

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**WEDNESDAY, 4 MARCH 1970**

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[HANSARD]

Legislative Assembly

FIRST SESSION OF THE THIRTY-NINTH PARLIAMENT

(Second Period)

WEDNESDAY, 4 MARCH, 1970

Under the provisions of the motion for special adjournment agreed to by the House on 10 December, 1969, the House met at 11 a.m.

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

## ASSENT TO BILLS

Assent to the following Bills reported by Mr. Speaker—

Money Lenders Act Amendment Bill;  
 District Courts Act Amendment Bill;  
 Roman Catholic Holy Name Cathedral Site Bill;  
 Co-ordination of Rural Advances and Agricultural Bank Act Amendment Bill;  
 Meat Industry Act Amendment Bill;  
 Public Service Superannuation Act Amendment Bill;  
 Racing and Betting Act Amendment Bill;  
 Traffic Act Amendment Bill;  
 Motor Vehicle Driving Instruction School Bill;  
 Liquor Acts Amendment Bill;  
 Prisons Act Amendment Bill;  
 Local Government Act Amendment Bill;  
 City of Brisbane Act Amendment Bill;  
 City of Brisbane Town Planning Act Amendment Bill;  
 Valuers Registration Act Amendment Bill;  
 Queensland Institute of Medical Research Act Amendment Bill;  
 Tuberculosis Further Agreement Bill;  
 Coal Mining Act Amendment Bill;

Coal Industry (Control) Act Amendment Bill;

Acquisition of Land Act Amendment Bill;  
 Motor Vehicles Insurance Act Amendment Bill.

## ELECTORAL DISTRICT OF ALBERT

DEATH OF MR. C. C. CAREY, M.L.A.

Mr. SPEAKER: I have to report that I have received from the Registrar-General a certified copy of the registration of the death, on 26 December, 1969, of Cecil Charles Carey, Esquire, lately serving in the Legislative Assembly as member for the electoral district of Albert.

## ISSUE AND RETURN OF WRIT

Mr. SPEAKER: In accordance with the direction of the tenth section of the Legislative Assembly Act of 1867, I issued a writ on 20 January, 1970, for the election of a member to serve in the Legislative Assembly for the electoral district of Albert in the room of Cecil Charles Carey, Esquire, deceased, and the said writ was duly returned to me with a certificate endorsed thereon by the returning officer of the election, on 14 February, 1970, of William Clarence Heatley, Esquire, to serve as such member.

## MEMBER SWORN

Mr. Heatley was introduced, took the oath of allegiance, and subscribed the roll.

## PANEL OF TEMPORARY CHAIRMEN

NOMINATION OF MR. C. A. WHARTON

Mr. SPEAKER: Pursuant to the requirements of Standing Order No. 13, I nominate Claude Alfred Wharton, Esquire, member for the electoral district of Burnett,

to fill the vacancy in the panel of Temporary Chairmen caused by the death of Cecil Charles Carey. (Opposition laughter.)

Order! I do not know that there is anything humorous in the election of an hon. member to the panel of Temporary Chairmen.

**An Opposition Member:** There will be.

**Mr. SPEAKER:** Order! Hon. members will remain quiet while the general business of the House is being carried out.

### ELECTIONS TRIBUNAL

JUDGE FOR 1970

Mr. SPEAKER announced the receipt of a letter from the Honourable the Chief Justice intimating that the Honourable Mr. Justice W. B. Campbell would be the judge to preside at the sittings of the Elections Tribunal for 1970.

### REPORT OF PARLIAMENTARY LIBRARY

Mr. SPEAKER laid on the table the report of the Parliamentary Librarian on the activities of the Parliamentary Library for the year 1968-69.

### QUESTIONS

FIRE ON OIL TANKER, "LESLIE J. THOMPSON"; FIRE-FIGHTING ON BRISBANE RIVER AND MORETON BAY

**Mr. Houston,** pursuant to notice, asked the Premier,—

With reference to the fire on the oil tanker, "Leslie J. Thompson," on December 6, as a result of which the vessel was described as a "floating bomb" likely to touch off fires on shore by the possible spreading of 25,000 tons of burning oil, as well as boiling the Brisbane River—

(1) At what time was the tug "Eagar" requested to stand by the fire?

(2) Where was the tug when the call was made and how long did it take to arrive at the scene?

(3) Why is the tug not always in the vicinity of any oil terminal whilst any tanker is at berth there?

(4) Is the crew of the "Eagar" fully trained in fire-fighting, including fire on ship and oil fires on water?

(5) If the crew is not fully trained, what was the purpose of having this tug stand by?

(6) Who owns the tug "Eagar"?

(7) Does (a) the Metropolitan Fire Brigades Board, (b) any oil company or (c) the State, own water craft equipped

and manned by fully trained crew for river or bay fire-fighting? If not, what action does the Government intend to take to deal with the possibility of explosion on an oil tanker, particularly in the case where land-based fire-fighting equipment cannot make contact?

*Answers:—*

(1) "10 a.m. Saturday, December 6, 1969."

(2) "When the call was made, the tug was alongside the A.U.S.N. Wharf at Mary Street, the crew having been dismissed at 7.30 a.m. after being on duty from 6 p.m. the previous evening. The crew were mustered and the tug left the wharf at 10.55 a.m. arriving at the 'Leslie J. Thompson' at 11.55 a.m."

(3) "With one exception, this practice is not in operation in any Port in Australia. It is not considered to be a necessary precaution in the Port of Brisbane with the present state of development in the lower reaches of the Brisbane River."

(4) "Fire fighting is the function of the fully trained personnel of the Metropolitan Fire Brigades Board. The crew of the 'Eagar' have the important function of manning and navigating the tug."

(5) "The tug has been fully equipped by the Corporation of the Treasurer of Queensland with modern fire-fighting equipment. The tug was ordered to stand by so that this equipment would be available to be manned by officers of the Metropolitan Fire Brigades Board, if required by the Chief Officer of the Board."

(6) "The Queensland Tug Company Pty. Ltd."

(7) "The responsibility for fighting fires on the Brisbane River within the district of the Metropolitan Fire Brigades Board rests with that Board. Appropriate agreements have been arranged to facilitate the discharge of this responsibility."

### PENALTIES FOR DRUG-TRAFFICKING

**Mr. Baldwin,** pursuant to notice, asked The Minister for Health,—

Has any consideration been given to an increase of penalties on persons convicted of drug-trafficking in Queensland? If not, will he consider increasing them to the utmost limit?

*Answer:—*

"It is expected that amendments to the Health Act to be introduced later this year will include provisions dealing with penalties in respect to unauthorised possession and supply of dangerous and declared drugs. By that time, recommendations

regarding this subject to be made by the National Standing Control Committee on Drugs should be nearing completion."

**RAILWAY FREIGHT CONCESSIONS FOR TOOWOOMBA MALTWORKS**

**Mr. Bousen**, pursuant to notice, asked The Premier,—

As the Minister for Transport and the Minister for Industrial Development have stated that rail freight concessions for the malt works at Toowoomba do not come within their purview, will he confer with the manager of the Carlton United Brewery, Mr. Kelly, with a view to allowing freight concessions on malt and barley to enable the malt works to remain at Toowoomba instead of moving to New South Wales?

*Answer:—*

"No. I am informed that there has been no recent change in the Queensland barley freight rate component of the Carlton United Toowoomba Maltworks' cost structure which could significantly affect the Company's position in a Brisbane market for this Queensland barley."

**ORAL TREATMENT, CHILDREN'S DENTAL HOSPITAL**

**Mr. Bromley**, pursuant to notice, asked The Minister for Health,—

What is the waiting time for each of the various types of oral treatment for patients at the Children's Dental Hospital?

*Answer:—*

"I am informed that the waiting time for patients at the Children's Dental Hospital for an examination is approximately six months. After examination, appointments for operative dentistry and pedodontia treatment are at approximately two week intervals until completion of treatment. In the case of orthodontia treatment the waiting time is just over two years. It is pointed out, however, that orthodontics which deals with the delicate movement of teeth is necessarily slow and protracted. Progressive treatment extends from a few weeks to 2½ years for each patient and has to be performed by a specialist and/or specially trained dentists under the guidance of a specialist. Any patient requiring emergency treatment for relief of pain or other problems, receives immediate treatment."

**ENROLMENTS AND ACCOMMODATION, MOUNT ISA STATE SCHOOLS**

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

(1) What are the expected enrolments for the 1970 school year at each of the Mount Isa State schools?

(2) What plans are in hand to provide accommodation necessary for the enrolments?

*Answers:—*

"The Honourable Member is advised in reply to his Question, notice of which was given before Parliament adjourned, that the information he required was forwarded to him by my letter of December 22, 1969. I am now in a position to advise as follows:—

(1) "Effective enrolments at Mount Isa State Schools on March 2, 1970, were: Barkly Highway, 505; Isa Mines, 675; Mount Isa Central, 742; Sunset, 321; Townview, 812; Mount Isa High School, 898."

(2) "Additional accommodation provided in Mount Isa State Schools is as follows:—Barkly Highway, one permanent classroom (to be completed by 9-3-70). Sunset, six classrooms (i.e. three demountable buildings). Mount Isa High School, four classrooms (i.e. two demountable buildings)."

**AGENTS' COMMISSION, ROCKLEA MARKETS**

**Mr. Baldwin**, pursuant to notice, asked The Premier,—

With reference to the requests made by the deputation referred to in my Question on September 3, as I have reliable information that certain growers' agents at the Rocklea Markets are charging 12½ per centum commission in contravention of the original ten-year agreement, will he investigate the position and take action to have the original agreement honoured?

*Answer:—*

"The original Agreement which provided that no additional agencies would be permitted in the Brisbane Market for a period of ten years did not include any provision for the fixation of commission rates chargeable by Farm Produce Agents operating within the Market. A recent survey indicated that very few agents were charging more than 10 per cent. and growers are quite free to choose between agents or, if they so desire, to consign to the C.O.D. Under the circumstances, regulatory action to fix commission rates would not appear necessary at present."

**PAPERS**

The following papers were laid on the table:—

Proclamations under—

The Acquisition of Land Act of 1967 and the State Development and Public Works Organisation Acts, 1938 to 1964.

Factories and Shops Act 1960-1968.

- Traffic Act Amendment Act 1969.  
 Motor Vehicle Driving Instruction School Act 1969.
- Orders in Council under—
- The Racing and Betting Acts, 1954 to 1967.  
 Racing and Betting Act 1954–1969.  
 The Workers' Compensation Acts, 1916 to 1966.  
 Liquor Act 1912–1969.  
 The Industrial Development Acts, 1963 to 1964.  
 Medical Act, 1939–1969.  
 Health Act 1937–1968.  
 The Explosives Acts, 1952 to 1963.  
 The Ambulance Services Act of 1967.  
 The Harbours Acts, 1955 to 1968.  
 Water Act 1926–1968.  
 River Improvement Trust Act 1940–1968.  
 The Electric Light and Power Acts, 1896 to 1967.  
 The State Electricity Commission Acts, 1937 to 1965.  
 The Southern Electric Authority of Queensland Acts, 1952 to 1964.  
 The Northern Electricity Authority of Queensland Acts, 1963 to 1964.
- Regulations under—
- The Beach Protection Act of 1968.  
 Public Service Act 1922–1968.  
 The Public Accountants Registration Acts, 1946 to 1968.  
 Land Tax Act 1915–1969.  
 Factories and Shops Act 1960–1968.  
 Motor Vehicles Insurance Act 1936–1969.  
 Motor Vehicle Driving Instruction School Act 1969.  
 Health Act 1937–1968.  
 The Hospitals Acts, 1936 to 1967.  
 The Nurses Act of 1964.
- Amendment to The Traffic Regulations 1962.
- By-laws under—
- The Railways Acts, 1914 to 1965—  
 No. 989.  
 The Optometrists Acts, 1917 to 1965.
- Reports—
- Dumaresq-Barwon Border Rivers Commission, for the year 1968–1969  
 The Southern Electric Authority of Queensland, for the year 1968–69.

#### MINISTERIAL STATEMENTS

##### DELEGATION OF AUTHORITY; MINISTER FOR MINES AND MAIN ROADS

**Hon. J. BJELKE-PETERSEN** (Barambah—Premier) (11.19 a.m.): I desire to inform the House that in connection with the visit overseas of the Minister for Mines and Main Roads, His Excellency the Governor has,

by virtue of the provisions of the Officials in Parliament Act 1896-1969, authorised and empowered the Honourable Alan Roy Fletcher, Minister for Education and Cultural Activities, to perform and exercise all or any of the duties, powers, and authorities imposed or conferred upon the Honourable the Minister for Mines and Main Roads by any Act, rule, practice or ordinance on and from 22 February, 1970, and until the return to Queensland of the Honourable Ronald Ernest Camm.

I lay upon the table of the House a copy of the Government Gazette Extraordinary of 19 February, 1970, notifying this arrangement.

Whereupon the hon. gentleman laid the Government Gazette Extraordinary upon the table.

##### COMMITTEE OF INQUIRY INTO OIL DRILLING ON THE GREAT BARRIER REEF

**Hon. J. BJELKE-PETERSEN** (Barambah—Premier) (11.20 a.m.): I also desire to inform the House of the circumstances leading up to the present Commonwealth-State decision to set up a committee of inquiry into the probable effects on the Great Barrier Reef of drilling for petroleum in the vicinity.

Unfortunately there has been a great deal of public misunderstanding of the situation, due to misleading and conflicting statements that have received wide publicity. Basically, the sequence of events commenced many years ago, with the issuing of authorities to prospect for petroleum on land and in the waters along the Queensland coast by the Government of the day prior to 1957. When the Country-Liberal Government took office in that year, it was duty bound to honour these agreements. This it did and, in keeping with existing policy, then strongly supported by public opinion, subsequently issued further authorities to prospect.

