years when Queensland's building activity has been expanding rapidly. Over the period 1962 to 1964 the value of non-dwelling building rose from £23.4 million to £39.8 million or by 70.5 per cent., whereas the comparable total for Australia rose from £261.8 million to £323.0 million or by 23.4 per cent. Looking at factories alone the value of building work done in the March quarter 1965 was £2,110,000, or 10.8 per cent. of the Australian level. This is higher than the 9.1 per cent. of Australia's factory workers in Queensland.

The same encouraging picture is shown in advances by major trading banks. Each six months a dissection of advances is published. Comparing total advances for business purposes at 13th January, 1965, with those at 8th July, 1964, the Queensland total showed an increase of 3.6 per cent., whereas the Australian total declined by 1.1 per cent. Within the total, advances for manufacturing increased in Queensland by 15.6 per cent., whereas for Australia they increased by only 3.5 per cent.

Such indicators as savings bank deposits, motor vehicle registrations and retail sales all show a high level of economic activity in the State.

Major development work is not slowing down—indeed, its pace will accelerate in 1965-66. Port and township work at Weipa will be in full swing. At Gladstone, massive Governmental and private developments for bauxite and coal will require record expenditures. Construction of the direct railway from Moura will accelerate and, in the meantime, tonnage of coal hauled over the existing line will be stepped up. Substantial expenditures will be required in Queensland for the Commonwealth augmented defence effort. In Brisbane one oil refinery is on stream and the other is nearing completion and will be operative this year. These and the many other developmental projects under way have opened an exciting chapter in Queensland's progress.

Despite the drought and reduced prices for wool and sugar, our new industrial development maintains a strong employment demand and a high level of economic activity.

FINANCIAL RESULTS—1964-65

CONSOLIDATED REVENUE FUND

Receipts for the year totalled £133,569,656 whilst expenditure amounted to £135,607,530. After taking into account £248,692 standing to the credit of the Consolidated Revenue Fund at 1st July, 1964, the accumulated deficit at 30th June, 1965, was £1,789,182 compared with a budgeted deficit of £585,000.

Experience during the year provided contrast. Financial results for the first six months were most encouraging and it was confidently expected that the year would finish showing an improvement on the position envisaged when the Budget was presented to the House last year. However, in the second half of the year the effects of the Mount Isa Mines strike, the drought and depressed prices for wool and sugar reacted on the State's finances to such an extent, that the end result was a deficit of £2,037,874 on the year's transactions. A perusal of the Tables will show that the deficit is attributable directly to the shortfall in receipts and not to over expenditure by Departments.

Receipts for the year at £133,569,656 were £2,367,652 below the amount estimated. Largest sufferer by far in revenue was the Railways Department where receipts were £2,093,327 below the anticipated figure. Loss on freight from Mount Isa Mines was £1,616,137. In addition there was the associated loss of general traffic which necessarily follows a disruption to a local economy of the magnitude of this dispute. Revenue from the carriage of wheat for export fell below expectation and was another contributing factor to the downturn in Railways' revenue. These factors were partially offset by increased traffic in other sectors, the outstanding improvement in this behalf being in the carriage of Moura coal. Here receipts increased from £1,162,595 in 1963-64 to £1,726,321 in 1964-65.

I should emphasise to the Committee that the £1,616,137 freight loss in Railways revenue attributed to the Mount Isa Mines strike is lost totally to the State. It cannot be looked on as a deferred shortfall which will be made good in subsequent years. Indeed, with mine development forced months behind schedule, the level of production, though rising, continues on a much lower scale than would have been the case had there been no interruption to the planned development.

Stamp Duty collections were £108,334 below the estimate whilst Succession and Probate Duty receipts were £918,354 below the amount anticipated. Stamp Duty collections, an excellent barometer of economic

conditions, continued at a high level in the first half of the year where £3,449,060 of a total revenue of £6,641,666 was collected. In the second half of the year collections of duty reflected the adverse effect of the drought and the Mount Isa Mines strike. Succession revenue suffered from lower valuations of drought affected properties, from a substantial drop in prices on the Australian share market, from a temporary lag of approximately one month in assessment output during the year and from a fortuitous reduction in the number of assessments in the high brackets of estate values.

Totalisator and Betting Tax revenue totalled £802,244 for the year, an increase of £164,980 over the previous year and £102,244 above that originally anticipated. Bookmakers turnover receipts amounted to £692,547 or

£29,547 above estimate. The following table shows the growth of the T.A.B. and associated Government revenue.

	Amount Invested on T.A.B. £	Receipts to Consolidated Revenue £
1962-63 ..	3,725,729	110,817
1963-64 ..	10,010,233	299,559
1964-65 ..	13,782,773	408,922

Expenditure for 1964-65 totalled £135,607,530 and was £1,163,470 below the budgeted allocation of £136,771,000. In a year where there was a most serious shortfall in revenues, the careful husbanding of finances by Departments was most commendable. Increased costs brought about by variations to Public Service and other Awards were to a large extent absorbed by the Departments living within their budget allocation. The following table illustrates the variations from Budget estimate:—

	Budget Estimate 1964-65 £	Spent 1964-65 £	Variation £
Schedules A, B and C	6,200,440	6,208,940	+ 8,500
Schedule D—Interest on the Public Debt	18,793,782	19,414,088	+ 620,306
Executive and Legislative	241,832	247,550	+ 5,718
Premier and State Development	741,148	747,950	+ 6,802
Industrial Development	328,378	320,819	— 7,559
Education	32,371,092	32,808,950	+ 437,858
Health	18,100,173	18,175,206	+ 75,033
Justice	1,765,045	1,752,811	— 12,234
Labour and Industry	2,356,402	2,380,233	+ 23,831
Lands	1,779,231	1,610,803	— 168,428
Local Government, Irrigation and Forestry ..	1,835,415	1,892,927	+ 57,512
Mines and Main Roads	744,978	709,151	— 35,827
Primary Industries	2,143,327	2,229,993	+ 86,666
Railways	42,030,000	41,263,276	— 766,724
Transport	385,809	380,863	— 4,946
The Treasurer	3,937,072	2,466,636	— 1,470,436
Works and Housing	2,826,661	2,802,457	— 24,204
Auditor-General	190,215	194,877	+ 4,662
£	136,771,000	135,607,530	— 1,163,470

The increase of £620,306 in interest payments was brought about in the main by the short and long term securities of the August, 1964 Commonwealth Loan being issued as May maturities. These required interest payments of nine months on account of new raisings and fifteen months for conversions. Provision had originally been made for six months and twelve months' interest payments respectively. In addition, a substantial issue of 3½ per cent. bonds became due for redemption or conversion in August, 1964. These particular maturities totalled £20,292,143 and were converted to £3,455,000 at 4½ per cent., £3,445,000 at 4¼ per cent., £9,766,000 at 5 per cent. and £1,626,000 to 4¼ per cent. Special Bonds. The balance of £2,000,143 was redeemed by the National Debt Sinking Fund.

Excess expenditures in the Education Department were occasioned by basic wage and award increases together with an extra payment of £324,801 to the Queensland University to meet salary arrears for the academic year 1964. The Commonwealth's share of this payment, £122,127, is included in Revenue receipts.

Despite basic wage and award increases costing £1,593,872 the Railways Department's expenditure was £766,724 below estimate. Running expenses in the Northern Division were down £590,979 on estimate, a large part of the saving resulting from a reduction of rail services to Mount Isa which may fairly be regarded as an offset to the cost of the strike. Dieselization and operating economies generally continue to play a major part in providing savings within the cost structure of the Railway Department.

The main saving under "Treasurer" was the £1,000,000 appropriated for basic wage and award increases. By observing strict budgetary control, most Departments were able to absorb these increases. In addition, £300,000 of the provision for Subsidies to Local Bodies in Consolidated Revenue was met from Loan Fund and £100,000 of the provision for the reconstruction of the Mitchell River and Edward River Mission Stations was not required in the year and has been reprovided in this year's Budget.