Since 1967, all off-shore authorities to prospect have been transitioned to exploration permits under joint State-Commonwealth legislation. Some unfortunate happenings connected with off-shore drilling overseas have since brought to public notice the fact that operations of this nature can have serious consequences. Because of these events, the Government sent senior officers overseas to make on-the-spot investigations and inquire into the prevention of such accidents and the action to be taken in an emergency.

The Government also decided not to issue any more authorities to prospect or exploration permits until it was satisfied that drilling could be carried out with negligible risk to other resources, and indeed has now retained from surrendered areas some 35,000 square miles. The Government also took steps to see that rigorous precautions were imposed here.

In January of this year Ampol Exploration Ltd. recommended to its drilling partner, Japex (Australia) Pty. Ltd., that its drilling programme in Repulse Bay be deferred. Ampol said at the time that they felt the risk of oil spillage was very slight. Ampol then requested a joint State-Commonwealth inquiry on off-shore drilling, and this proposal received support from the Prime Minister.

My Government informed the Commonwealth and the public that it was obliged to honour its agreements with firms holding authorities to prospect or exploration permits. We emphasised that off-shore drilling in internal waters could be carried out only under the most stringent conditions, and that other off-shore drilling was subject to the regulations and directions issued under the authority of joint Commonwealth-State legislation.

The Mackay No. 1 well in Repulse Bay was to be drilled in internal waters, and action had been taken under the Petroleum Act to impose all necessary precautions. These precautions were based on the experience gained and studies made by State officers, including those with overseas knowledge. Because of the location of Mackay No. 1 and the conditions imposed, my Government was firmly of the opinion that any risk of damage to the Great Barrier Reef would be remote—probably much less than the risk from an oil tanker sailing through reef waters. (That is being experienced now.) It was understood that firm drilling contracts had been entered into for this well, and halting of the drilling, for even a few months, could result in heavy financial loss.

For these reasons, the Government was of the opinion that the drilling of this well should be allowed to proceed, and no evidence has been brought forward to cause it to change its opinion. However, if Ampol and Japex halt the drilling of Mackay No. 1 and request the Queensland Government to adjust appropriately the requirements of the authority to prospect, the Government is willing to co-operate.

The next major development was that, in company with the Minister for Mines, the Attorney-General and experienced officers, I went to Canberra on 29 January and, at a lengthy conference, agreed in principle to the establishment of an appropriate committee of inquiry.

At that conference I made it clear to the Prime Minister and his colleagues that the Queensland Government would have no part in any enforced halting of the Repulse Bay drilling because we considered that any such action would be both unlawful and unnecessary.

Following that conference, urgent discussions with the Prime Minister resulted in our arriving at definite terms of reference for the committee, and all that now remains is a final agreement on its composition and

associated administrative details. As soon as these are determined, an announcement will be made. It will, of course, be clothed with royal commission powers.

As I said at the outset, I deem it a great pity that full public cognisance has not been given to the Government's part in the matter and that a certain amount of public concern has arisen as a result of the misinformation distributed through certain channels.

**Mr. Sherrington:** What channels were these?

**Mr. BJELKE-PETERSEN:** This was accentuated by the endeavours of other individuals—and this could include some hon. members opposite, no doubt—to make political and personal capital out of what has been an honest endeavour on the part of the Government. It is to allay this degree of public concern that my Government has insisted to the Commonwealth that the opportunity be given for all, and I repeat "all", the relevant facts to be openly presented at the contemplated inquiry.

This statement is made in order that the House may be fully acquainted with the circumstances which led to the Government's decision to agree to the holding of the inquiry to which I have referred.

**Mr. SHERRINGTON:** I rise to a point of order. In his statement, the Premier made accusations against members of the Opposition—

**Mr. SPEAKER:** Order!

**Mr. SHERRINGTON:** I ask that the Premier name these members.

**Mr. SPEAKER:** Order! There is no point of order.

**Mr. Bennett:** I think the Premier should apologise.

**Mr. Sherrington:** If he hasn't got the guts to name them, he should apologise.

**Mr. SPEAKER:** Order! The hon. member will not use unparliamentary language.

**Mr. Sherrington:** The Premier should not make accusations unless he is prepared to name the people concerned.

**Mr. SPEAKER:** Order! If there is any more cross-firing in the Chamber while I am on my feet, I will have no hesitation in dealing with hon. members on both sides of the House. I called the hon. member for Salisbury to order because he deliberately rose while I was on my feet. He knows the rules of this House. When the Speaker or the Chairman of Committees is on his feet, no member is to rise. I ask the hon. member to please refrain from doing so in future.

I am informed that the third statement to be made by the Premier is not yet to hand. It will be taken if it arrives prior to the conclusion of notice of questions.

**Mr. SHERRINGTON:** I apologise for any discourtesy, Mr. Speaker, but I ask for your ruling on my point of order. The Premier has made accusations against members of this House—

**Mr. SPEAKER:** Order! If the hon. member had been listening instead of continuing to interject, he would have heard me say that there was no point of order.

**Mr. Bennett** interjected.

**Mr. SPEAKER:** Order! If the hon. member for South Brisbane continues to interject, I shall have no hesitation in dealing with him.

#### ORDER IN CHAMBER

**Mr. SPEAKER:** Is there any other ministerial business?

**Mr. Bennett** interjected.

**Mr. SPEAKER:** Order! I warn the hon. member for South Brisbane. I ask him to remain silent when I am addressing the House.

**Honourable Members** interjected.

**Mr. SPEAKER:** Order! If hon. members wish to proceed with notice of questions I will do so when the House comes to order. I refer particularly to hon. members on my left.

#### FORM OF QUESTIONS

**Mr. AIKENS** (Townsville South) having given notice of questions—

**Mr. SPEAKER:** Order! The last question is out of order in its present form.

**Mr. SHERRINGTON** (Salisbury) proceeding to give notice of a question—

**Mr. SPEAKER:** Order! The latter part of the question appears to seek an expression of opinion from the Minister.

**Mr. SHERRINGTON:** This is the Minister's responsibility.

**Mr. SPEAKER:** Order! It is seeking an expression of opinion.

**Mr. SHERRINGTON:** I am asking—

**Mr. SPEAKER:** Order! The hon. member will not argue with the Chair or I will not allow the question at all. The hon. member will please continue with the question and I will rule on it afterwards. At the present time I am warning the hon. member that, in certain sections, it seeks an expression of opinion.

**Mr. MELLOY** (Nudgee) having given notice of three questions—

**Mr. SPEAKER:** Order! The hon. member's last question is facetious.

**Mr. MARGINSON** (Ipswich East) having given notice of a question—

**Mr. SPEAKER:** Order! That question also is not in order. It will have to be reframed.

#### MINISTERIAL STATEMENT

##### OIL SPILL FROM DAMAGED TANKER "OCEANIC GRANDEUR"

**Hon. J. BJELKE-PETERSEN** (Barambah—Premier) (12.8 p.m.): I desire to inform the House that, as honourable members will have noted from the morning Press, the 58,000-ton oil tanker "Oceanic Grandeur" struck bottom and holed herself near Wednesday Island, in Torres Strait, at approximately 4.30 a.m. yesterday. The tanker was proceeding to Ampol's Brisbane oil terminal with a full load of crude oil. The vessel was under pilotage by a member of the Torres Strait Pilot Service.

The casualty was reported by the Harbour Master, Thursday Island, to the Department of Harbours and Marine at about 9.30 a.m. yesterday, and the Harbour Master was immediately directed to charter a spotter aircraft and report the extent, position and movement of any oil spill.

Officers of the Department of Harbours and Marine, together with officers of the Mines Department, immediately proceeded to formulate planned emergency measures to be effected in the event of the Harbour Master, Thursday Island, reporting an oil slick. These measures were arranged in close consultation with the Commonwealth Department of Shipping and Transport in Melbourne and the Ampol Oil Company in Sydney. Officers of the Department of Shipping and Transport agreed that the Department of Harbours and Marine should co-ordinate all arrangements associated with the oil spill, with the Commonwealth department offering every assistance.

The Thursday Island Harbour Master reported to Brisbane at 2 p.m. an oil slick about 6 miles in length and about 1½ miles in width surrounding the damaged tanker and apparently moving west towards the group of islands surrounding Thursday Island.

Immediate steps were taken to implement the emergency measures, which comprised the air-lifting by R.A.A.F. Hercules transport to Horn Island of some 12 tons of corrective solvent held at Ampol's Brisbane refinery and sufficient mechanical- and manual-spraying equipment, held for oil-dispersal purposes in the port of Brisbane, to equip a fleet of about 12 small craft. The Harbour Master, Thursday Island, was ordered to assemble the fleet for operation, if required, at first light this morning.

This equipment and materials were air-lifted into Horn Island at 2.30 a.m. today, accompanied by a senior fisheries biologist from the Department of Primary Industries

and a mechanic from the Department of Harbours and Marine. The fleet of small craft was also organised by the Harbour Master, Thursday Island. A further quantity of 10 tons of corrective solvents, together with spraying equipment and two spraying experts from the Esso Company in Melbourne, will be air-lifted by R.A.A.F. Hercules from Melbourne to Horn Island today.

A further air survey made by the Harbour Master, Thursday Island, late yesterday indicated that a main oil slick was apparent and that this had moved some six miles to the east away from Thursday Island. A further movement to the east was confirmed by the Harbour Master after aerial inspection at first light this morning. On this flight the Harbour Master was accompanied by the Senior Fisheries Biologist. It would appear that some leakage of oil continues from the damaged tanker, but this is not as severe as the spill which occurred immediately following the grounding. At the present time there is evidence of fine streaks of oil extending from the main slick westward through the Thursday Island group and south towards Cape York. These streaks, although visible from the air, were not apparent to surface-craft inspection made by the Senior Fisheries Biologist.

At the present time it has been decided not to use corrective solvents on the spill as there is no evidence that the spill will cause damage to the established fisheries in the area. The Senior Fisheries Biologist has been advised to take all possible steps to protect the pearl-culture fishery. It is also intended to keep the slick under continuing aerial observation.

An empty oil tanker, the "Leslie J. Thompson", has been ordered by the Ampol Company to stand by the "Oceanic Grandeur" to take off crude oil from the stricken tanker. Because of legalities associated with salvage insurance some delay has occurred in implementing this action. The "Leslie J. Thompson" was reported by the Harbour Master, Thursday Island, to be standing by the "Oceanic Grandeur" at 7 a.m. today, when pumping operations had not commenced.

The Harbour Master at Cairns was ordered last evening to proceed to Thursday Island and board the damaged tanker as soon as possible. It is intended that he remain on board until recalled. I should add that radio communication between this tanker and Thursday Island yesterday was poor and did little to assist in the emergency.

The Ampol Company has made arrangements for three other tankers to proceed to the scene to take crude oil from the damaged tanker. These are the "R. W. Miller", 18,000 tons, the "Alkes", 35,000 tons and the "Lidfold", 20,000 tons. It is expected that the "R. W. Miller" will arrive at the scene on Friday, 6 March, and the "Alkes" and the "Lidfold" on Saturday, 7 March.

**Mr. Ramsden:** Are you going up there yourself?

**Mr. BJELKE-PETERSEN:** I am going up later in the day.

## DEATH OF MR. C. C. CAREY

### MOTION OF CONDOLENCE

**Hon. J. BJELKE-PETERSEN** (Barambah—Premier) (12.13 p.m.), by leave, without notice: I move—

1. That this House desires to place on record its sense of the loss this State has sustained by the death of Cecil Charles Carey, Esquire, member for the electoral district of Albert.

2. That Mr. Speaker be requested to convey to the widow and family of the deceased gentleman the above resolution, together with an expression of the sympathy and sorrow of the members of the Parliament of Queensland in the loss they have sustained.

I am quite sure that all hon. members were indeed saddened by the sudden passing of one of our very popular personalities in this House. Cec Carey, as we all know, had a very happy personality and disposition, and I am sure that this is what endeared him to many people in his electorate and, indeed, in all walks of life, even though they may have had varying political outlooks.

The late Cec Carey entered the Parliament of Queensland on 28 May, 1960, as the representative of the newly proclaimed electorate of Albert, and he was very strongly entrenched in that seat at the time of his death. He brought to this Parliament quite a wealth of experience in commercial and public affairs and a lifelong knowledge of the aims and aspirations of the people he represented. I am sure that all hon. members will agree with that statement. Like many other hon. members, he had a deep and full appreciation of his own particular area. He appreciated the need to foster rapid development of the Gold Coast area, of which his electorate formed part, and of its rural hinterland.

He was born at Toowoomba, but was taken to Southport at the age of four and lived there for the remainder of his life. In 1934, he assumed the management of a long-established grocery business previously purchased by his father, and expanded the business into three branches. He was at various times a director of two other commercial enterprises, and for some time personally managed and improved a dairy farm he had purchased at Mudgeeraba.

He was president of the Queensland Retail Traders' Association from 1955 to 1963, and Federal president of the Master Grocers and Storekeepers' Association of Australia from 1956 to 1959, so that it is obvious that he was held in high regard in the business world.

In addition to these onerous responsibilities he devoted much energy to the promotion of sport. He was the first president of the Queensland Trotting Control League. From its inception, he was a member of the Totalisator Administration Board, representing trotting interests. He was also a committeeman of the Gold Coast Race Club and the Gold Coast Trotting Club, and a member of the Chamber of Agricultural Societies. Like many hon. members, he welcomed a game of bowls and, when time permitted, a turn at the helm of a yacht. He was very interested in boating.

His community interests included Rotary, as well as fund-raising ventures for the aged and also for handicapped children. I came to appreciate that when I was in the area during the by-election campaign and saw what had been brought into being as a result of his activities in this particular field.

He held life memberships of the Gold Coast Show Society, the Southport Chamber of Commerce (of which he was president for 16 years), the Retail Traders' Association of Queensland, and the Gold Coast Marching Girls' Association.

It may be truthfully said that the late Cecil Carey led a full and active life in service to his native State and to the area in which he lived. His activities in service to the community generally were legion, and he typified the adage that what anyone bears willingly he bears lightly.

I am sure that we all cherish the memory of the late Cec Carey.

**Mr. HOUSTON** (Bulimba—Leader of the Opposition) (12.19 p.m.): On behalf of the Opposition, I join with the Premier in his words of condolence to the widow and family of the late Cec Carey. I also join with the Premier in his praise of Cec Carey the man, and Cec Carey the husband and father.

I think it would be true to say that Cec Carey was a friend of all members of this House. I had the added privilege of being out of Australia with him, and I know that I speak on behalf of all who were with us on that occasion when I say that he was a good mate and an excellent companion, and that he certainly did a job in his own way on behalf of Queensland as part of the mission on which we were overseas.

I think it would also be correct to say that Cec Carey was a true party man. Although we know that on a few occasions in Government Caucus meetings, he objected to certain things, to my knowledge he always voted with his party and his Government on the floor of the Chamber. When we on this side of the House had words with him on those matters, he again showed his loyalty to his friends and those who supported him in the various activities that he undertook.

I think that his death shows once again the strain that there is on those who accept

office as parliamentarians. I know it can be said that no man or woman is forced to stand for election as a parliamentarian, nor can it be denied that we all have the right to retire at any time. But, although we enjoy this life—otherwise we would not nominate for election—we accept it because we believe, as Cec Carey believed, that we can be of assistance to others. As the Premier said, Cec Carey helped many people, particularly the aged, and, in moving round his electorate during the recent by-election, I found that whenever Cec Carey's name was mentioned it was in praise of him and things that he had either accomplished or tried to do. I think that anyone who, in passing through this life, earns the testimonials that were given to Cec Carey, can truly say that he has lived a full and complete life.

As Cec Carey was well known to all of us, there is no need for me to go back over his qualities. His passing has removed from the House a man who was well liked and well respected by all hon. members.

**Hon. G. W. W. CHALK** (Lockyer—Treasurer) (12.22 p.m.): I wish to join with the Premier and the Leader of the Opposition in the expression of sympathy that this House will, I know, pass to the wife, family and other relatives of the late Cecil Carey.

It is unfortunate that, after an adjournment of the House for a period, when we assemble again there is usually a motion of this nature to be passed. I believe that it is because of the sincerity with which each member approaches his political responsibility and his parliamentary life that a great strain is placed on the individual. I do not think that many of us would have thought, when the House rose in December, that Cecil Carey would not be with us when we returned today.

I recall a conversation that I had with Cec Carey late in the month of December; at that time his one desire was the furtherance of a particular activity in the electorate. I believe that that typifies the man to whom we are paying tribute today. He was a man's man; he was popular in all walks of life.

Those of us who go into political battle do not always agree with the outlook or argument of another. But no-one can say that Cecil Carey, after an argument or debate, was not the same good friend that he had been prior to that discussion.

It is for that reason, and because I knew Cecil Carey so well, that I want to associate myself with the expression of regret to his widow and relatives contained in the motion of condolence being passed today. With those sentiments, I join all members of the Liberal Party.

**Mr. HEATLEY** (Albert) (12.25 p.m.): I wish to associate myself with this motion, not because I am occupying the seat formerly occupied by the late Cecil Carey but because of personal experience and association with

him over many years. We met in many fields—political, social, sporting, and others—and politically, whilst I was a senator, we worked together on a number of matters. On those occasions he illustrated clearly his untiring and boundless energy in getting things done and achieved. Socially, as we all know, he had a wonderful sense of humour, and it was a pleasure to share his company.

He was a devoted family man, but his thoughts and activities ranged over a vast area. I think I could say without causing any dissension in the House that his prime thought was the welfare of his fellow-man and what he could do to help him. He worked unceasingly towards that end and did much more in that respect than is usually expected of any political representative or individual. Many people whom he assisted will, I know, sadly miss his advice and assistance. The respect that he deserved and earned was clearly shown by the representation of every branch of the community at his funeral in Southport.

As I have said, I know quite well that he will be sadly missed. I have already expressed personally my sympathy to his family, but I should like to add my name to the list of speakers who have expressed their feelings in this House.

**Mr. CORY** (Warwick) (12.28 p.m.): I rise to speak to the motion because of my close association with the late Cecil Carey since I was elected to this Assembly some years ago. I became a very close personal friend of his, both inside and outside this Chamber, and I wish to express the thoughts of many hon. members who knew him as a back-bencher here.

He was a man who would keep a confidence, the type of man of whom there are too few in our midst today. He went out of his way to help others, and I appreciated his kindness when I first entered this Assembly in assisting me with the many problems that confront a new member.

Cecil Carey is missed by all of us, and I express my sincere sympathy to Mrs. Carey and her family and my appreciation of this opportunity to be associated with the motion before the House.

**Mr. HINZE** (South Coast) (12.29 p.m.): I join with the Premier, the Leader of the Opposition, the Deputy Premier, the newly-elected member for Albert and the hon. member for Warwick in paying respect to my late colleague and very good friend over many years, the late Cecil Carey. We were very close friends over the last four years, while we had the privilege and opportunity of representing seats on the Gold Coast, and we had many years of business association in the Gold Coast area.

I remember Cec as a very good friend to every member of this House. I remember particularly a contribution that he made to

the debate when Jim Donald, "Johnno" Mann, Peter Byrne, Alf Muller and a number of other older members were leaving this Assembly. He took a great deal of time to pay his respects to them, and that showed clearly the type of fellow he was. If he did not believe that he had got his story across, or if he thought, perhaps, that he had offended another hon. member, he went out of his way to make sure that he corrected any wrong impression that might have been gained.

Prior to the Christmas recess he came to me and said, "Russ, where is your list of people to whom you wish to make some contribution?" He had a list—of which he was very proud—of attendants, and other people associated with parliamentary duties, whom he wanted to remember. That is the type of chap he was.

Some of his contributions in this House were made a little light-heartedly, but I am sure that in his electorate of Albert nobody could possibly do more than he did. This was borne out by the very convincing majority of 7,000-odd votes he obtained at the last State election.

I cannot help but feel—I must indicate my feelings—that the introduction of three-cornered contests had a detrimental effect on the health of my colleague Cec Carey. Only those who go through these contests know the strain associated with them.

On a happier note, hon. members will be pleased to know that a grandson has been born to Cec Carey through young Garth Carey. The child's name is Clinton Charles, so the name "C. C. Carey" will go on.

With those few words, I join in extending my condolences to Melba, Garth and Gail, the family of Cec Carey, and pay tribute to the work he did for his electorate and Queensland generally.

Motion (Mr. Bjelke-Petersen) agreed to, hon. members standing in silence.

## WHEAT DELIVERY QUOTAS BILL

### INITIATION

**Hon. J. A. ROW** (Hinchinbrook—Minister for Primary Industries): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to make provision with respect to the determination of quotas in respect of deliveries of wheat grown on land used for production of wheat, to give priority in the storage and marketing of wheat to wheat accepted on behalf of the Australian Wheat Board, to modify the operation of the Wheat Industry Stabilization Act 1968–1969, to modify the operation of the Wheat Pool Acts 1920 to 1957, and for purposes connected therewith."

Motion agreed to.

## GIRL GUIDES ASSOCIATION BILL

## INITIATION

**Hon. P. R. DELAMOTHE** (Bowen—Minister for Justice): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to incorporate the State Council of the Girl Guides Association (Queensland, Australia), to confer on the body corporate certain powers, authorities, duties and functions, and for purposes connected therewith.”

Motion agreed to.

## MARKETABLE SECURITIES BILL

## INITIATION

**Hon. P. R. DELAMOTHE** (Bowen—Minister for Justice): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to make provision with respect to instruments of transfer of certain marketable securities and for incidental and other purposes.”

Motion agreed to.

## QUEENSLAND THEATRE COMPANY BILL

## INITIATION

**Hon. A. R. FLETCHER** (Cunningham—Minister for Education and Cultural Activities): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to provide for the establishment and incorporation of a body to be known as the Queensland Theatre Company, to make provision with respect to the administration of that body, and for purposes incidental thereto.”

Motion agreed to.

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

## INITIATION

**Hon. A. M. HODGES** (Gympie—Minister for Works and Housing): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Vagrants, Gaming, and Other Offences Acts 1931 to 1967 in certain particulars.”

Motion agreed to.

## POLICE ACT AND ANOTHER ACT AMENDMENT BILL

## INITIATION

**Hon. A. M. HODGES** (Gympie—Minister for Works and Housing): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Police Acts 1937 to 1964, and the Police Superannuation Act 1968, in certain particulars.”

Motion agreed to.

## WHEAT DELIVERY QUOTAS BILL

## INITIATION IN COMMITTEE

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

**Hon. J. A. ROW** (Hinchinbrook—Minister for Primary Industries) (12.35 p.m.): I move—

“That a Bill be introduced to make provision with respect to the determination of quotas in respect of deliveries of wheat grown on land used for production of wheat, to give priority in the storage and marketing of wheat to wheat accepted on behalf of the Australian Wheat Board, to modify the operation of the Wheat Industry Stabilization Act 1968–1969, to modify the operation of The Wheat Pool Acts 1920 to 1957, and for purposes connected therewith.”

At present the wheat industry in Australia is facing serious problems. I shall go into some of these problems in detail shortly, but first I should like to stress that the Bill that I am introducing is designed to overcome some of these problems. I should like to make it quite clear that the proposals contained in the Bill will not overcome all of them.

As the title, Wheat Delivery Quotas Bill, implies, the Bill is designed to introduce a quota system for the wheat industry. The quotas will be delivery quotas and not production quotas. Any farmer will still be able to grow as much wheat as he likes, but he will be able to deliver only specified quantities to the Wheat Board. It is not intended that there should be any control on wheat that a grower produces for his own use. For example, the dairy farmer who grows wheat for his own cows will not be affected.

Basically the Bill is designed to restrict the quantity of wheat grown commercially for delivery to the Wheat Board. Nevertheless, the quotas provided for in the Bill are a form of restriction—and I do not think that anyone likes restrictions if they can be avoided. In view of this, I feel that I should give hon. members some background to the wheat quota proposals so that they can judge the position for themselves.

Over the last 10 years wheat production in Australia has expanded very considerably. The rate of growth can best be illustrated by

a few figures. In 1958-59 the Australian production was only 215,000,000 bushels; by 1962-63 it had risen nearly 50 per cent., to 301,000,000 bushels; and the 1968-69 crop, which was the last before the quota scheme, was an all-time record of about 554,000,000 bushels.

With this rapid growth in production came quite a number of problems. As the Australian consumption of wheat is only a fraction of production, most of the crop has to be disposed of on the export market. However, as hon. members are aware, the world wheat production has also increased rapidly. Importing countries are requiring less wheat, and, in some cases, former importers have become exporters. In fact, the world trade in wheat and flour has declined for the last three years in succession.

As a result, Australia is experiencing difficulties in selling its surplus wheat on the world market. With the large crop in 1968-69, carry-over stocks at the beginning of the 1969-70 season reached 260,000,000 bushels. This is roughly equal to the quantity of wheat that we can sell on the export market in any one season. Had Australia come up with another 554,000,000-bushel crop for 1969-70, the Australian Wheat Board would have had approximately 800,000,000 bushels of wheat to sell, and the market just would not absorb that quantity. Also, wheat storages in Australia are being placed under tremendous pressure due to the large carry-over and big crops.

As well as storage and marketing problems that face the wheat industry, there is the very important problem of finance. Under the wheat industry stabilisation plan the Commonwealth Government agrees to guarantee moneys borrowed by the Australian Wheat Board to pay a first advance on wheat and operating expenses. At the end of the 1968-69 season the Australian Wheat Board was still heavily indebted to the Reserve Bank, to the tune of about \$200,000,000. If a first advance of \$1.10 a bushel had to be paid on another 540,000,000 bushels, the total outstanding debt would have reached \$800,000,000.

This is a huge amount and the Commonwealth stated that it was not prepared to guarantee the wheat industry unlimited finance. This meant that the traditional first advance of \$1.10 a bushel would have had to be drastically lowered if production went uncontrolled. The industry itself was not slow to respond. The Australian Wheat Growers Federation formulated a plan aimed at bringing production down to more manageable levels. This plan was agreed to in April last year by Commonwealth and State Ministers.

The main features of the plan for the 1969-70 season were an Australian quota of 344,000,000 bushels plus an additional quota of 13,000,000 bushels of prime hard wheat. Thus the total quota was 357,000,000 bushels.

The individual States' quotas within this 357,000,000 bushels were—

State	Bushels
Queensland	25,000,000
Plus (prime hard)	6,000,000
	<hr/> 31,000,000
New South Wales	123,000,000
Plus (prime hard)	7,000,000
	<hr/> 130,000,000
Western Australia	86,000,000
Victoria	65,000,000
South Australia	45,000,000

Hon. members will note that the prime-hard quota was divided between New South Wales and Queensland, they being the only States that produce prime hard wheat.