TRUST AND SPECIAL FUNDS

The Trust and Special Funds record the financial activities of Trustee Funds, Working Accounts and Construction Funds. The increasing tempo of developmental and construction works throughout the State is clearly illustrated in the level of activity in the major Construction Funds. The following table compares the expenditure in these Funds in 1964-65 with that for 1963-64:—

Fund	1963-64	1964-65	Variation
	£	£	£
Barron River Hydro-electric Extension Project	353,894	277,631	— 76,263
Beef Cattle Roads	1,722,434	2,574,021	+ 851,587
Commonwealth Aid Local Authority Roads	1,571,980	1,394,293	— 177,687
Commonwealth Education (Construction)		331,485	+ 331,485
Commonwealth-State Housing	9,175,656	7,804,684	— 1,370,972
Co-ordinator-General of Public Works	320,708	410,468	+ 89,760
Electricity Development	2,034,314	2,541,105	+ 506,791
Fitzroy Brigalow Land Development	739,415	1,093,025	+ 353,610
Harbour Dues	2,310,471	2,649,924	+ 339,453
Irrigation and Water Supply	2,665,678	2,837,797	+ 172,119
Main Roads	21,774,223	24,517,853	+ 2,743,630
Mount Isa Railway	6,470,853	2,085,594	— 4,385,259
Moura Railway		752,309	+ 752,309
Port Development	414,095	724,658	+ 310,563
Queensland Housing Commission	4,038,710	4,376,090	+ 337,380
Roads Maintenance	1,245,141	1,634,214	+ 389,073
University Capital Works	1,541,491	1,517,209	— 24,282
£	56,379,063	57,522,360	+ 1,143,297

Excluding the Mount Isa Railway Project Fund where expenditure tapered off as the line neared completion, increased expenditure on these Funds in 1964-65 exceeded that of 1963-64 by £5,528,556. The Main Roads Fund accounted for almost 50 per cent. of the increased expenditure and outlays from the four road funds, i.e., the Main Roads Fund, Commonwealth Aid Local Authority Roads Fund, the Roads Maintenance Fund and the Beef Cattle Roads Fund, reached £30,120,381 by far the highest figure yet recorded on road expenditure.

Agricultural Bank Fund expenditure of £7,752,756 exceeded 1963-64 figures by £1,133,241, whilst the increased Farm Water Supplies expenditure of £466,207 showed the growing popularity of this assistance to farmers.

The apparent decline in Housing expenditure from the extraordinary high figure in 1963-64 was counteracted by an increase of £1,367,000 in funds made available from State Government sources to Co-operative Housing Societies in the year.

Receipts credited to Trust and Special Funds totalled £131,388,175 and exceeded the Budget figure by £1,585,971. Full details of the Trust and Special Funds are contained in the relevant Tables.

LOAN FUND

Loan Fund expenditure in 1964-65 reached a total of £38,802,244 compared with an expenditure of £34,823,730 in 1963-64. Expenditure was £497,244 in excess of the budgeted sum of £38,305,000. The excess expenditure was made possible by an increase in loan repayments.

Main heads of expenditure were—

	£
Government Buildings	8,795,105
Loans and Subsidies to Local Bodies	6,943,392
Railways	6,247,158
Irrigation and Water Supply	2,938,000
Agricultural Bank	2,550,000
Co-ordinator-General of Public Works	2,429,000
Forestry	2,298,717
Electricity Development	2,270,000
Queensland Housing Commission	2,150,000

By far the largest portion of expenditure on Government Buildings was incurred on the provision of school accommodation. Of the £8,795,105 expended on Government Buildings, £4,804,332 or 55 per cent. was on account of schools.

Rolling stock purchased during the year accounted for £3,899,074 or 62.4 per cent. of the Railways Department total outlay. This high component of expenditure on rolling stock enabled the Department to take

on its strength, 30 new diesel electric locomotives, 400 louvered box wagons and 163 open goods wagons. This expanded fleet of railway rolling stock will materially boost railway revenues in this and future years.

As can be seen from the table, Irrigation and Water Supply, Agricultural Bank, Electricity Development, Forestry and Housing are also competing for their share of available capital and it is a constant exercise of judicious government to ensure that each particular field is treated equitably and the State moves forward in balanced progression.

CASH BALANCES AND INVESTMENTS

Following the fall in Consolidated Revenue receipts plus a high level of expenditure in the Trust and Special Funds, there was a sharp downturn in the State's Cash Balances and Investments in 1964-65, exclusive of investments made on behalf of special accounts. As a result of these factors the level of cash balances and investments fell by £3,197,935 as the following table indicates:—

	At 30th June	
	1964 £	1965 £
CASH BALANCES—		
Consolidated Revenue Fund Cr. 248,692	Dr. 1,789,182
Trust and Special Funds Dr. 6,377,880	Dr. 5,248,987
Loan Fund Cr. 116,796	Cr. 32,423
	<u>Dr. 6,012,392</u>	<u>Dr. 7,005,746</u>
SHORT TERM INVESTMENTS—		
Commonwealth Government Inscribed Stock ..	6,550,000	1,321,260
Official Short Term	7,275,000	7,950,000
Fixed Deposits	1,000,000	1,000,000
Other	2,500	6,000
	<u>14,827,500</u>	<u>10,277,260</u>
LONG TERM INVESTMENTS—		
Housing Societies	499,871	897,785
Local Bodies	3,910,113	4,395,121
Commonwealth and Semi-Governmental ..	9,125,813	10,588,550
	<u>13,535,797</u>	<u>15,881,456</u>
TOTAL CASH AND INVESTMENTS	<u><u>Cr. 22,350,905</u></u>	<u><u>Cr. 19,152,970</u></u>

Net investments from our hard core cash increased by £2,345,659. The additional investment comprised £1,462,737 in Commonwealth and Semi-Governmental securities, £485,008 in advances to Local Bodies, £107,209 for Public Service Housing Societies and £290,705 for Co-operative Housing Societies financing the purchase of existing homes.

The drop in the level of short term investments reflects the lesser volume of day to day working balances available due to the fall off in our Consolidated Revenue receipts. As I have explained in previous Budgets,

moneys in excess of daily needs of government are invested in the Short Term Money Market. Despite the fall off in investible funds, higher prevailing interest rates enabled the sum of £375,589 to be earned in 1964-65 compared with £342,225 in 1963-64. This form of investment has proved to be a most lucrative additional source of revenue to the Government.

Total interest return from the investment of the Treasurer's cash balances amounted to £1,142,352 for the year. Interest is allowed on the balances of the Public Service Superannuation Fund and certain other Trust Funds. This offset totalled £616,483 and

the net gain on the investment of Treasurer's Cash was £525,869 compared with £499,160 in 1963-64.

PUBLIC DEBT

The Public Debt of the State at 30th June, 1965, amounted to £439,845,741, an increase of £29,111,057 for the year 1964-1965, which increase was incurred as follows:—

		£
Cash Proceeds of Loan Raisings		33,376,000
Add Discounts on Loan Raisings		35,041
		<hr/>
		33,411,041
Less Redemptions by National Debt Commission		4,299,984
		<hr/>
Increase in Public Debt 1964-65		£29,111,057

The cost of servicing the Public Debt continues to rise. Last year gross charges amounted to £23,379,277 which was offset by recoveries of £6,007,274 leaving a net

The cash proceeds of the various loans and Queensland's share of the Works Programme therein are briefly set out hereunder:—

	Total Raised for Works and Housing	Total Raised for Works Programme	Queensland's Share of Works Programme
	£	£	£
Public Loans raised in Australia	179,222,000	146,327,745	14,850,835
Proceeds of Sales of Special Bonds	22,502,000	18,443,030	2,579,370
Domestic Raisings	10,322,000	10,322,000	9,376,000
Overseas Loan	11,054,000	8,843,204	6,569,795
Special Loan from Commonwealth	66,900,000	54,714,021	33,376,000
	<hr/>	<hr/>	<hr/>
£	290,000,000	238,650,000	33,376,000
	<hr/>	<hr/>	<hr/>

PUBLIC LOANS IN AUSTRALIA

Four public loans were issued in Australia in 1964-65 seeking £210 million. Subscriptions to these loans yielded £206·8 million of which £27·5 million was used for redemptions.