It was left to each State to formulate its own method of allocating quotas to growers. That was the obvious thing to do since the position varies from State to State. The Commonwealth agreed to guarantee finance of \$1.10 a bushel bulk f.o.r. ports for the 357,000,000 bushels. Even with the reduced quantities, plus stocks, the extent of finance required would have been of the order of \$660,000,000. However, because of shortfalls in Western Australia and Queensland the amount actually required was somewhat less. For future seasons the Commonwealth Minister for Primary Industry will determine the Australian quota after discussions with the Australian Wheat Growers Federation. The Australian Agricultural Council will have the job of apportioning the quota amongst the various States.

**Mr. O'Donnell:** A statement was made the other day relative to next year's quota being 318,000,000 bushels.

**Mr. ROW:** I will give figures relative to that later on.

It is important to remember that any shortfall in the quota of one State will not be transferable to another State. That would only be something to fight about. I might mention that in Queensland it is proposed that any shortfalls during a particular year will be distributed amongst growers with over-quota wheat in the same year.

This whole scheme is dependent upon the passing of complementary legislation by the Commonwealth and each of the States concerned. The Commonwealth is at present in process of bringing down this legislation and all the other States have already implemented their legislation. The Bill I am introducing follows very closely the recommendations of the industry.

**Mr. Lee:** Will the shortfall of a particular grower carry over until the following year?

**Mr. ROW:** No. It is finished the same year. Shortfalls are distributed among growers with over-quota wheat, the same as tobacco.

I feel I should give a fairly detailed outline of the proposals at this stage so that hon. members will be in a better position to debate the matter. It is a fairly complex subject and, as a result, the Bill is necessarily fairly complex. We have tried to put as much as possible into the Bill and not leave too much to regulation. Of course, there are a number of matters which will have to be covered later by regulation because we cannot predict what could happen to the market a few years hence.

The Bill, as is, is drafted in five parts. Part I of the Bill covers the usual formal matters, such as short title, date of coming into operation, definitions, etc. It will apply to all wheat harvested up to and including the 1972-73 season because this is the last season of the current wheat stabilisation plan. The Governor in Council is given power to suspend the Bill by proclamation. This is necessary just in case the market should change to an extent which would permit the abandonment of quota restrictions, but I do not think that is going to happen.

Part II of the Bill deals with the allocation of wheat quotas, and is divided into five divisions. Division I requires the setting up of the wheat delivery quota committee. The committee will consist of five members. Three members will be wheat-growers nominated by the State Wheat Board; one member will be a wheat-grower nominated by the Queensland Graingrowers' Association, and the other member will be a representative of my own Department of Primary Industries who will act in an advisory capacity. The chairman of the quota committee will be a wheat-grower appointed by the Minister on the recommendation of the committee. Most of the other clauses in this division relate to the administration and operation of the committee.

Division 2 of Part II provides for the setting up of an appeals tribunal. This tribunal will consist of three members. The first member, the chairman, will be a barrister-at-law, a stipendiary magistrate, or a former stipendiary magistrate; the second member will be an independent Government nominee; and the third member will be a person to be selected from a panel of three nominated by the State Wheat Board, that is, a grower nominee. That is the same principle as we have in the tobacco appeals tribunal. This tribunal will have the same powers as a commission of inquiry under the Commissions of Inquiry Act, with the exception of those powers which are confined to judges. This is the usual procedure and is designed to ensure that the tribunal can get all the facts necessary to make a just decision.

Division 3 of Part II is a very important section dealing with the allocation of growers' basic quotas. This Bill provides for the specific allocation of quotas only for the 1969-70 season.

**Mr. Houston:** You will have another Bill next year?

**Mr. ROW:** No. It can be done by regulation.

**Mr. Houston:** The Bill is for only one year, and then it will be done by regulation?

**Mr. ROW:** Quotas may change. If Queensland gets an increased quota, the individual quotas will have to be readjusted.

**Mr. O'Donnell:** The year you mentioned was 1969-70?

**Mr. ROW:** The Bill provides for the specific allocation of quotas only for the 1969-70 season. In effect, if Queensland gets a reduction or an increase in quota next year, the quotas will have to be adjusted by regulation. I shall come to that later on.

As the State's quota is likely to vary from season to season, it would not be practical to spell out, in the Bill itself, the detailed method of determining quotas for future seasons. This may need to be varied from time to time. Consequently, provision is made for the detailed basis of allocation for future seasons to be prescribed by regulation.

This may only be done after consultation between the Minister, the State Wheat Board and the Queensland Graingrowers' Association. That is specifically provided in the Bill. In effect, representatives of the two organisations will devise a structure that they themselves will recommend to the Minister.

**Mr. O'Donnell:** That is open to debate.

**Mr. ROW:** The method proposed for calculating quotas for that 1969-70 season is based generally on average deliveries to the State Wheat Board over the three seasons 1966-67, 1967-68 and 1968-69, less a pre-determined percentage.

Consideration is also given to new growers. A new grower is a person on a property from which deliveries have not been made in any of the three seasons already mentioned. Such growers are required to have actually committed themselves to the wheat industry prior to 12 March, 1969, and to have planted wheat for delivery to the State Wheat Board during the 1969-70 season.

I think the best way to explain the method of allocating quotas to the various groups of growers is by way of examples. The growers generally fall into four categories, and I shall deal with each one separately.

The first group consists of growers who delivered wheat in each of the three seasons 1966-67, 1967-68 and 1968-69. In those cases the quota committee proposes to add all their deliveries, divide by three, and deduct 10 per cent. For example, supposing a

grower's deliveries for the three years totalled 30,000 bushels, that gives an average annual delivery of 10,000 bushels. His basic quota will be that figure, less 10 per cent., which would give 9,000 bushels.

The second group consists of growers who delivered in only two of the three seasons. For the year in which such a grower did not deliver, a hypothetical figure is calculated on a proportionate basis. This is important. That figure is obtained by first expressing the individual grower's deliveries as a percentage of the total district deliveries in the years in which he did deliver. This percentage is then applied to total district deliveries in the year in which the grower did not deliver to give the hypothetical delivery figure for that year. That hypothetical figure is then added to the grower's actual deliveries in the two seasons in which he delivered, and the total is divided by three. His basic quota is then that average, less 35 per cent.

The third group consists of growers who delivered wheat in only one of the three base years. The average of such a grower is calculated in a way similar to that in which the average of a two-year grower is calculated. However, the percentage cut-back applied will be 45 per cent. instead of 35 per cent. In this case, there will be two hypothetical figures, based on district averages, for the two years in which these growers did not deliver. The total is again divided by three, and the percentage cut-back in this case is 45 per cent.

The fourth group comprises new growers—that is, growers who came into the industry only last year and did not deliver to the board at all during the base period. The quota of such a grower is ascertained by multiplying the acreage that he prepared for planting in 1969 by the average deliveries per acre in his district during the base period, and deducting 66 per cent. In effect, if he planted 500 acres and the average delivery an acre was 20 bushels, one would multiply 500 by 20 and then deduct 66 per cent. However, such a grower may not be given a quota in excess of the three-year average of deliveries for the district less 10 per cent.

That may sound a little complicated, and an example might simplify matters. Suppose a new grower prepared 500 acres for wheat in 1969 and the average quantity delivered an acre in the three base years was 20 bushels. Then his initial quota would be 500 by 20, or 10,000 bushels less 66 per cent., or 3,400 bushels. Provided the district average deliveries in the base period less 10 per cent. were greater than 3,400 bushels, the grower would get a quota of 3,400 bushels. However, if district deliveries less 10 per cent. were below 3,400 bushels—they may be 3,000 bushels—he would get only the district average less 10 per cent.

I should mention, too, that any wheat on which the board has paid hail insurance compensation will be taken into account

when calculating a grower's deliveries. Also, where a grower has sold one property and bought another, only the delivery figures for the new property will be taken into account. Obviously, the grower who bought the old property will absorb the quota based on deliveries from that property, and that is fair enough.

Provision is made that a quota-holder must be either the owner or lessee of the land concerned, the share-farmer of such owner or lessee, or be able to satisfy the quota committee that he has a sufficient interest in the land to warrant being given a quota. The quota will attach both to the land and to the quota-holder.

**Mr. Lee:** What if he buys a new property?

**Mr. ROW:** I will come to that. If he buys a new property and it has a quota, he will get the quota on that property.

**Mr. Lee:** An unimproved property?

**Mr. ROW:** It would not have a quota. He would go out.

Where share-farmers are concerned, the quota will attach jointly to the owner and the share-farmer as well as to the land. If a share-farmer ceases to produce wheat on a property to which a quota has been allocated jointly to the owner and the share-farmer, the quota concerned will revert to the quota committee. If the share-farmer goes off a property and says, "I am not growing any more wheat", his quota reverts to the committee. The committee will then re-allocate the quota on an equitable basis having regard to all relevant circumstances.

In order to ensure that quotas do not lie idle, the committee is empowered to call upon a grower who consistently fails to produce his quota to show cause why it should not be reduced or forfeited. That applies already in the tobacco and sugar industries. Quotas may be increased, of course, whenever necessary or practicable.

In order to speed up the allocation of quotas and to avoid unnecessary paper work for growers, provision has been made to take cognisance of the actions of the Interim Wheat Quota Committee.

**Mr. O'Donnell:** You mentioned that a failure to maintain quota was open to query. Do you mean the quota to the Wheat Board?

**Mr. ROW:** Yes.

**Mr. O'Donnell:** In other words, if he does not send it to the board, the board wants to know where it is going?

**Mr. ROW:** That is right, if he does not supply it to the Wheat Board. If he has a quota of 2,000 bushels and he does not supply it to the Wheat Board, he is asked why it should not be reduced.

**Mr. Lee:** He may be asked to give a reason?

**Mr. ROW:** He can give reasons. If it is due to drought conditions or the illness of himself or one of his family, that may be taken into account. The quota committee takes cognisance of special circumstances, as is done in the tobacco industry.

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

**Mr. ROW:** At the luncheon recess I had reached the portion of my speech dealing with a grower's failure to supply his quota to the Wheat Board. The hon. member for Yeronga was concerned about this, but I want to assure him that if a grower fails in only one year his quota is not reduced. If he fails to plant for two years and does not produce his quota, or fails to produce his quota for three years, then he may be called upon to show cause why his quota should not be reduced or cancelled. At the same time, of course, he has the right of appeal to the appeals tribunal, and acts of God such as drought and hail, or other such occurrences, will be taken into consideration by the quota committee very much on the same basis as is done in the tobacco industry.

Perhaps I should explain that in April of last year an advisory committee was formed to investigate the whole position. This was known as the Advisory Wheat Quota Committee and it consisted of representatives of the State Wheat Board and the Queensland Graingrowers' Association with officers of my department in attendance.

Subsequently, in September last, I approved of the setting up of an interim quota committee to give growers an idea of their likely quotas. The basis of membership of this interim committee was the same as that proposed for the statutory committee provided for in the Bill. The gentlemen concerned with this interim committee were: Mr. Les Price, president of the Queensland Graingrowers' Association, as chairman; the members of the State Wheat Board, namely, Mr. Eric Flegler, Mr. Viv Roberts and Mr. Allister Shepherdson, who, as hon. members know, comes from the Central Highlands, and Mr. Brian Rosenthal from my department as advisory officer.

The allocation of quotas amongst growers is a very difficult business. Naturally, nearly every one of the 7,000 wheat-growers in this State would like more than he could possibly get out of the 31,000,000-bushel State quota. Once anyone has to decide between the merits or demerits of various claims, he has a real problem on his hands. Every case is different; very few farms are alike. If we try to lay down too many rigid rules we eliminate applications that should not be eliminated. We must, of course, have some rules, but they need to be flexible. This is where the appeals tribunal comes in.

The grounds for appeal have been made fairly wide. They are—

1. That the decision of the committee was not in accordance with the Act;
2. That the decision of the committee was manifestly unfair; and
3. That the decision of the committee would cause severe personal hardship to the appellant.

I think these grounds should be adequate to enable any grower with a genuine case to have his appeal heard.

Division 4 of Part II deals with adjusted quotas, temporary quotas and rights of quota-holders. I feel that I should explain the difference between a basic quota, an adjusted quota and a temporary quota. A grower's basic quota is the reference point on which his delivery entitlements are determined. In short, it establishes his equity in the Queensland quota. A grower's adjusted quota is concerned with actual deliveries from year to year. As I have said, there will always be some shortfalls, and these shortfalls are distributed amongst the growers with over-quota wheat on a proportionate basis. Some growers will not produce their quotas. These shortfalls will have to be redistributed for the particular year over other growers who have surplus wheat. This is where the adjusted quota comes in. It is something that cannot be spelled out beforehand—it will change from time to time—but it will always be based on the grower's basic quota.

Temporary quotas can be given only to growers without a basic quota, and only under certain circumstances. These quotas will be issued only if, in a particular season, the total quantity of wheat available from holders of basic quotas falls short of the State quota. For example, last season's deliveries to the State Wheat Board were less than half of the State quota of 31,000,000 bushels; thus all growers, whether quota-holders or not, were able to deliver all their wheat to the board.

All holders of basic quotas will have the right to deliver their basic quota or their adjusted quota to the State Wheat Board as soon as storage is available. They share in the allocation of shortfalls and receive the full first advance payment of \$1.10 for their quota wheat.

Division 5 of this part covers the general provisions, such as regulation-making powers and penalties. The main offence will be delivering or trying to deliver non-quota wheat as quota wheat, and since the financial advantage that a grower would achieve if he succeeded in doing this could be very substantial, the proposed penalty is, accordingly, fairly substantial. A maximum of \$1,000 is provided for such an offence. For other offences a maximum of \$100 is provided for a first offence and up to \$500 for continuing the offence after conviction by a court.