The first loan in August, 1964 yielded £71 million having been offered at 4½ per cent., for short term maturing May, 1967, 4¾ per cent., for medium term maturing February 1975 and 5 per cent., for the long term maturing May, 1984. Medium and long term issues were made at par and the short term was issued at £99 10s. 0d. to yield £4 8s. 10d. per cent.

The November, 1964 loan followed the pattern of the previous loan with the short term yielding a slightly higher £4 9s. 2d. per cent. The loan yielded £50·2 million, approximately £10 million short of target.

charge of £17,372,003 to Revenue. This represented 13·01 per cent. of the total Revenue collections. As recoveries on account of the Railways Department debt are recorded as such only when the Department shows an operating profit, it necessarily follows that Railways Department finances have a considerable bearing on the costs associated with the servicing of the Public Debt. Full details of debt services are shown in Table "F" attached to this Statement.

LOAN RAISINGS

The Government Borrowing Programme for 1964-65 approved by Loan Council for Works and Housing was £290 million. £36·676 million of this amount was allocated to Queensland, £33·376 million for Works and £3·3 million for Housing under the Commonwealth/State Housing Agreement.

The programme of Works was financed by the issue of four public cash loans in Australia, the sale of Special Bonds, domestic issues, an overseas loan and a special loan issue by the Commonwealth Government to provide fully the borrowing programme of £290 million.

Due to the marked reduction in support for short and medium term securities in earlier loans, the prospectus for the February issue provided for shorter terms than previously offered to attract institutional subscribers. This loan offered 4½ per cent. for short term maturing in October, 1966, 4¾ per cent. for medium term maturing in September, 1971, and 5 per cent. for long term maturing in May, 1985. The short term was issued at £99 12s. 6d. to yield £4 9s. 7d. per cent. and the medium term at £99 5s. 0d. to yield £4 12s. 8d. per cent. The loan yielded £39·2 million being £20·8 million under subscribed.

Following the unsatisfactory results of the previous two public loans, the April loan was offered at rates consistent with market

bond yields. Accordingly, the public was requested to subscribe £40 million on the following terms:—

Five per cent. for short term maturing in February, 1968, 5 per cent. for medium term maturing in February, 1975 issued at £99 to yield £5 2s. 8d. per cent. and 5½ per cent. for long term maturing in May, 1985.

Subscriptions to the loan amounted to £46.3 million, an oversubscription of £6.3 million.

SPECIAL BONDS

Net proceeds of Special Bonds—Series "J", Series "K" and Series "L"—were £26.9 million of which Queensland received £2,579,370.

DOMESTIC RAISINGS

Loans from the Commonwealth Savings Bank of Australia in terms of the Savings Bank Amalgamation Agreement amounted to £9,376,000 and formed the major part of the Domestic Raisings of £10.4 million by all States. The loans were issued for 25 years at 4½ per cent.

OVERSEAS LOAN

During 1964-65 by prospectus issued in New York, a cash loan of 25,000,000 United States dollars was offered for subscription in the United States of America, the United Kingdom, and various European centres. The issue price was 98½ per cent. and Commonwealth Bonds bearing 5½ per cent. interest maturing 1st May, 1985, were issued for the loan. The Australian equivalent of the loan proceeds £11,054,005 was used for the public works programmes of the Commonwealth and the States. No funds were allocated to Queensland.

Two conversion loans were floated during the year to deal with Commonwealth Government Inscribed Stock. The transactions affecting Queensland debt are set out in the following table.

Date Maturing	£	Redeemed or Converted to	£
August, 1964—			
3½ per cent. .. 15-8-64	20,292,143	4½ per cent., 15-5-67	3,455,000
		4½ per cent., 15-2-75	3,445,000
		5 per cent., 15-5-84	9,766,000
		Special Bonds—Series "K" ..	1,626,000
		Redeemed by National Debt	
		Sinking Fund	2,000,143
	<u>£20,292,143</u>		<u>£20,292,143</u>
April, 1965—			
4½ per cent. .. 15-4-65	4,003,000	5 per cent., 15-2-68	3,951,000
5 per cent. .. 15-4-65	8,972,590	5 per cent., 15-2-75	2,396,000
		5½ per cent., 15-5-85	4,477,000
		Special Bonds—Series "L" ..	171,000
		Redeemed by National Debt	
		Sinking Fund	20,590
		Redeemed from proceeds of Cash	
		Loan No. 153	1,960,000
	<u>£12,975,590</u>		<u>£12,975,590</u>

SPECIAL LOAN

From its own resources, the Commonwealth provided a special loan of £67 million thus finding the difference between Loan raisings and the Works and Housing Programme of £290 million. Queensland's share of this Special Loan was £6.6 million. Securities for the loan were issued with similar terms to the April, 1965 loan.

SINKING FUND

Contributions to the National Debt Sinking Fund in 1964-65 in respect of the Queensland debt amounted to £4,820,997 included in which were Commonwealth contributions of £1,054,413.

Securities of a face value of £4,299,984 at Mint par rate of exchange were cancelled, comprising £2,870,590 of debt domiciled in Australia, £1,115,000 in London, £303,092 in New York and £11,302 in Canada. The actual cost of purchase of these securities was £4,861,511.

LOAN REDEMPTIONS AND CONVERSIONS

Debt of the State which was converted, redeemed or repurchased during the year amounted to £40,461,994, made up as follows:—

Commonwealth Government Inscribed Stock	£ 33,267,733
Commonwealth Government Inscribed Stock	1,719,063
Special Bonds	994,000
Commonwealth Debentures	51,804
Commonwealth Registered Stock and Bonds—	
Overseas	1,429,394
Treasury Bills	3,000,000
Total ..	£40,461,994

Securities issued for Queensland's share of redemption from the proceeds of Cash Loan No. 153 were—

	£
5 per cent., 15th February, 1968	784,000
5½ per cent., 15th May, 1985	1,176,000
	£1,960,000

In the past two financial years £25.95 million of 3½ per cent. stock has been converted to stock having interest rates ranging from 3¼ to 5 per cent. with the bulk ranging between 4½ and 5 per cent. The increased rates payable are reflected in the increased budget provision for Interest on the Public Debt.

Commonwealth Government Instalment Inscribed Stock issued in terms of the Commonwealth Savings Bank Amalgamation Agreement amounting to £921,010 was converted during the year. The rates on Stock

due for conversion ranged from 3 to 4½ per cent. and was replaced by stock issued at 4½ per cent.

£994,000 in Special Bonds of various series was redeemed during the year from the proceeds of new issues.

AUSTRALIAN LOAN COUNCIL

The Australian Loan Council meeting in July, 1965, was held against an economic background where each Premier recognised the need for reasonable restraint. There was general agreement around the table that this was not the year for an expanded spending effort in the public sector. The end result was that the Governmental Borrowing Programme for Australia was increased by £5 million and the debenture programme remained unchanged except for a special allocation of £1.5 million to the State of New South Wales. A comparison of the programmes approved for Queensland for 1965-66 as against those for 1964-65 is set out below.

Year	Governmental Borrowing Programme	Semi-Government Debenture Programme	
		Normal	Special Allocation
1964-65	£ 36,676,000	£ 24,023,000	£ 955,000
1965-66	37,308,000	24,023,000	..

As in the previous year, no limit was placed on debenture raisings by Local Authority and other Local Bodies with an annual programme of £100,000 or less. Raisings last year by this group totalled £6,629,959, and again we did comparatively better than any other State in this behalf.

I feel I should state a note of warning on debenture raisings for this year. For the past eight years the Government has had the happy record of seeing raised 100 per cent. of the State's debenture allocation. I believe that, with tightening liquidity and competition for funds from other sources, this is a year in which we might well be hard pressed to repeat this raising performance.