As mentioned earlier, the method of calculating basic quotas after the 1969-70 season is to be prescribed by regulation. If the allocation of basic quotas were made too rigid we would not be able to deal effectively with any change in the State quota. However, the protection afforded by the appeals tribunal is the real safeguard in these matters.

Part III of the Bill deals with the Wheat Industry Stabilization Act. In short, the stabilization Act will be modified to enable the Australian Wheat Board to operate quota pools rather than seasonal pools at present.

Part IV of the Bill will modify the Wheat Pool Act. At present the State Wheat Board is required to accept all Queensland wheat delivered to it. The Bill will remove this statutory obligation. The board's obligation in this respect will be limited to quota wheat; however, it does not prevent the board from taking in over-quota wheat if storage is available. This is very important to Queensland growers because, as hon. members are aware, this State produces a large proportion of prime hard wheat. Last year there was not enough available and we were unable to meet the demand from world markets. Because of this and the seasonal conditions that prevail in Queensland, it is very desirable to have some carry-over. Last year the Australian Wheat Board lost some sales of wheat to South America because South America buys a certain quantity of f.a.q. wheat and a balancing quantity of prime hard wheat. Because prime hard wheat was not available, South America did not buy its usual quota. Chile and Peru both take a fair quantity of wheat—about 100,000 tons.

The carry-over that I mentioned will ensure that we can keep our traditional markets supplied.

Another important point is that over-quota wheat not sold in the one season will form part of the following season's quota for the individual growers concerned. If the State board can accept wheat in excess of the State quota, this will form a cushion against adverse seasonal conditions. Last year's experience indicates the necessity of such a provision. In recognition of this, the Australian Wheatgrowers' Federation recommended that for 1970-71 an additional allocation of 5,000,000 bushels of prime hard wheat should be made to Queensland, and a similar quantity to New South Wales. This is very important to Queensland, and the Commonwealth Government has now approved of this additional allocation.

In effect we have a base quota of 25,000,000 bushels. We have an additional quota of 6,000,000 bushels prime hard, which makes a total of 31,000,000 bushels, and we now have an extra 5,000,000 bushels of prime hard, which brings the total to 36,000,000 bushels. That puts Queensland in a very good position considering that on only one occasion—the year before last—have we had a wheat intake at the board over that figure. That was 38,000,000 bushels.

Queensland is in a very favourable position under the wheat agreement. An additional 5,000,000 bushels has been granted despite a reduction in the over-all Australian quota from 357,000,000 bushels for last year to 318,000,000 bushels for the coming season. In essence this will mean that quota deliveries in Queensland from the 1970-71 crop can go as high as 36,000,000 bushels, which is without any allowance for carry-over and, as I said, we have exceeded that figure only once in the past. Of the 36,000,000 bushels, 11,000,000 bushels would have to be prime hard wheat. That does not present any problem to Queensland because the percentage of prime hard in Queensland is always very high. In the last really big year, that is, 1968-69, a total of some 34,000,000 bushels out of 38,000,000 bushels was prime hard wheat. That indicates my point that we can normally expect about 80 per cent.

As yet, I am not able to give hon. members any precise details about how the additional 5,000,000 bushels will be allocated, because approval for the extra quantity came through only about a week ago. My own thinking is that a substantial part of it should be used to reduce the cut-back for the one and two-year growers, and the new growers.

**An Honourable Member:** Those who need it most.

**Mr. ROW:** They are really being cut rather heavily, as I indicated in the figures. Perhaps some consideration might also be given to the smaller growers. Under the existing proposals they are being cut by only 10 per cent., but 10 per cent. means a lot to the smaller growers.

Here, again, there are some difficulties. The quota committee will have to determine who is a small grower, because some growers on 300 acres, producing 6,000 to 7,500 bushels of wheat, are genuine wheat-growers. On the other hand, there are other people who grow 200 acres of wheat as a cash crop and derive their main income from the production of other grain or cattle, or perhaps they are dairy farmers. If they have a surplus they send it to the board. The responsibility of determining who is a small grower is a fairly heavy one for the quota committee.

**Mr. Houston:** What quantity can a small grower send in?

**Mr. ROW:** He is the same as the others now; it is the average of the three years less 10 per cent. for the older grower.

**Mr. Houston:** But he has to declare himself a grower and produce some wheat?

**Mr. ROW:** Yes. The only person who can be called a grower is the man who has been delivering wheat to the board. Anybody who does not deliver wheat to the board is not regarded as a grower, so he is not entitled to a quota. The smaller farmers who grow

wheat for their own use sometimes use the board as a means of selling their excess, and, on the basis of the wheat they have delivered to the board, they are entitled to a quota. As I pointed out, the difficulty, which does not apply so much to other industries such as the tobacco industry, is that a part-time wheat-grower might use wheat as a cash crop, so how does anyone determine who is a wheat-grower? I am not a wheat-grower, but my own thought is that a man with under 300 acres could be classed as a very small wheat-grower.

The question of allocation of the extra 5,000,000 bushels is currently being considered by the Interim Wheat Quota Committee. When I get its recommendations I will be discussing the matter with the State Wheat Board and the Queensland Grain-growers' Association. I mentioned earlier that there is specific provision in the Bill for such discussions.

Allocating quotas among producers is not an easy business, but I do not see any real alternative in the present difficult situation. On the brighter side, as I said before—and let me emphasise it—Queensland is fortunate that it can produce a big proportion of prime hard wheat, which is readily saleable on overseas markets. In addition, there is a demand for it here. It attracts a high premium for its high protein content.

Again, our storages, unlike those of other States, are not filled with carry-over wheat. I understand that the total storage capacity of the Queensland Wheat Board is some 37,000,000 bushels.

Finally, I reiterate that the quota proposals will not solve all the wheat industry's problems. They will merely help the industry over a very difficult period. The proposals—and this is important—have been put forward by the industry itself, and the scheme will be run by the industry. The Bill merely provides the necessary legal framework to operate them.

I commend the Bill to the Committee.

**Mr. HOUSTON** (Bulimba—Leader of the Opposition) (2.33 p.m.): This type of Bill does not lend itself to detailed discussion at the introductory stage because, as the Minister has pointed out, it contains many machinery measures and its operation depends on the wording and interpretation of many clauses which are designed to set up machinery so that the system that the Government wants to introduce can be put into practical effect and which relate to the future production of wheat and the development of this industry.

The Bill is similar to those introduced in other States. I think the Minister said that similar legislation has been passed in other States and that it is expected that those States which have not passed similar legislation will do so in the near future. Therefore, any amendments to this legislation

would have to be referred to those other States, and that would make it quite a difficult job.

Therefore, at this point of time, I shall restrict my comments to the principles involved rather than make a detailed analysis of the legislation itself. However, I assure the Minister that the Opposition will go through the legislation in detail and give their thoughts on it at the second-reading and committee stages.

As I listened to the Minister, it became evident to me that there must surely be something wrong in world politics or administration when, on the one hand, a nation can be blessed with all the essentials to produce high-quality wheat and, on the other hand, there are people who are starving and dying because they either cannot get sufficient to eat from their own resources or have not the means to obtain food. Whilst that situation exists, we in this country are talking of quotas and restrictions. It makes one wonder whether it would be more beneficial for the peoples of the world if the energies directed to producing a system of restricted production were directed to finding ways and means of making our commodities available to those in need of them.

Even in Queensland there is an anomaly that has developed over the years. On the one hand, the Minister is talking about over-production—that is basically the problem, and it is why the Bill is necessary—and, on the other hand, poultry producers complain that the price of wheat is so high that they cannot make a living. The housewife is complaining that the price of eggs prevents her from buying as many as she would like to buy. The pig producer is complaining that he cannot sell his products at a price acceptable to the public because of the high price that he has to pay for his feed.

It has to be remembered that although the wheat industry is in itself a primary industry, its product is a basic requirement in other primary industries. That means that the home-market price of wheat has a great effect on the cost structure of other primary industries that are basic to this State. The general public quite rightly asks, "If there is over-production of wheat, why is the price of bread continually increasing?" I cannot remember one year since I have been a member of this House when, round about December, the bread manufacturers have not told the public that there is to be an increase in the price of bread, and the reason always given is that the price of wheat has been increased. I am not arguing the rights or wrongs of such increases. Government members, however, are constantly telling us that in trade and commerce competition will ensure that the prices of various commodities find their correct levels. In the wheat industry today, all sections feel that they are not getting a good deal.

It is true that the wheat-grower would suffer greatly if he did not get a fair return for his efforts, and the placing of restrictions on the amount of wheat grown is designed primarily to allow genuine wheat-growers to obtain a worth-while living from their labours.

It is necessary also to consider another question associated with this industry, and to ask why it is that many producers have apparently changed over to wheat production. I think the Minister said that in 1958-59 215,000,000 bushels of wheat were produced in Australia. In four years it increased to 301,000,000 bushels, but in the next four years there was a spectacular increase to 554,000,000 bushels.

**Mr. Row:** I think that the low wool prices had much to do with that.

**Mr. HOUSTON:** That is what I am coming to in a moment. Of course, the expansion in Western Australia certainly put a few bushels into the ring, and freight concessions and so forth also encouraged increased production.

However, surely the Federal authorities, in conjunction with the State authorities, should watch what is taking place. This is another instance of a matter getting out of hand and drastic measures then having to be considered to find a solution to the problem. Whether or not this proposal is the best solution can be argued at the second-reading or committee stage of the debate.

The whole point is that if it had not been for the failure of other industries—I mention particularly the wool industry, which also was mentioned by the Minister—many primary producers would not have switched to wheat production. Surely their desire to switch to wheat production must have been based on a recommendation from some authority. I believe it would be true to say that persons expert in wool-growing certainly had more than an average knowledge of primary industries generally, and when they showed a desire to switch to wheat-growing was the time to point out to them the possibilities of over-supply.

In the meantime, unfortunately, as the Minister knows, the wool industry has deteriorated further. What is going to happen to the people in it? I know that quite a few wool-growers in the West are endeavouring to switch to beef production. Are we to look forward, then, to the same unhappy situation of a crisis occurring in the beef industry in a very few years because people have come into the industry who are not normally engaged in it?

The point I am making is that the balance of the various primary industries within the nation is being lost. Because Queensland produces high-quality wheat that is sought after, it could be the loser in the long run. No-one wants to deny any primary producer the right to change to growing another commodity; but, naturally, one has to ensure that

there are markets for those who are already in the industry and those who come into the industry. I wonder what effort has been made by Federal and State authorities, particularly the authorities in Queensland, to find overseas markets for Australia's primary products.

Hon. members have read statements about the sale of wheat to communist China. It is strange that if I talk to someone about a matter and the person to whom I am speaking is a communist, I am then considered to be a fellow-traveller. On the other hand, if thousands of bushels of wheat are sold to communist China to ensure that they are not left rotting, apparently that is all right. I am not condemning such sales. I believe that if the market is available, we should sell the wheat, provided the price is right.

**Mr. Row:** Last year 1,163,000 long tons were sold.

**Mr. HOUSTON:** That is right. If that wheat had not been sold, I think the Minister would be more agitated than he is today about the condition of the wheat industry. The point I am making is that we should not be hypocritical about world trade, and every effort should be made to find markets. If Australia's primary production is to be saved, the only solution in the long run is to find markets for it.

**Mr. McKechnie:** You are aware, of course, that America accuses Australia of trying too hard in going out and getting markets for wheat?

**Mr. HOUSTON:** America, of course, is much larger than Australia, and I believe that it will attempt to protect its own industries. This is what the Americans are doing, but that does not mean that we have to believe what they say.

**Mr. McKechnie:** The point I am trying to make is that that is what we are really trying to do with the Wheat Board.

**Mr. HOUSTON:** This may be so, but we are not being very successful. In fact, it becomes headlines if we can do a deal with communist China, but many other countries in the world are crying out for good-quality wheat. As I said earlier, starvation is rampant in the world today and wheat and rice are two basic food commodities. But our wheat is not getting to the markets.

The hon. member may recall that whilst we were in Singapore a strike was taking place on the wharves there. It was due to the fact that the employees objected to what they were being given for breakfast. If I may briefly explain the position, employees on the wharves in Singapore, at that point of time anyway, were paid wages in three parts. One was so much money,

the second was housing and the third was, I think, breakfast. I do not think they got lunch, but breakfast came into it, and the breakfast supplied by the ship-owners, or those controlling the wharves, was, for many years, rice. Because of the shortage of rice at that time they were fed what I think was called a wheat cake. The local Chinese workers went on strike because they said this type of food was not acceptable to them, that they became hungry too quickly and could not perform their work properly.

To me that was a classic example of a market being lost because we were not quick enough to understand that counter-propaganda was necessary, not to influence the men to go back to work or to continue the strike, but to explain that the wheat product was capable of providing a good meal if it was prepared correctly. In this case I believe that a market was lost, or at least not expanded as much as it could have been.

I believe that many other countries, particularly in the Near North, are open to honest propaganda to increase our wheat sales. To my way of thinking, this is where we have to start. These other measures are only stopgap in nature. I do not believe in restriction of production. Surely whilst there is a world need for our article we should be thinking in terms of producing more, not less.

With those remarks on the general issue of production and over-production, and on the problems associated with this industry, I leave further and more detailed comments to the chairman of our committee, the hon. member for Barcoo, and other speakers.

**Mr. AHERN** (Landsborough) (2.49 p.m.): The Bill that has been outlined by the Minister for Primary Industries is simple in principle, and the basic principles have been agreed to by the Australian Wheat Growers' Federation. The Bill sets up basic machinery for production restrictions in the wheat industry. I stress that these proposals have been agreed to between the industry and the Government in close consultation. Parallel legislation has been introduced in other States of Australia and the plain fact is, of course, that Queensland is faring a bit better than other States because of the prime hard quality of our wheats.