NEW FINANCIAL ASSISTANCE GRANT SCHEME

The conference of Commonwealth and State Ministers held at Canberra on 1st June, 1965, was one of the utmost importance to the State. It was this conference which settled the level of Financial Assistance Grants by the Commonwealth to the States for the five year period commencing on 1st July, 1965.

Briefly, the basic decisions of the conference could be stated in this way—

- (1) The term of the new agreement is a period of 5 years from 1st July, 1965;

- (2) The betterment factor built into the scheme is to be a fixed addition of 1.2 per cent. per annum to the annual grant. It is no longer related to movement in wages as it was under the old scheme. This new basis represented almost a trebling of the previous rate of benefit; and

- (3) The time lag in measurement of population for formula purposes has been overcome.

However, the real triumph of the conference from Queensland's viewpoint was the recognition by the Commonwealth of the need to improve Queensland's position relative to the other States. Dealing with the need for improvement to Queensland's grant, the Right Honourable the Prime Minister had this to say:—

"I now turn to the case of Queensland. We believe that there is one State which, as compared with others, is clearly lagging in the financial sense. I refer, of course, to Queensland. Although in terms of sparsity of population, area, and other similar factors it could scarcely be regarded as being better situated than South

Australia, its per capita grant for 1964-65 is about £31·67 as compared with £37·43 for South Australia. We believe that there is a clear case for adjustment in the case of Queensland in order to improve her relative position. Therefore, we propose that the purpose of determining the base amount for Queensland an amount of £1 million be added to the financial assistance grant payable to that State in 1964-65. This is not a retrospective proposal. It means that we take the amount paid in 1964-65 and add £1 million to it and that for each subsequent year a sum of £1 million be added to Queensland's financial assistance grant for the purpose of calculating the grant for the subsequent year. That means that in the first year £1 million would be added, in the second year £2 million and in the third year £3 million. Assuming we adopted a five year term, it would rise to £4 million, £5 million and I think £6 million."

The adjustment approved is a simple one of far reaching consequences. £1 million is to be added to the State's base grant for 1965-66 and an additional £1 million is added to the base in each succeeding year of the scheme. It is our calculation that, over the five years of the new scheme, this special addition will be worth some £18 million to the State and that, in the fifth year of the scheme, the annual benefit will be approximately £6·3 million. This improvement is built into our basic entitlement in perpetuity.

Other than a minor improvement in the case of Victoria, Queensland was the only State to improve its relative position.

The Government has already expressed its grateful thanks to the Right Honourable the Prime Minister and his Government, for this realistic and helpful assessment of Queensland's needs. Coming on top of the special Section 96 grants made available for developmental purposes, the funds are a welcome addition to our total resources and will be of material assistance to the Government in pursuing its active policy of advancing the welfare of this great State. The Committee can rest assured that the funds will be used to best advantage.

MOUNT ISA RAILWAY PROJECT

To all intents and purposes, the rehabilitation of the Mount Isa line is now a reality. Apart from the finalisation of claims from a few contractors, the job is completed and the reconstructed line is now fully operative.

Net expenditure on the line to 30th June, 1965, was £25,492,614. Final cost is anticipated to be £25,900,000. Under the terms of the Agreement between the Commonwealth and the State, the Commonwealth was to provide up to £20,000,000 towards the cost of the project by way of a repayable loan at 5½ per cent. for 20 years. The State was to provide the remaining £10,000,000 of the project's estimated cost of

£30,000,000. It is expected that the respective contributions now will be £17,266,667 and £8,633,333. The saving of £4·1 million against the original estimate is most gratifying. Large savings in important public works are a new but welcome feature in public administration.

The line is a splendid asset to the State. In its own right it is an economic proposition and I can see no prospect of a one penny charge on the taxpayers of this State either for operating or debt servicing charges. The line will have no difficulty in amortizing its capital liability in the 20 year period.

There is not only the direct return from the line. In addition the State will reap the rewards of a rapid development of the Mount Isa mining complex and its ancillary industries and of our pastoral industry and supporting communities that a project of this nature encourages.

Finally, by way of a tribute to the work done on a project which has always been very close to my heart, I pay a compliment and extend my congratulations to all associated with the project. I have in mind, particularly, the Minister for Railways and his departmental officers, the firm of Ford Bacon and Davis, as consulting engineers to the project, the contractors, the engineers, the technicians and last, but by no means least, the men, both Australian and New Australians working as a team to complete the task. It is a job of work to which we can proudly point as an example of what can be done in the development of this State by joint Governmental action.

BEEF CATTLE ROADS

Work on the Beef Cattle Roads was stepped up considerably during 1964-65, with an expenditure of £2,574,021 compared with £1,722,434 in 1963-64.

The Commonwealth is contributing £8,300,000 to the Scheme, £5,000,000 by way of free grant and £3,300,000 on a repayable loan basis. Taking into account moneys originally expended by the State, £9·3 million is available for the project.

Commonwealth advances to the 30th June, 1965, were £5,997,492 which, with the £2,000,000 expected in 1965-66, leaves a little over £300,000 to be drawn against funds approved to date under the existing agreement.

Total mileage in the Beef Roads project is 932. At present 717½ miles either have been completed or are under construction. Of this total, 520 miles or 72·5 per cent. are bitumen sealed.

These roads have already proved a boon to the cattle industry, in Queensland. They have facilitated the movement of drought stricken cattle which otherwise would have died, they will enable the quick restocking of affected areas after the drought has broken and in normal seasons will provide a ready means of transport of cattle to railheads with little loss of condition.

BAUXITE AND ALUMINA

Major port and township works are required at Weipa for the shipment of growing tonnages of bauxite and at Gladstone to provide facilities for the import of bauxite to be treated at the alumina plant and the export of alumina produced by the plant. The Government has undertaken to find either funds or debenture allocations for these works, as the case may be.

The commitment at Weipa is £5,651,790 comprising—

	£
Existing harbour works purchased	1,700,000
New harbour works to be provided	2,366,790
Provision of Township facilities	1,585,000
	£5,651,790

The amount required to be provided or allocated by the State for these works during the current year is £1,738,900, comprising £812,500 to complete the purchase of the existing harbour works, and £926,400 for the provision of Township facilities. In addition to the above, the sum of £861,100 will be required from the amount of £1,635,000 approved by the Commonwealth Government for this project by way of repayable grant.

It is expected that about three-quarters of a million tons of bauxite will leave the port in the current year but by 1967-68, when the port improvements have been completed, the tonnage is expected to rise sharply to about 2½ million tons.

At Gladstone the commitment is £4,000,000 towards the causeway and bridge linking South Trees to the mainland, the alumina plant wharf, provision of housing and also towards a major water supply scheme to serve the Town of Gladstone and the alumina plant. The cost of this work will be spread over three financial years. The expenditure on housing plus allocations found for the other works in 1964-65 amounted to £1,404,600 and the amount required for the current year is £1,321,352.

THE MOURA RAILWAY PROJECT

A contract has been let for the first eight miles of the direct railway to be constructed between Moura and Gladstone. The conditions under which the State undertook to build this line were set out in an agreement authorised by "The Thiess Peabody Mitsui Coal Pty. Ltd. Agreements Act of 1965."

The line will be one hundred and fifteen miles in length and will reduce by eighty-three miles the distance at present traversed in conveying coal from Moura to Gladstone. The new line will considerably increase the tonnage of coal exported. Rolling stock will be provided initially for three million tons per annum but, with additional rolling stock, the capacity of the line can be increased to

five million tons with no further capital expenditure but that for the additional rolling stock.

The cost of the line is estimated at a figure of £13,750,000. Expenditure in 1964-65 was £752,309 and the estimate for the current year is £3,500,000.

BRIGALOW LAND DEVELOPMENT

The Commonwealth is providing a repayable loan of £7,250,000 over a five year period ending 30th June, 1967, for the development of approximately 4,271,000 acres in the Fitzroy River Basin with a view to increasing the production of beef cattle and other primary products and the supply of beef for export. To the 30th June, 1965, the Commonwealth had provided £2,100,000, and repayments and other receipts have totalled £270,400. As the scheme progresses repayments will represent a more significant factor, in each year's receipts. Receipts from this source last year were £189,886 compared with the previous years £72,848.

Expenditure from the Fund during 1964-65 was £1,093,025 bringing the total for the scheme to 30th June, 1965, to £2,174,607.

During the past financial year, 498,000 acres of land were acquired, 13 blocks comprising 129,800 acres were made available for settlement and 13 blocks totalling 113,855 acres were offered for sale by public auction under freeholding tenure.

At present, an area of 2,453,640 acres or 57 per cent. of the 4,271,000 acres under the Agreement has been or is in the process of being acquired. In the course of classification of lands within the present area, it has been found that certain suitable leases are situated partly inside and partly outside the declared area. This matter is the subject of discussion between the Commonwealth and State Governments and I expect amendments will be made to the Agreement to overcome this difficulty.

COMMONWEALTH SAVINGS BANK AGREEMENT

The Agreement between the Commonwealth Savings Bank and the Queensland Government, originally negotiated on the 22nd June, 1920, and renegotiated in 1945 expired on the 30th June, 1965. Under the terms of the expired Agreement the State retired from the banking field in favour of the Commonwealth Savings Bank. The State, in return, obtained an entitlement to 70 per cent. of the increase in Bank deposits at a concessional rate of interest, fixed at 1 per cent. above the rate paid to the Bank's depositors at the time the loan was taken up. The State also shared profits and losses equally with the Bank.

The Government and the Bank have agreed to a further renewal for a period of twenty years with a review and amendment after each five years if both parties so agree. Legislation will be introduced this Session to ratify the new Agreement.

Under the new Agreement, the State retains the right to 70 per cent. of the increased deposits and shares profits and losses as before. Interest rates on new loans will be more flexible, continually varying with the rate paid by the Bank to its depositors, but will remain concessional to the State. An important variation from the original Agreement is that the State will have the right to divert portion of its entitlement to the Queensland Semi-Governmental Debenture Programme and to the direct lending by the Bank to Queensland Housing Commission clients. The first diversion will be of great benefit to Queensland Local Authorities in times of tight liquidity, in assisting them to raise their capital requirements. The second diversion represents a straight out addition to the Commission's annual resources. The full sum lent by the Bank to Commission clients each year will, in effect, be a gain to the State's Loan Programme.

ELECTRONIC DATA PROCESSING

During the year a noteworthy step in the development of the Public Service was taken with the installation of an electronic digital computer in the Treasury Department. This followed the invitation of public tenders and a detailed examination of the proposals submitted by seven Companies, embracing some of the most advanced equipment available in the world. The order was placed with International Computers and Tabulators Australia Pty. Ltd. for the supply and installation of an I.C.T. 1900 series computer at a cost this year of £169,463 including incidental charges. The machine was delivered from England on 14th June, 1965, and was fully operational within three days. Since its installation the computer has been occupied for a large proportion of time with the development and testing of programmes for the initial payroll applications. From the beginning, however, it has been able to carry out productive work and has already worked for a substantial number of hours each month on design and research calculations for various technical Departments, and on production runs for the payroll and examinations work of the Department of Education.

The equipment underwent extensive testing and trials in England before despatch, and these were supplemented by further tests carried out on site in July before the computer was finally accepted by the Department. The development of applications is now proceeding as quickly as possible, and, in close consultation with the Public Service Commissioner, courses are being provided to train as many staff as possible in programming and systems analysis, so that the widest use may be made of the equipment. One pleasing feature has been the ability to recruit and train staff from within the Public Service to undertake this specialised task. The results of the first quarter's working demonstrate clearly that the

equipment is of high quality and that we can be assured of the successful development of this work in the years ahead.

The extension of the payroll applications and the design of the initial accounting applications will continue during the current year. Under the terms of the contract, a multi-processing unit will be substituted for the initial processor supplied as soon as available. A sister installation to the Treasury computer will be set up in 1966 for the Department of Main Roads, and the two installations will work in close support.

Electronic data processing equipment has also been delivered to the Railways Department and the State Government Insurance Office during the year and the development of work in these installations is proceeding. The possible use of such equipment by the Queensland Housing Commission was examined, but plans have now been made for the development of work for the Housing Commission on the Treasury installation.

BRISBANE TRANSPORTATION STUDY

The Government received the report of the Brisbane Transportation Study prepared by Wilbur Smith and Associates in co-operation with the Main Roads Department and Brisbane City Council.

Feeling that most of the proposals in Stage 1 of the report merited early attention, the Government has taken up with Brisbane City Council the question of early implementation of the works in this Stage. These works are designed to relieve traffic pressures in the central city area and to avoid traffic congestion in such major trouble spots as Woolloongabba, Shafston Avenue, Kemp Place, Petrie Bight and Normanby. They will also relieve existing City bridges which presently work at full capacity in peak hours. Equally they will provide a means of through-City cross-river traffic flow which will avoid much of the central city area and will materially aid public transport at present delayed by road traffic congestion.

The estimated cost of the adopted works in Stage 1 is approximately £27 million of which the Government has stated its preparedness to meet some £17 million.

The consultants advanced the works in Stage 1 of their report on the premises that there would be an early substitution of diesel buses for trams. Such a change-over is likely to cost the Council some £4 million. The Government took this factor into account in determining the amount of its proposed contributions to Stage 1. Indeed, the knowledge that the Council would be faced with this heavy cost influenced the generous measure of assistance offered to the Council by the Government. However, I should make it clear that the basic decision as to the form of future road transport is one for the Council as the road transport authority in the City.

Expenditure on the scheme in 1965-66 is estimated at £290,000 being mostly on detailed investigation and planning.

DECIMAL CURRENCY

The current year will see a fundamental change in the Australian currency when, on 14th February, 1966, a change-over is made from the existing currency to decimal currency. Reflective of this change, the Committee will note that the Estimates for 1965-66 are printed with an additional column and that the amounts of appropriation required for 1965-66 are shown in both existing currency and decimal currency.

A special Bill dealing with the problems which arise from decimal currency will be introduced later in the Session and I expect that special provision will require to be made in the final Appropriation Bill for the Session dealing with the conversion of appropriations for 1965-66 and the expenditure thereunder up to "C Day".

The Committee can rest assured that the Government is well advanced in the action necessary to ensure a smooth change-over in the Public Account.

ESTIMATES FOR THE YEAR 1965-66

Consolidated Revenue Fund

RECEIPTS

Revenue for the coming year is expected to total £145,045,000. Expenditure has been fixed at £146,541,058; and a deficit of £1,496,058 is predicted.

Following the improved Commonwealth revenue grant, and with Mount Isa production restored much faster than had been hoped, the Government had anticipated that a balanced budget would have been possible and that a modest expansion in services would ensue.

However, by the midyear, drought had seriously affected that prospect. Indeed, it has forced a reduction of some £1,931,000 in the estimated revenue for 1965-66. In turn, we have had to provide more than £1,540,000 for direct expenditure on drought relief. The total effect of £3,471,000 was too great to meet by enforced reductions in expenditure. To have done so would have seriously affected the standard of services.

Perhaps I could summarise the position for the Committee in this way. But for the drought, I would have expected our revenues to have allowed an increase of 7.6 per cent. in the appropriations for this year over those of last year. The loss of income through drought reduces the rate of escalation to 6.2 per cent. But, allowance must be made for certain items of expenditure which escalate above the average rate. These are mainly increased costs of debt servicing and university endowment. Allowing for these special items, the rate of general escalation reduces to 4.7 per cent. If we were to further cut expenditure to meet the special costs of drought, the rate of escalation would become 3.3 per cent. We have provided for an overall rate of general escalation of

4.7 per cent, but this has been applied selectively and not as a flat rate of increase to each Department.