The proposals put forward, I feel, are sensible. The legislation proposes the setting-up of a quota committee to determine individual farm delivery quotas. It clearly sets out the formula to be applied and the constitution of the appeals tribunal.

As the Leader of the Opposition has said, one of the great anachronisms of our time is that Australia has a tremendous potential and capacity for producing high-quality wheat, yet restraints are imposed on its capacity to produce in the face of widespread hunger throughout the world. Unfortunately,

these restraints are necessary. Until organisations like the Food and Agricultural Organisation, the World Bank, the General Agreement on Tariffs and Trade and the United Nations Committee for Trade and Development can create a climate in countries where hunger is widespread whereby they can buy at reasonable prices, this set of circumstances is almost certain to continue.

Those countries have received a great amount of foreign aid from the more wealthy nations, but unfortunately, in certain circumstances, that aid has not been directed satisfactorily.

Australia has been very energetic in trying to sell wheat on the world market in absolutely every market situation that exists, yet it still finds it very difficult to sell its wheat. Still, there are tremendous increases in the acreages of all types of wheat and in necessary production restraints. In this case they are both sensible and necessary in the way that it has been agreed they will apply.

On the wheat industry as a whole, production restraints, as a principle, are a relatively new feature in the traditional grain areas of Queensland and, for that matter, of Australia. For many years the traditional pattern throughout Australia has been that the farmers have planted as much wheat as they could, and there was no thought of production restraints. From time to time warnings were issued by industry leaders and politicians that a situation was being created in which production restraints would be necessary, but unfortunately the warnings were not heeded and very little production restraint, if any, was applied to the acreage of wheat.

On the ordinary wheat farm the grower decided that, in the light of land, labour and capital resources available, he should plant as much wheat as possible, having in mind the management for black oats and the variety of other things that the farmer has to contend with. The balance of the farm not planted with wheat was used in a variety of ways. In each of the main wheat-producing areas of Queensland a great variety of alternatives was employed on the remaining portions of the farms. Many farmers fed cattle on grazing oats during the wheat season, and many others planted the balance of their areas with coarse grain crops of one type or another.

On the Darling Downs there was an increase in the production of many crops, depending on whether or not irrigation facilities were available. Even linseed was grown. Broadly speaking, though, the main crop was wheat, and it was the most profitable crop per acre in terms of what is known technically as the gross margin per acre.

It was interesting for me to tour northern New South Wales wheat areas last year and discuss with a number of agricultural economists in that area the relative merits of

wheat and other enterprises that could be undertaken in that area at that time. Last year in northern New South Wales quite a lot of rain fell at the appropriate time of the year so that cattle on grazing oats turned out to be more profitable per acre than wheat. That was a very fortuitous circumstance for our primary industries because while we were suffering from drought there were adequate areas to take vast numbers of stock for fattening. That was a most profitable enterprise for the wheat-growers of northern New South Wales who had grown wheat for many, many years.

In Queensland, wheat has been considered the most profitable crop to grow per acre, but in areas where wheat monoculture predominated for many years alternatives are being searched for. During the past season many farmers were faced—and they will continue to be so faced—with deciding what alternative crops to grow. This poses some interesting questions. I believe that the Grain Growers' Council has a very real opportunity and, indeed, a responsibility, to its members firstly to provide guidelines to them in the choice of alternatives to wheat, and secondly to provide some leadership, in association with the Department of Primary Industries, in encouraging a methodical approach to whole-farm management planning.

That is the major point I wish to canvass today because it is one of the major decisions that a farmer has to make. Basically the farmers accept that quotas were inevitable in the wheat crop. I have talked to many farmers on the Darling Downs, our central wheat-growing area, and this is the major question facing them. They say, "All right, quotas were inevitable, but what should we do now with the rest of our land, labour and capital resources?"

This provided me with some interesting opportunities when I visited the Darling Downs area quite recently to discuss this matter with wheat-growers. I was the guest of the Grain Growers' Council and I had an opportunity to discuss with that council some aspects of the farm management scheme that I was pushing at that time. I discussed with some of the growers what they thought they would do with the balance of their farm after the wheat quota was applied. Today, an excellent opportunity exists to get across to the grain-growers of Queensland—not just the wheat-growers—the message about what is happening in New South Wales, Victoria, South Australia, and particularly Western Australia, in this field. I am not advocating this solely for growers in Queensland; it is adopted as the normal practice in Western Australia.

I repeat that when on the Darling Downs I took advantage of the opportunity to talk to a few farmers about what they would do with the balance of their land, labour and capital resources. I spoke to quite a big cross-section of the community. One

of them outlined a proposal he had in mind. He thought that he had some expertise in the pig industry—I have no doubt that he had—and intended growing coarse grains in a big way. He proposed to start a fairly big pig enterprise and to direct the rest of his land, labour and capital resources into the pig industry. I asked him if he had assayed if this was the most economical and logical thing to do on his farm but he said that he had not given it more than cursory consideration. I talked to one man—admittedly he was only one of a very few on the Downs who had won a broiler-growers contract—who had decided to go into broiler production in a big way. He intended to grow coarse grains and feed them to the broilers.

Mainly, I suppose, many people are looking towards cattle-fattening in these wheat-growing areas. This is probably quite a logical decision that many of them will make. However, I am afraid that many of them are going ahead and saying, "We can plant only a certain amount of wheat. We will plant the remainder of our land to barley and sorghum, without any planning at all, and we will take what we can get for it. This seems to be the next most logical thing to do with the machinery that is available to us."

It was obvious that the majority of wheat-growers and grain-growers in Queensland had no fixed plan of assessment of the alternatives which might be mixed together profitably. I believe that there should be such a plan. A Western Australian farmer would apply a different decision-making process from that applied in Queensland. He would look closely at the economics, that is, the per-acre profitability of the alternatives, and try to mix them into the most profitable farm plan.

**Mr. Hanson:** What alternatives would there be in Western Australia? There would be very few, wouldn't there?

**Mr. AHERN:** There certainly are alternatives. There are grain alternatives, cattle alternatives, and fat lamb alternatives. Today there are procedures available for determining the most profitable combination of enterprises to give the most profitable farm plan, in the light of land, labour and capital resources. These new economic techniques cannot be lightly brushed aside as an economist's wild theory because they have been employed very successfully in other States and, may I point out to the hon. member for Port Curtis, most effectively in Western Australia where, in many areas, I have spoken to wheat-growers who boasted that, by applying these new techniques which are available today, they have quite often doubled their farm profits. That cannot be lightly brushed aside.

When a farmer approaches a decision-making process he has before him certain land, labour and capital resources. At the

present time he will probably commit most of his land resource to wheat. But he will find a restraint put on this by the legislation now before the Committee, and I suppose he will then try to assay the next most profitable enterprise he can undertake, which might be cattle on grazing oats. But he would then run into a voluntary restraint which would most likely be a capital restraint, and he would probably plant the rest of his farm to barley or sorghum, but how much of each—how much acreage for cattle, what acreage of linseed, and what acreage of barley and sorghum? The hon. member for Port Curtis would do well to study the facilities which are available through the Department of Primary Industries. A continuing assessment of whole-farm profitability is available through the group service of the Department of Primary Industries.

**Mr. Bennett:** Hamstrung by the Government.

**Mr. AHERN:** Hamstrung by the Government? It did not exist in Labour's day. The budget of the Department of Primary Industries as a whole has been doubled since this Government came to power.

**Mr. Bennett:** The sugar industry is not in a good position, and the wheat industry is doing nearly as badly.

**Mr. AHERN:** The sugar industry is on a good economic plane at the moment, and it can see a bright future.

These services are available through the group service of the Department of Primary Industries, through farm management consulting, and through group services provided by the Western Australian University and the New England University at Armidale. These services are quite widely used in other States, but unfortunately we in Queensland have been very slow to accept their general use.

**Mr. Davies:** You are blaming the Minister now.

**Mr. AHERN:** No, I am not blaming the Minister. In Western Australia, 10 per cent. of all farmers employ some type of intensive economic advice in their production units. In Queensland the percentage is .04, although admittedly it is increasing. The sugar industry has started a pilot scheme, and there is no more profitable measure that could be more simply applied in the wheat and grain industry. As I have already said, the results of such schemes are most significant, and cannot be lightly brushed aside.

There is no more profitable time than now, when the whole of the wheat industry is faced with a major decision, to talk about these matters. I believe that grain-growers have an opportunity and an obligation to

provide guide-lines for the future development of their industry in relation to alternatives that may be adopted, and also to get across in no small way the benefits of intensive farm management planning. I suggested to the grain-growers when I was in Toowoomba that they should hold a series of area seminars, for which I would be quite happy to assist them in obtaining guest speakers.

I hope that the grain-growers' organisation will seize the opportunity to co-operate with the Department of Primary Industries in encouraging more people to participate in farm groups and accounting schemes. They are good and simple, and provide a sound basis for putting into practice good business decisions in rural industries. They are in effect a watch-dog on the profitability of every area of production on each individual farm. People should also be encouraged to employ techniques of farm management consulting, and it would also be a good thing to encourage groups similar to those sponsored by the University of New England. I make those points for the consideration of the Committee and the grain-growers' organisation.

The Minister outlined in his early comments the mechanism which will be used in the industry for the determination of future increases in quotas. I think he said that an industry could not be bound by legislation now to handle the situation that might arise in two or three years' time. The most likely course of events seems to be that there will be decreases in quotas, and such decreases will be relatively easy to apply. However, we hope that the time will come when it will be possible to increase quotas, and the quota committee will then have to decide how the increases should apply in Queensland. Should they be applied across the board on a percentage basis to individual quota-holders, or, if there is a marginal increase of, say, 10 per cent. in Queensland, should the committee be prepared, as I think they should, to use some of that increase to iron out anomalies in the present quota system?

Such a system has been used to very good effect in the tobacco industry. It has virtually removed the smaller grower from the industry entirely, and it has been used to bring individual quota-holders up to a living standard. Such a scheme could also be used to good effect in the wheat industry. I believe that this is part and parcel of what must become in this country a national small farms policy. In my opinion, that will have a very great effect.

In the past, unfortunately, much of the Federal assistance to primary industry has been across-the-board assistance, and it has not been a policy directly oriented towards the small-farm problem. However, that problem is arising with increasing force each day in the rural sector of Australia's economy, and it would be very satisfactory if a national

small-farms policy could be evolved for the whole field of primary production. In fact, it is essential that such a policy be evolved. Schemes such as this would be part and parcel of it, and if increases in production were possible, every opportunity would be taken to bring small quota-holders up to a living standard.

I commend the Minister for moving that the Bill be introduced.

**Mr. O'DONNELL** (Barcoo) (3.11 p.m.): First let me associate myself with the remarks of the Leader of the Opposition. He expressed general and broad criticism of the situation in the wheat industry as it relates to the needs not only of the man on the land but also of consumers.

I should like to mention with appreciation at this stage the work of the Queensland Grain Growers' Association and its officials, particularly its leader Mr. Les Price, in facing up to the situation on behalf of grain-growers and endeavouring to arrive at a purposeful solution. I follow situations such as this fairly closely, and irrespective of the criticism that may be levelled at Mr. Price and other officials—they do not look for criticism; neither do they shirk it when it comes—it can safely be said that they have faced up to their task well and done an excellent job in convincing the Australian Wheat Growers' Federation that they are definitely top leaders in the administration of the industry. I think it would have been negligent of me not to pass those remarks, and I include in them, of course, Mr. Don McKechnie.

I wish to raise a number of other points, and I shall take first the one mentioned by the hon. member for Landsborough just before he resumed his seat—the question of a basic living quota. In my opinion, that is very important. In Queensland, maximum production is about 37,000,000 bushels. As there are about 6,000 suppliers, that gives an average figure of approximately 6,000 bushels. But in looking at the industry closely, we find that one-third of the growers are providing two-thirds of the crop. That being so, about 4,000 suppliers produce about 12,000,000 bushels, an average of 3,000 bushels, and the other 2,000 suppliers produce about 24,000,000 bushels, an average of 12,000 bushels. Somewhere within these figures lies a basic living quota.

I know very well that we can take averages, but they are awful liars. Some people talk about the average production in Australia being 20 bushels to the acre, and say, "Well, 500 acres producing seven bags to the acre is approximately a basic living quota." That is the point I want considered by the quota committee that the Minister has mentioned today in order to raise the standard of wheat-growers, particularly the late entrants who have come into the industry over the last three years and made their initial plans with the idea of progressive development. I do not want to see the stage reached when the

quota system is perpetuated and the small man is put out of the industry altogether. We know that that is not desirable.

Whilst I am on this question of production, I remember reading not so long ago that the largest wheat producer in Queensland put 13,000 acres per annum under crop. That is a tremendous amount of country when one thinks of the suggested basic living quota example I previously mentioned of 500 acres producing seven bags to the acre. Something must happen along the line in fairness to those people who do not have large properties and, as a consequence, do not produce tremendous crops in good seasons.

I raise another point. The Minister was very clear in his outline of the quota committee and its work, and the appeals committee, but then he said that future quotas will be defined by regulation. This point is very apposite to my previous remarks and also to the point raised by the hon. member for Landsborough about a basic living area or quota. I think that if the quota procedure given by the Minister is to be followed, whilst quotas exist we are not going to achieve what is desirable for the small producer. I do not think it is possible. As a matter of fact, I see the fallacy of the whole system as outlined.

Let us look at it: in the categories listed by the Minister, the formula is fair enough in the first instance, that is, an average of the total over the three seasons to 1968-69 less 10 per cent. That is basically sound. The second category comprises the two-seasons man. What is meant by "the two-seasons man?" Is he a man who has had two seasons out of three of production and one of drought? Is he to be penalised because of the drought? This is an instance I put the finger on, and the same could apply to the one-season man.

It may be all right as applied to people who are fooling around or who are experimenting marginally in the wheat industry, say, graziers, as a diversification of their activity in the wool industry or the cattle industry, but just how does one fit a quota system into a State such as Queensland, or New South Wales, or Western Australia, or anywhere else where a drought period has been experienced over the last three years? I think my point is important because this will be one of our basic problems. I know very well that the gentlemen who set out these categories did so with the best of intentions, but the Minister did not explain the effect where drought-affected country is involved.

I can appreciate what people have done in other activities. I can also appreciate a person being ill and almost entirely neglecting his work, but how does the quota committee face up to aspects where sympathy and understanding of the primary producer are needed? I bring these matters forward because they should be raised at this stage.

At the second-reading stage hon. members will have to restrict their remarks to the provisions contained in the Bill.

Quite frankly, if each hon. member were given an hour in which to speak today, the whole story of the wheat industry, which is facing a crisis, would not be told, and that is the truth of the matter. Every opportunity must be taken to consider all aspects of the industry and those points that were outstanding in the bald and brief statement made by the Minister. Of course, the Minister has done a very good job and has been very considerate in outlining the provisions of the Bill, and I offer no personal criticism of him. Also, he has shown the Opposition the courtesy of providing notes on the Bill.

The Leader of the Opposition mentioned certain reasons for this great production or over-production of wheat, and he was perfectly correct. In the past there has not been sufficient planning in many of our primary industries, and the wheat industry is a shining example of the situation in which people can find themselves when they are not cognisant of where they are going. I warn the cattle men, "Watch out. You are well on your way to being in the same situation as that in which the wheat-growers and sugar producers find themselves."

The Western Australian Government, by reducing freight rates, helped the wheat-growers to put 1,000,000 additional acres under wheat—and I have nothing but praise for the Western Australian government for its action—but what was the result? It made a contribution to over-production in the wheat industry. I still think that the freight concessions could have been given and that with wise planning wheat production could have been kept within reasonable bounds. Look at the situation in Queensland. What about concessions to Queensland's graingrowers? Why should not concessions be given to them? If, through over-production, grain-growing in Queensland is in dire straits, why cannot the Government help the growers by granting similar reductions in freight rates, at the same time making sure that the reductions assist the primary producers to make a living and do not induce them to indulge in over-production? Those points are important ones.

Another aspect I should like to mention is the marriage of grazing and grain. The marriage of the two is admirable, provided the grazier uses the grain in the grazing industry. When I was a young fellow of 20 years of age I was teaching in the Roma district, and I saw quite a large amount of grain grown around Wallumbilla and very little being grown up near the Injune Road about 30 or 40 miles north of Roma. That area contained a number of dyed-in-the-wool farmer-graziers. But today as I fly over that marginal country, as we used to call it—and still call it—I can see the tremendous spread of wheatfields. Stretching

to the east from the Roma-Injune line the countryside has undergone a marvellous change. That country is marginal country. When grain is grown it is good grain, and the people who produce it channel it into the Wheat Board and onto the Australian and world markets. This is where we must use common sense. The marriage of grazing and grain has its good points and bad points as well. In a way those suppliers have contributed to our great surpluses.

The Leader of the Opposition analysed the figures supplied by the Minister but he could not get the total of 357,000,000 bushels. He arrived at a figure of 343,000,000. I checked the figures and obtained the same result. Perhaps we on this side are very good mathematicians; at least we agree with one another.

I should like now to refer to Queensland's favourable situation in the wheat-growing industry. We have an additional quota of prime hard wheat of 6,000,000 bushels which is to be increased by 5,000,000 bushels next year. That is excellent. However, I emphasise strongly that in Australia what we class as prime hard wheat—

**Mr. Row:** That accounts for the difference between 344,000,000 and 357,000,000. The 7,000,000 bushels of prime hard wheat for New South Wales and 6,000,000 bushels for Queensland is added to the 344,000,000.

**Mr. Houston:** I have already added that on.

**Mr. O'DONNELL:** New South Wales produces prime hard wheat and Queensland is gaining a benefit that could probably put it well into the category of the most favourably situated State. No-one can tell me that Western Australia, which has a climate similar in many ways to Queensland's, will not be able to increase its production of prime hard wheat. Let us not be overconfident about our situation; let us thank God that we are so well off compared with the other States.

Many solutions have been advanced to solve the problem. Certain discontented people—from time to time their names have appeared in the Press and in "The Queensland Graingrower"—have put forward their cause. While talking about the favourable situation enjoyed by Queensland, I point out that some grain-growers in Queensland are advocating that Queensland in its present situation should not be under quota at all. I do not think that would be fair. As we are all in the union, we should all stick together and share the hardship. That would be one reproof I would give to those people. From time to time there is an upsurge of criticism. We must note carefully what is being said, because those of us who know this industry realise how important it is. After all, in recent years, what primary industry has contributed more to decentralisation than the grain industry? No other industry has done as much.

In the Central Highlands, what has been the wonderful adjunct to the subdivision of those large blocks into blocks of approximately 5,000 acres? Nothing but the fact that the country has the ability to produce grain. Not only have we had this diversification superimposed on the cattle industry or the sheep industry, but, to aid decentralisation, we have also had the intrusion of the share farmer onto these very same properties. This indicates not that the blocks are greatly in excess of living areas but that they are able to support a share farmer, perhaps in lieu of a working man and his wife. Therefore, our grain industry is indeed important. Whether these primary producers grow wheat or the coarse grains, as we call them, they are playing a vital part.

One has only to look at what has happened to a town like Emerald, which is at the crossroads of a valley. A good deal of development has taken place there because of smaller properties and the diversification into grain. The growers have bad seasons. Even though summer is the best season, some summer seasons are not good at all and winter seasons are very unreliable. Yet a concentration of population has been brought about by this development.

It is indeed a serious matter to see any setback in grain-growing, just as it has been a serious matter to see a setback in the dairy industry. In the early days, what was the great decentralising industry? We know very well that it was the dairying industry.

The Minister mentioned a production of 554,000,000 bushels. It was only a few years ago—about 1967—that we were boasting that we, as Australians, had been able to dispose of 370,000,000 bushels. There has been a great change overseas; there has been development in some countries which has resulted in a decline in our markets. Considering the international grain agreement and certain explosive statements that have been made by different countries about how they will obtain grain and by other countries about how they will dispose of their grain, we, as Australians, should be concerned not only about the lack of planning in our own country but also about the lack of planning by the signatories to the agreement, because surely they must have been aware that with over-production they could not market their product at the price that is being asked and that this would result in dumping at lower prices than are economic to the producing nations. This must have been evident, yet suddenly we were placed in the position where Japan, which bought 1,100,000 tons of wheat from us, took the stand that it would not take our price but would call tenders on the world market. It can readily be understood that in times of over-production countries that are worried about the disposal of their grain will be tempted to break agreements when tenders are called. Even in Australia

today there is a great deal of talk about locally produced grain being sold at 60c a bushel.

(Time expired.)

**Mr. McKECHNIE** (Carnarvon) (3.36 p.m.): This legislation is supported by the State Wheat Board, the Queensland Grain Growers' Association, and most growers.

**Mr. Bennett:** What have you to say about the constitution of the tribunal?

**Mr. McKECHNIE:** I shall come to that in due course. This is a growers' plan, and the leaders of the grain-growers in Queensland—and throughout Australia, for that matter—have been able to get the Commonwealth Government to come forward and provide in advance \$440,000,000 for a guaranteed first payment of \$1.10 a bushel for all wheat produced within the quota system. That is very desirable.

The Leader of the Opposition said that the position in Australia, or in Queensland—I am not sure which, but it is applicable to either—was created by low wool prices. That is partially so. Over-production of wheat is a world-wide problem. There has been in all countries, including those in which the production of wool is of little consequence, an upsurge in wheat production. Whilst the price of wool has some relevance, it is only one of the factors involved.

The Leader of the Opposition also said that the Government should have given the industry some warning of the situation that was developing. It did. Doug Anthony, on numerous occasions during the last three or four years, warned the industry that such a situation was developing. It was desirable that he give such warnings, but, of course, they have different effects on different people. Those who were most conscientious, and possibly naive, would reduce their production in the light of such a warning. Others, who I am afraid constitute the majority, would increase production so that they would have a good production record to establish their quotas. The warning was given very clearly and forcibly, and it did to some extent have an influence on the situation as it exists today.

Like the hon. member for Barcoo, I commend Mr. Les Price for the work that he did in the development of this scheme in Queensland. I should like to draw to the hon. member's attention the fact that the Minister's committee very forcibly drew to the Minister's attention that it was the desire of that committee that any increase in Queensland's quota should be allotted to those growers who needed increases to make their farms economic units. I quite concur with the hon. member and advise him that the committee did suggest strongly to the Minister that any increases in quotas should be allotted to those growers who most need them to bring their farms up to economic units.

The hon. member for Barcoo said that it was admirable for graziers to use their grain production for the extension of the livestock industry. It is desirable that a certain amount should be grown for these animals in time of drought; but, in the present state of the wool industry, it would be completely uneconomic to set out to grow grain specifically to assist in increasing wool production. Although I agree with the hon. member that it would be helpful in time of drought, it would not be economically possible in normal times.

I agree very heartily with the hon. member that grain-growing has been a wonderful assistance in decentralisation in Queensland. In my home town, Goondiwindi, there has been an increase of 4 per cent. per annum in the population, which is quite good for a western town in a period during which wool prices are declining.

Reverting to the proposed Bill, I believe that the vast majority of growers are satisfied with the quota system, the need for it, and the manner in which it has been devised, and they have expressed that satisfaction at meetings called by the Queensland Grain Growers' Association throughout the grain-growing areas of the State. There are some dissidents, and I will come to them later. Not only did this plan include the growers of Queensland; it included also a few growers in New South Wales whose traditional outlet was in Queensland. These New South Welshmen are part of Queensland's scheme and are legally entitled to participate in it.

When a scheme restricts quotas or anyone's freedom, whether it be to produce, move, or do something else, it is only natural that it should cause some concern. Naturally, there are those who can be hurt seriously when something is curtailed. About five categories come to my mind that could be hurt under this scheme. First, there are the growers who have been in the industry only one or two years. Secondly, there are the intending growers for whom some provision is made provided they had shown their intention clearly in March, 1969. Thirdly, there are growers whose production record extends over the past three years but whose seasons have been unsatisfactory. There are those growers in that category who have suffered because of drought in the three-year period. Fourthly, there are the traditional growers in other States who have migrated to Queensland. This might sound a bit complicated, but I will come to that in more detail later. Fifthly, the most unfortunate of all are share-farmers whose agreements have expired within the first year on the eve of this quota system coming into being. The most fortunate growers of all are those in northern New South Wales who have established their right to a quota in Queensland because, as mentioned previously, Queensland is more fortunate than other States on account of

the saleability of Queensland wheat. These New South Welshmen have avoided the greater problems in their own State and have joined in a more favourable situation in Queensland.

An interim quota committee has been established, consisting of Mr. Les Price, Mr. Eric Flegler, Mr. Allister Shepherdson, Mr. Viv. Roberts of the State Wheat Board, plus Mr. Brian Rosenthal of the Department of Primary Industries. Some of the outer growers are somewhat discontented that most of these men, excluding the Department of Primary Industries representative, are traditional growers on the Darling Downs. Although Viv. Roberts of Drillham is their official representative there is uneasiness in certain areas that the outer growers have not the number of representatives to which they are entitled. I am not making an issue of that; I merely draw it to the Minister's attention.

The hon. member for South Brisbane asked about the appeals tribunal.

**Mr. Bennett:** Yes, and its limited power to bring people before it. It will be like the Victorian Abortion Commission.

**Mr. McKECHNIE:** First of all, there is the statutory Wheat Quota Committee of five members. It will replace the interim wheat committee which exists at present, and it will be made up of three representatives from the State Wheat Board, one from the Queensland Grain Growers' Association, and one from the Department of Primary Industries. The chairman from these five will be a wheat-grower appointed by the Minister.

If a grower is not satisfied with the treatment received from this body, he then has the right to go to the appeals tribunal. As the Minister pointed out, this tribunal will consist of a magistrate, or else a former magistrate or a barrister-at-law as chairman, with one member selected from three nominated by the State Wheat Board and one member appointed by the Minister, not necessarily a grower but somebody well versed in the affairs of the industry, a total of three members.

An appeal can be made to this tribunal on three grounds: firstly, that the determination made by the quota committee was not in accordance with the Act. That is fair enough. Secondly, that the determination was manifestly unfair. That would always be arguable. And thirdly, that the determination would cause severe personal hardship. This is the ground on which many growers will appeal and I do not envy the members of either the board or the appeals tribunal their task, because I have had some 50 very difficult cases presented to me. I should like to cite three of them as examples of what we expect the tribunal to have to handle. We trust that the tribunal will handle these cases in a very sympathetic manner within the framework of the Act.

I first take the case of a share-farmer. I feel for share-farmers in the situation where their agreement has expired at the point where this quota system began. Such a share-farmer may have helped develop a property and establish a quota. He has received two-thirds or three-quarters of the gross return from his labours over three or possibly more years, depending on the agreement. If he did not qualify he could go out without any recognition of the job he had done. However, if his agreement does run into the first year of the quota system he is protected to some extent.