In an endeavour to overcome the problems arising from the drought, this State, in common with New South Wales, appealed to the Commonwealth Government for special financial assistance. The Commonwealth Government has pointed out that the revised level of Financial Assistance grant is based on the needs of an average year and that the States are expected to bear the vicissitudes of fluctuating good and bad years. However, the Prime Minister has indicated that his Government will be prepared to consider assistance grants where the degree of effect of the drought is beyond the capacity of the State to absorb. This will be considered not on a predictive basis but in the light of actual experience.

Following this advice, the Government has decided that the State should absorb the loss of revenue estimated at £1,931,000; and that, if the budgeting prediction is broadly supported by actual experience, special assistance will be sought, partly on a repayable basis and partly by grant, to recoup direct expenditure on drought relief, which is almost identical with the budgeted deficit.

Total revenues are expected to rise by £11,475,344, of which the Financial Assistance grant will provide £6,033,372.

There will be minor changes in State taxes mainly consequent on decimal currency and the need to select rates convenient to the new currency system. These will apply from "C Day". They comprise fractions of cents, some up, some down, over the whole range of charges and should yield £45,000 for the balance of the year and £105,000 for a full year. Briefly, we propose to alter rates of stamp duty on receipts as the present units based on pennies are, in most cases, incapable of exact conversion to decimal currency. The new units will be in whole cents and will result in increased revenue from this source. However, as a set off, exemption from receipt duty will be lifted from 10 dollars (the equivalent of the present exemption of £5) to 20 dollars. The new rate of receipt duty will be 2 cents per 100 dollars or part thereof subject, of course, to the new exemption of 20 dollars. Stamp duty on betting tickets will become 1 cent and 2 cents. As there is no whole cent equivalent of three pence, totalisator fractions will be calculated to the lower 5 cents instead of the lower three pence as at present. As a set off, the guaranteed minimum totalisator dividend will become 55 cents instead of 50 cents (5s.) as at present. Full details will be disclosed in the special Decimal Currency Bill.

In addition, in anticipation of the decimal change, stamp duty on cheques will be lifted to 6d. (5c.) as from 1st December, 1965. There will be a generous period allowed for

the use of cheque books in current use. This charge will yield an additional £413,000 this financial year and £704,000 in a full year.

On the other hand, we propose to abolish mortgage duty on the matrimonial home with certain upper limits. This concession should cost £58,000 this financial year and £100,000 in a full year.

Totalisator and Betting taxes are expected to increase by £344,756. This reflects the growing volume of T.A.B. turnover and the cessation of the 2 per cent. refund to the T.A.B. for capital expenditure, the agreed total of which should be exhausted by 31st December of this year.

Interest earnings are expected to rise by £667,187 reflecting the policy of using portion of our Loan Fund in directions where some return is possible and also the skilful use of the Short Term Money Market. Honourable Members will be interested to know that since commencing to use this latter opportunity, interest earnings have totalled no less than £1,608,035 and that the rate of annual earnings this year is anticipated to be sufficient to cover the combined costs of the Legislative Assembly and the Treasury. It has indeed been a rewarding practice.

Railways revenue is expected to improve by £2,163,327, principally due to the hope of steady production at Mt. Isa and to higher coal tonnages from Moura. The degree of drought will kill the prospect of any increase in general freight tonnages. Livestock carriage is still high but, with general rain, it could halt abruptly.

With valuations surging in reflection of the growing development of the State, land tax collections would tend to rise in sympathy. To offset the effect of increased valuations, particularly to the small landowner, exemptions this year will be lifted from £2,750 to £3,000 for town land and from £8,250 to £9,000 for country land. Rates of land tax will remain unchanged. The increase in Land Tax collections is estimated to be £132,822.

EXPENDITURE

For reasons already explained, it has been necessary to keep a tight rein on Departmental expenditure and expansion of services has been on a narrowly selective basis.

Our problems have been aggravated in that the year will see some unavoidable increases in the fixed commitments of the State. Interest on the Public Debt requires £20,754,821, an increase of £1,961,039 on

last year's appropriation. This increased sum reflects both the increased rates for current bond issues and the sharp increase in costs consequent upon the conversion of 3½ per cent. issues during last financial year.

In the face of a world wide trend towards higher interest rates, Queensland, whose burgeoning development makes it a capital hungry State, faces a double problem. The sheer volume of demand for capital works and the burden of high interest charges, both urge a concentration on those forms of capital expenditure which generate a clear return to the State revenue. Clearly, there can never be room to adopt such a policy absolutely; but interest burdens together with rising debt sinking fund contributions bid fair to press with growing weight and will undoubtedly influence future policy.

On previous occasions, I have spoken of the burden of rapidly escalating University costs. These costs continue to grow at a rate far in excess of the general rate of escalation in our revenues. This year is no exception. Our contributions to University endowment are appropriated on the basis of financial years. The University conducts its finances on the basis of calendar years which, of course, coincide with academic years. In the first half of the calendar year the University receives two payments of students' fees being the fees for the first and second terms but receives only one payment of fees in the second half of the year. Hence the practice has always been for the State to pay over the greater part of the calendar year endowment in the second half of the year. However, calls on University finance now require that more of the grant be paid in the first half of the year and this requirement has added to our costs in this financial year.

Contributions to Superannuation Funds rise by £249,218 on last year's appropriation. Superannuation under all headings now requires a total contribution of £2,385,920. My Government is a convinced supporter of superannuation and willingly accepts the financial responsibility. The extension of superannuation to many Crown servants who were previously denied was a deliberate step and the cost is included in the increase now sought.

Education, in many aspects, dominates the selective increases granted to Departments. Excluding University Endowment the appropriation for the Department of Education is

£1,948,377 above last year's figure. This represents an increase of 8.53 per cent. over last year's appropriation on the substantial base figure of £22,848,820. Then there is also the heavy increase in University endowment which I have already mentioned. The weight of extra expenditure is in increased staffing requirements in primary, secondary and technical schools. Allowance is also made for an additional £152,000 to cover the cost of recently approved increases in allowances to trainee teachers and £80,000 to meet the cost of increased rates for conveyance of pupils. Special provision of £150,000 is made for technical education equipment.

Following on the recent legislation, there has been a special addition of £75,000 for the Department of Native Affairs.

The appropriation of the Police Department includes the sum of £124,500 for additional traffic police, reflective of the recent 5s. increase in motorists' license fee.

Trust and Special Funds

Coming to Trust and Special Funds, constantly increasing in volume, and ever widening in their field of coverage, this section of Government accounting is moving every year to fresh record levels. The estimated expenditure for this year is £146,698,093 an increase of £14,234,229 over the actual expenditure of last year.

Two important funds appear for the first time.

Reflecting the legislation recently passed to complement Commonwealth law for limiting freight charges on motor spirit, £1,500,000 has been provided to meet subsidy claims. Funds for this purpose will be fully provided by the Commonwealth.

Then, too, the construction of the Moura-Gladstone rail link will be a major activity and £3.5 million is provided.

The Commonwealth Education Fund Construction Vote totalling £2,821,715 is a re-provision of moneys unexpended from last year, plus a further £1,711,600 for the current year.

Main Roads resources continue to expand steadily but the real increase is overshadowed by the need to recover the overspending of last year. Control of expenditure in this Fund is a real problem for the rate of expenditure is influenced by so many factors outside real control. A drought year brings

no disturbance to spending and results in over-expenditure; a sustained wet season can cause heavy underspending.

Other major items of expenditure are mentioned later in the Statement.

Loan Fund

New raisings this financial year will total £34,008,000. In addition loan repayments of £4,530,000 are expected to be available for reinvestment in capital works. Funds from these two sources will provide a total of £38,538,000 for expenditure from the Loan Fund this year compared with £38,305,000 appropriated last year.

Governmental Works Programme

The Loan Fund appropriation of £38,538,000 will be supplemented by £476,000 from Construction Fund balances to provide a Governmental Works programme in 1965-66 of £39,014,000 compared with £40,395,000 allocated last year.

The reason for this reduction is simple. Developmental works last year proceeded at a pleasingly high rate of progress. The drought assisted in this effort as hold ups on jobs because of wet weather were few. As a result Construction Fund balances were run down and we entered 1965-66 with a smaller carryover in these funds than was the case for 1964-65. However, the addition of Commonwealth Grants for the Brigalow and Beef Roads Schemes, Technical Education Buildings and Equipment and for Weipa Harbour Works—none of which are included in the Governmental Works Programme figure—enables a substantial increase in the tempo of overall capital expenditure.

EDUCATIONAL PROJECTS

Capital expenditure on educational building projects will increase from an actual expenditure of £7,033,429 in 1964-65 to £9,358,000 in 1965-66. Particular emphasis is being placed on the erection of science laboratories for both Government and private schools and technical training blocks where expenditure will leap from £331,485 in 1964-65 to £2,551,000 in 1965-66. The funds for these projects are being provided by a special Commonwealth grant. In addition £540,000 has been provided for the commencement of work on new Institute of

Technology buildings at Brisbane, Toowoomba and Rockhampton under a new scheme with the Commonwealth participating in capital costs on a £ for £ basis.

Expenditure on University buildings including subsidies to residential colleges and the provision of teaching facilities at Brisbane Hospitals will increase from £1,712,944 in 1964-65 to £2,524,000 in 1965-66. Provision has been made within this allocation for the cost of acquisition and development of a site for a second University in Brisbane.

RAILWAYS

With the inclusion of a provision of £3,500,000 for the construction and equipment costs of the new Moura-Gladstone railway and £465,000 for the finalization of accounts for the Mount Isa railway, the total Railways capital expenditure this year is expected to reach £10,525,000 representing a large share of available funds. Expenditure envisaged includes £4,894,000 for diesel electric locomotives and other rolling stock which are essential to the future economic well-being of the railway system and State revenues.

ELECTRICITY DEVELOPMENT

To meet the requirements of the electricity development programme for 1965-66, the Government has again provided loan funds to supplement the debenture loan and other funds of the electricity undertakings. The amount of £1,412,500 allocated this year from the Governmental Works Programme will provide £120,000 for completion of Callide Dam, £379,500 towards the Calcap power station and £700,000 to continue construction of the Eungella Dam to provide water for the Collinsville power station.

IRRIGATION

The Irrigation and Water Supply Commission has been allocated a total amount of £2,888,000 for the current financial year. This amount is comparable with £2,873,000 approved in 1964-65. The programme includes £180,000 for completion of Stage 1 of the Leslie Dam, £860,000 for the Coolmunda Dam, £365,000 for the Mareeba-Dimbulah Project, and £475,500 for the Wuruma Dam on the Nogo River.

FORESTRY

£2,300,000 has been set aside for the Forestry Department to provide a level of expenditure comparable with that achieved in 1964-65.

HOUSING

£2,150,000 has been included in the Governmental Works Programme for the Queensland Housing Commission. This sum, with the addition of funds from within the Queensland Housing Commission Fund, the Commonwealth-State Housing Fund, Home Builders' Account and Co-operative Housing Societies, together with other funds to be provided by the Commonwealth Savings Bank under the new Savings Bank Agreement, will permit an expenditure this year on housing construction under the influence of the State Government to the extent of some £11,600,000. To this figure will be added any increase by the Commonwealth in the allocation for Defence housing—£700,000 was added in 1964-65. Comparable expenditure from all of these sources in 1964-65 totalled £10,595,000.

AGRICULTURAL BANK

Provision has been made for advances by the Agricultural Bank to total £5,385,100 compared with advances of £5,938,659 in 1964-65. Rapid expansion in the sugar industry was financed in 1964-65 and the requirements for this purpose in 1965-66 will have eased.

In addition to the provision for advances for normal rural development, provision has been made for advances of £385,000 under the Farm Water Supplies Assistance Scheme. Again, in addition, drought relief advances, with deferred repayments and at concessional rates of interest, are expected to total £807,200.

WEIPA TOWNSHIP FACILITIES

Works at Weipa to be financed by the special Commonwealth repayable grant and costing this year £861,100 include harbour development and the provision of a hospital, school and police station.

The development of the township facilities in accordance with the Town Purchase Agreement entered into between the State and Comalco is to be financed by the State. Provision has been made for expenditure this year of £926,400 under this heading.

LOANS AND SUBSIDIES TO LOCAL BODIES

£6,700,000 has been provided for loans and subsidies to local bodies to allow for a similar level of subsidy advances to that achieved in 1964-65.

MAJOR DEVELOPMENTAL PROJECTS

Provision has been made from all sources of funds under our control for the following special developmental measures:—

	£	£
Main Roads Permanent Works		14,307,000
Urban Road Programme		290,000
Railways—		
Moura-Gladstone Railway, Construction and Equipment	3,500,000	
Mount Isa Railway— Finalization	465,000	
General Rolling Stock and Capital Works	6,560,000	
		<u>10,525,000</u>
Beef Cattle Roads		2,003,000
Fitzroy Brigalow Lands		1,250,000
Irrigation and Water Supply—		
Leslie Dam	180,000	
Coolmunda Dam	860,000	
Wuruma Dam	475,500	
Mareeba-Dimbulah Project	365,000	
Other	1,007,500	
		<u>2,888,000</u>
Gladstone Town Council and Gladstone Harbour Board—		
Augmentation of Water Supply for new Industrial demand	1,297,000	
Developmental Dredging	150,000	
Excavation and reclamation Works Barney Point	229,000	
Structural approach for Barney Point Wharf	100,000	
Causeway and Bridge at South Trees ..	345,000	
		<u>2,121,000</u>
Weipa Harbour and Township Facilities ..		1,788,000
Deepening Mourilyan Harbour for sugar trade		466,000
Completion of project to deepen Port of Brisbane for oil refineries		129,000
Commencement of Shore Based Pilot Station at Mooloolaba		250,000
Extension of Kangaroo Point Shipyards ..		350,000
Development of Industrial Lands— Hamilton, Comslie and Lytton		467,000
Brisbane City Council— Services to Oil Refineries and Other major industries		324,000
Electricity Development (Major Power Stations, &c.)—		
Northern Electric Authority— Collinsville Power Station	700,000	
Eungella Dam	700,000	
Capricornia Regional Electricity Board— Calcap Power Station	2,387,000	
Callide-Gladstone Transmission Line	450,000	
Callide Dam completion	120,000	
Southern Electric Authority— Swanbank Power Station	5,235,000	
		<u>9,592,000</u>
Total		<u>£46,750,000</u>

Pattern of Budget

The pattern of the Budget is now clear. On the revenue side, the greatest moves forward are in education where, in addition to added activity at primary, secondary and university level, the Budget heralds the first major move in the field of technical education.

On the capital side of education, this will be the greatest year for development in the history of the State with a total capital expenditure of £9,358,000.

So far as Consolidated Revenue is concerned generally, the revised pattern of the Commonwealth grant should, over the years to come, play a not inconsiderable part in helping the State to improve its performance in directions where it lags behind the Australian average. Of these, education is the field in greatest need. The improvements proposed for this year are merely a commencement in what will be possible over the next four to five years with normal seasonal conditions.

Similarly, but of lesser volume, is the work amongst our native Australian people. Here the great challenge, which will require at least a decade to meet, is to advance the standards of education and training of these people to the point where they can generally command not a dependant but a self reliant place in the community. Again, the advance this year can only be described as the first step.

But if the revenue prospect permits the hope of improved performance, it is clear that pressure on capital funds will be tremendous and will demand more than can possibly be commanded from the resources of the State.

I don't need to remind Honourable Members that the share of loan funds allocated to Queensland from the Governmental Works Programme is only 12.65 per cent. of the Australian total. This is lower than our proportion of Australian population and is in no way reflective of our great area, our long coastline, or our greater decentralisation. Whilst we do enjoy a better share of the allocation for debenture raising, this was not always dependable and, in spite of the record of the past eight years, may not be always dependable in the years that lie ahead.

Over the eight years of the Government's term of office, the State was able to deploy its resources in a manner, which, whilst bringing much real improvement, was still inadequate to do all that it desired in all fields. As an example, the good performance on construction of primary and secondary schools and university buildings went side by side with a lack of real progress in technical education. If housing was able, by 1964, to report that the worst of its problems had been overcome, at no stage could it be contended that the difficulty was completely

beaten. Important and desirable fields such as irrigation and forestry were able to point to only modest progress. Any major expansion of the Agricultural Bank was beyond our resources. In contrast, we financed dramatic improvements in the ports and harbours of the State. Export facilities for bulk sugar are virtually complete. Substantial work has been undertaken at Port Alma. Massive dredging for the oil refineries has been completed in Brisbane and further development dredging is about to commence at Weipa.

Again, in the field of electricity, we have met and are meeting the greatly increasing demands for power for domestic, commercial and industrial purposes. In the field of Local Government we are able to report a record level of achievement. As an example we have seen some £30,528,543 spent on town water supplies and £32,002,112 in sewerage over the last eight years compared with £16,560,050 and £10,417,114 respectively in the previous eight. In the same period we have seen the construction of sixty-six shire halls, offices and civic centres and forty-four new swimming pools.

It is against this background that the impact of new development requires to be examined. Obviously, what has been achieved was beyond the resources available to us by conventional means. We have obtained substantial aid both from the Commonwealth Government and private sources. The generous assistance afforded the State by the Commonwealth Government by means of Section 96 grants is already well known to the Committee.

The development of co-operative housing societies, providing funds outside Loan Council control, has now added £3 million annually to the housing effort. The freeing of new building from rent control has brought a dramatic lift in flat construction. Against 174 flats built in 1956-57, last year saw no fewer than 2,083 completed. We have the new deal with the Commonwealth Savings Bank which will substantially help housing.

All of these steps helped the State to meet the demands for capital funds when the surge of new great industries commenced. But, the advent of two oil refineries, followed quickly by alumina and coking coal, fertiliser and motor cars, is creating demands beyond our capacity to meet. In consequence we have increasingly had to seek arrangements by which new industry will itself help to finance necessary capital development such as wharves, loading piers and the like.

As a further supporting feature, State Government Insurance Office has been able to undertake well secured investment which has helped to build a fertiliser works in Brisbane and a cement works, and flour mill in Rockhampton. By financing the new Main Roads building, it relieved pressure on the funds of that Commission.

But even all these aids put together are inadequate to meet the surging needs of new development as at present evident. Industrial expansion has shown a voracious appetite for power, water, transport and housing. It has given a new emphasis to net migration.

For this year, and next year will be the same, necessary contraction has had to be made in some capital programmes. For example, in Local Authority borrowing programmes civic centres and swimming pools have been deferred. After eight unbroken years of outstanding performance the need for this should be regarded as a matter for regret rather than as calamitous. However, it is becoming more and more apparent that the public sector will be forced, in future, to shed more of its present load on to the shoulders of private capital. One such field will be to insist on a greater degree of pre-development for industrial and domestic sites, thus relieving Local Authorities of some of the burden of heavy capital needs for water and sewerage, and in turn free that money for tasks which will remain the inescapable burden of the public purse.

Summary

Because of drought, we have budgeted for a deficit which is the subject of an application for a special grant from the Commonwealth Government.

Save for the increase in stamp duty on cheques, the budget provides for only minor adjustments in taxation occasioned by conversion to decimal currency.

With limited revenues because of the severe drought and the drop in overseas prices for wool and sugar, increased expenditure for Departments has been applied on a highly selective basis.

Very real emphasis is given on the revenue side to the needs of education and, on the capital side, to works related to State and industrial development and to works related to education.

The main features of the Budget are—

- Further concessions in Land Tax.
- Relief from mortgage duty in the purchase or erection of the matrimonial home.
- Doubling the exemption from receipt duty.
- Stamp duty on cheques to be sixpence.
- Heavy payouts for drought assistance.
- Record expenditure on education for staffing and capital works.
- New primary schools at Jindalee, Stafford North and Wondall Road in the Metropolitan area and, in the country areas at Bedourie, Duchess, Eromanga, Gladstone West, Mirani and Yaraka.
- New High Schools at Oxley and Longreach plus new additional secondary school accommodation in seven metropolitan and twenty-seven country centres.
- New Technical Colleges at Eagle Farm, Yeronga and Ithaca.
- An additional £2.2 million expenditure on new Science blocks and Technical education buildings.
- Commencement of new Institute of Technology buildings at Brisbane, Toowoomba and Rockhampton.
- Purchase and development of a site for a second University for Brisbane and increased expenditure on University buildings.
- £10.5 million expenditure on Railways development including £3.5 million for the new Moura Railway Project and £4.9 million for diesel locomotives and rolling stock.
- The development of Weipa harbour, and township facilities.
- Provision for tremendous expansion of essential services required at Gladstone to meet the needs of the alumina, coal and associated industries.
- Deepening of the port of Mourilyan and completion of deepening work in the port of Brisbane.
- Commencement of construction of a shore based pilot station at Mooloolaba.
- Heavily increased provision for major power stations including £5.2 million for Swanbank and £2.4 million for Calcap.
- Maintenance of a high level of expenditure on irrigation projects.
- Undiminished effort in our reforestation works.
- Further progress in the Beef Cattle Roads and Brigalow Lands Development Schemes.

- £1.5 million for the introduction of the Commonwealth Petrol price subsidy scheme.
- Construction of new Police Stations at Boulia, Kingaroy, Proserpine, Walkerton and seven new police residences throughout the State.
- New Court Houses to be built at Wynnum, Cunnamulla, Kingaroy, Murgon and Proserpine.
- Work to commence on a new Government Office block, and the first stage of a new Supreme Court Building in Brisbane. An Occupational Therapy Building at the Cherside Hospital and new Maternal and Child Welfare Centres at Southport and Rockhampton.
- Provision of £6.7million for Loans and Subsidies to Local Authorities and other Local Bodies.
- A programme of works that continues the accelerated expansion and dynamic development envisaged and achieved last financial year.

In spite of drought and low export prices, 1965-66 will be a year of high employment, with Gladstone the concentrated zone of demand.

For Central Queensland, so long the Cinderella, the year should find a varied and impressive development which will bring that part of the State into a prominence that up to two years ago, seemed to be elusive.

The State as a whole can regard the year as its best for development, well spread in locality and varied in industry.

The State can fairly claim that it is now fulfilling its promise. Its rich and varied resources are the foundation for industries

which will endure. Its cities are growing, migration is again contributing strongly, and the State's greatest problem is to finance essential public development to keep pace with private growth. It can be truly said that Queensland has emerged as a fully productive partner in a growing and strengthening nation.

Government Members: Hear, hear!

Mr. HILEY: Mr. Hooper, I move—

"That there be granted to Her Majesty, for the service of the year 1965-66, a sum not exceeding £1,809 to defray the salary of Aide-de-Camp to His Excellency the Governor."

Progress reported.

SPECIAL ADJOURNMENT

Hon. G. F. R. NICKLIN (Landsborough—Premier): I move—

"That the House, at its rising, do adjourn until Tuesday, 12 October, 1965."

Motion agreed to.

PREMIER'S OVERSEAS MISSION

Mr. DUGGAN (Toowoomba West—Leader of the Opposition (3.36 p.m.): Mr. Speaker, I seek your approval to express on behalf of the Opposition the hope that the Premier's mission overseas will be fruitful. This is the first occasion on which he has undertaken a major trip on behalf of the Government. The problems besetting the sugar industry, not only in Queensland but in many other countries throughout the world, are very grave and it will require the best advice and the most sustained effort possible to overcome them. I can only hope that the Premier will contribute towards a successful solution of those problems. I hope his trip proves beneficial, both in a personal sense and from the point of view of the development of the State as a whole.

The House adjourned at 3.37 p.m.