Let me cite one particular case. A share-farmer entered into an agreement for three years, to clear the land and grow grain, and he was to receive three-quarters of the crop each year. The agreement ran very successfully for three years. It was extended to a fourth year by the owner at the request of the share-farmer and, to show hon. members how well this man operated—he must be a good share-farmer—over the three-year period in question he worked an average of 833 acres per annum and his return per annum averaged 23,000 bushels. That is a very good return and he must be a good share-farmer to obtain it, but his agreement had expired and he then began operations on a neighbouring property on which wheat had not formerly been grown. He comes in then only as a new grower whose land was prepared prior to a certain date in March, 1969. Consequently he is regarded as a new grower.

The point I am making is that this man established a property as a viable, going proposition and has now had to pass on to a situation where he has very little future as a wheat-grower. This is an instance in which eventually the appeals tribunal will have to deal with him on a hardship clause, because he has done a good job by himself, by the owner and also by the State.

**Mr. Bennett:** He could make provision for that in the agreement that he has with the owner.

**Mr. McKECHNIE:** No. His agreement was made some five years ago, when nobody foresaw the introduction of the quota system. His agreement was for three years and was extended quite amicably to four years. Then he went out onto another property in the year that the quota system was introduced, and he has left behind him all rights and entitlements and is considered to be a new grower in his first year of operations. At present he owns machinery valued at over \$25,000 and has a hire-purchase debt of \$9,818, which is a considerable debt to carry with very little prospect of being able to recoup it. I feel that that grower's case will give the board and eventually the tribunal considerable difficulty in arriving at an equitable decision.

Secondly, let us look at the new grower who came into the industry a couple of years ago. I mention the case of a grower who has incurred a debt of \$154,000 to get possession of a 5,000-acre property and to clear 3,000 acres ready for wheat-growing. He was a very conscientious man and, in view of the appeals made by the Commonwealth Minister for Primary Industry to cut down production, he decided to plant only half of the 3,000 acres. He had half the area planted and, unfortunately, struck the drought year of 1968. He has a quota, but it is almost negligible. At present he has a debt of \$154,000 to service on a 5,000-acre property, which certainly is not a paying proposition under wool production and, even under ideal conditions, is doubtful under wheat production. His invidious position makes his case another one that will be difficult for the appeals tribunal to settle.

My third example relates to growers who come to Queensland from other States. I shall cite the example of a grower who sold out in South Australia several years ago and came to Queensland. Actually, there were three brothers.

**Mr. Bennett:** I'll bet he was disillusioned.

**Mr. McKECHNIE:** With South Australia, yes. Then he came to the wonderful State of Queensland under a sound Government. Each of the three brothers had \$18,000, a total of \$54,000, and wheat-farming plant. They were looking for less circumscribed conditions than those that faced them in the high land values that existed in South Australia, and they bought a property in the brigalow belt in southern Queensland for \$138,000. They were able to pay about half that amount and incurred a debt on the remainder. The property was not a wheat property when they bought it but a well-developed grazing property on brigalow soils. The brothers obtained \$48,000 from the Commonwealth Development Bank to develop 3,000 acres for wheat production. Besides their own capital and plant, at present they owe in excess of \$100,000, and they have had only one year of production. That year was a year of semi-drought, and they produced half a crop. However, it weighed well under the bushel minimum and was not acceptable in bulk by the State Wheat Board; so they would have been forced to bag that wheat to have it received. They entered into a firm contract with a southern firm to deliver all their wheat in bulk across the border for feed, and shortly after the contract was entered into the Queensland State Wheat Board made provision to accept that type of wheat in bulk; however, unfortunately, those three brothers had already committed themselves to a firm contract and could not turn back. The result was that they had only one year of production, only half a crop, of which two-thirds was sold across the border to merchants, and consequently their quota with the State Wheat Board was practically negligible.

It could be said that it is partly their own fault for selling interstate, but circumstances developed so that they were compromised and forced into this position. I will have no sympathy whatsoever for anybody who takes part in sales over the border in future, but I have sympathy for these men because their wheat would not be received in bulk; a firm contract was entered into and it was sent over the border. Then the State Wheat Board reversed its decision. That was fortunate for other growers in the area, but these men end up without a quota of any significance and a debt of over \$100,000 to service.

I bring these cases to the Minister's notice, not as isolated instances, but as three of some 50 that I have had presented to me from the outer and developing areas of this State.

**Mr. Davies** interjected.

**Mr. McKECHNIE:** I am sure they will be pleased they came to Queensland. I have every confidence in this State, even if the hon. member for Maryborough has not. It is a wonderful State, and developments here are such that I am sure these three brothers from South Australia will be pleased that they came here.

In November, 1957, Queensland had half a million acres sown to wheat and produced just under 7,000,000 bushels. By 1965, development was such that about 1,000,000 acres were under wheat with a production of 17,000,000 bushels. Both those years were drought years. It will be noticed that the Minister refers to the 1966-67 year to cover the whole of the Commonwealth, whereas people in the industry in Queensland, when talking about a season, refer to November of a certain year because all our wheat is harvested before Christmas. In the southern States harvesting can continue well into the following calendar year. I am not in conflict with the Minister, therefore, when I refer to 1966 rather than 1966-67. In 1966 we produced nearly 38,000,000 bushels, and then we produced 27,000,000 bushels and 38,000,000 bushels in the following years. Last year production slumped to 11,000,000 bushels.

I am reasonably happy with the over-all Queensland wheat situation. As long as we have a quota and do not expand unduly we have a good chance of selling all our wheat under the quota system in four years out of five. Perhaps in the fifth year when there is a surplus, it may be the salvation of many stock in having to be stored through not being readily saleable. The Wheat Board is making a very wise move at the moment in deciding that it will keep a lot of its storage as far west as possible. I heartily agree with that decision and I hope that in the years in which we have excess production the feed grains will be stored as far as possible from the seaboard so that they can be distributed from there for drought relief.

I should like to reassert—and here I agree with the hon. member for Barcoo—my belief that whenever we have an increase in quota—whenever it is feasible to extend our quotas—we should extend those of the smaller producers to make them reasonably economic units. It is ludicrous to have the situation wherein men have bought machinery and have had the ability to produce and yet are given such a low quota that it is better for them to get out than to try to stay in. Any improvement should go to the smaller growers. I do not want to see any encouragement, by way of increasing the areas, given to people such as the person mentioned by the hon. member for Barcoo, who is growing 13,000 acres. The highest I know of in my area is 8,000 acres. I think that is far too big an area.

**Mr. O'Donnell:** I could give his name.

**Mr. McKECHNIE:** And I could name the man in my area. But this is all by the way. The point is that we must keep as many people in the industry as possible on an economic basis and assist them to stay there so that they, in turn, will develop their country towns.

I have great pleasure in supporting this quota Bill. I think it is absolutely essential and desirable under the circumstances, and must be for the betterment of the industry throughout Queensland.

**Mr. BLAKE (Isis) (4.1 p.m.):** Obviously, the main purpose of the Bill is to limit the delivery of wheat to the extent of the reasonably profitable markets within the marketing structure of the Australian Wheat Board.

Plain common sense on the part of the wheat industry itself to stop short of over-producing itself into economic oblivion by running out of economic markets is to be applauded. This is a basic concept of controlled marketing and is in keeping with reasonably assured profitable markets. It is obvious that this concept will have to be adopted by all primary industries sooner or later, and I contend that the sooner it is adopted by all exporting primary industries, the better.

Too much emphasis is placed by theorists on available markets, and too little emphasis is placed on the necessity for available profitable markets. This is a critical consideration for all industries, particularly exporting industries, which saddle up to the responsibility of earning vital foreign exchange for this country, often in the fierce climate of world competition. They enjoy selling only a fraction of their production on home markets, and they compete on world markets while carrying on their backs the high cost structure of secondary industries reared in protected orchid-house conditions.

It is essential that all primary industries, including the wheat industry, keep their feet

on the ground by way of quotas before they produce themselves out of profitable markets. This facet can be easily overlooked, particularly when experts propound theories that the larger the enterprise the cheaper the cost of production. They conveniently forget the point at which the price is depressed through over-production many times below the benefit of cheaper production on a large scale.

Wheat stocks, which were about 45,000,000 metric tons at the end of 1968, grew in one year to 60,000,000-odd metric tons. Surely this indicates that wheat can be grown in over-abundance throughout the world when it is profitable to do so. In fact, I believe that the evidence of the past year proves that it will be grown in over-abundance throughout the world when it is profitable to do so. So the necessity for quotas in control of production, in my opinion, is definitely beyond argument.

We learnt the same lesson in the sugar industry. We had learnt from experience that sugar can be grown in over-abundance, that is, over and above demand, throughout the world at very short notice. This is not a new experience; it has been the history of the sugar industry that this has taken place whenever it has been profitable to grow sugar for the world market. Because sugar can be produced in the form of cane sugar in hot climates, and produced in over-abundance in cold climates by the cultivation of beet, it has always been produced in over-abundance when it has been profitable to do so. When the grower in the sugar industry was legislated, against his policy, into ignoring this domestic principle, the industry was quickly in trouble, as all primary industries exporting to world markets will be in trouble if they ignore this principle.

The provisions of this Bill are, I believe, wheat-grower inspired. I have the greatest respect for the domestic policy of those whose livelihood is most vitally affected and most vitally tied to the effects of legislation pertaining to their industry. I have the greatest respect for this legislation before the Committee, inspired by the wheat-grower himself. I am not a wheat-grower—I have not had experience in the finer domestic policies of the wheat industry—but, having had some experience of primary producers within their own industry, I do not wish to be critical of the legislation at present. The Bill has just been introduced and we have had very little time in which to consider it. Before I would be critical of the people who will gain most, or lose most, by the provisions of the Bill, I would need more time to study its provisions. I do, however, applaud the wisdom of the principle of adopting quotas, even though at some point along the line somebody is going to be disadvantaged. I support the principle of the Bill, and reserve the right to be more critical at a later stage.

**Mr. BALDWIN:** (Logan) (4.7 p.m.): Logan is not a wheat-growing electorate, but it certainly is a wheat-consuming electorate, and, as its representative, I beg to say a few words about this very important Bill.

In the first place, I should like to declare my support for the Leader of the Opposition and the chairman of our committee in their criticism of the Bill. I think the Government is running away from the real problem bound up in the whole matter of wheat production. I should say that the problem is how to expand wheat production to help feed a protein-starved world. Protein starvation is growing here in Australia, too. Do not take my word for it. Look at the reports of superintendents of hospitals; look at dietitians' reports on what is happening with young children. Our markets at the moment are being penetrated by imported processed and preservative high-carbohydrate, taste-tickling, gut-rotting, high-profit-margin foods. If the monopoly of marketing control, directed from the southern States and overseas countries, could be broken; if the monopoly in overseas transport could be broken; if penetration by foreign ownership of our wheat-processing industry were to be broken, we would be able to expand Queensland's wheat production at a reduced cost to the home consumer and great benefit to the farmer.

It is the Government's task, in the interests of the people of this State, to break these harmful monopolies. Instead, what is the Government doing? It is creating another one—in effect, a wheat growers' monopoly. Firstly, the Bill in effect says that Queensland will not play any greater part in feeding the starving people of the world. Secondly, the technological development of the associated industries in Queensland is halted indefinitely. The effect on associated secondary industries will be catastrophic. Think of expansion in the supply of farm machinery alone.

It is not the task of the Queensland Grain Growers' Association or the farmers or the board to break monopolies and expand markets; it is the Government's task. The board is only the meat in the sandwich. The growers want protection and look to the monopoly of the industry to achieve it. The creation of this pseudo-monopoly will benefit only a few large growers in the long run. Likely results of the proposed amendments will be an agglomeration of holdings, the spread of huge feudal manors, and the further depopulation of country areas.

In his introductory speech, the Minister made frequent reference to the tobacco industry and its quota system. That industry is at the open mercy of foreign tobacco companies. The Minister did not make reference to the quota system operating in the field of milk supply. What is happening there, with the virtual control

by two large monopolies and some huge producers of the whole industry in many areas, will now begin in the wheat industry.

The hon. member for Landsborough obviously supports the proposed amending Bill and all that the amendments imply. He went further and proposed that farmers affected should enter the fields of production of their brothers in misery who cannot sell all their products—pig-meats, beef, and broilers.

**Mr. AHERN:** I rise to a point of order. I made no such statement encouraging farmers to go into the production of pig-meats or anything of the like. If the hon. gentleman cares to study the report of my speech, he will find that what he has said is untrue.

**The TEMPORARY CHAIRMAN** (Mr. Ramsden): Order!

**Mr. BALDWIN:** If that is so, if I did mistake the hon. member's rather confused attempt to support the introduction of the amending Bill, I will retract my statement and reserve my right to examine his speech later and perhaps comment on it.

This is as clear a statement of gross dereliction of Government duty to the people it purports to represent as I have ever seen or heard in my life. To try to foist the responsibility for formulating good legislation back on to the shoulders of the producers and their organisation, as the Minister and those who have supported him have done, and as the hon. member for Carnarvon has done, is to deny their prime duty to those who put them here to ensure the good of their industry. This can best be done by expansion, not by contraction.

The main question that this Committee should be debating is what must be done to expand the industry, not to make it stagnate, let alone reduce it. I maintain that good government could expand this industry, not by giving it to overseas companies, as the Government has done with the mineral, motor-car and ship-building industries, but by applying the golden rule that the Government claims to live by—competition! Enter into competition against these monopolies that are choking Queensland's expansion.

To say, as the hon. member for Carnarvon has said, that the farmers and their organisations wanted this legislation is to tell a mirror truth as far as the majority of the growers are concerned and a half-truth as far as most of the rest are concerned. Of course they want protection from decimation of their industry! Of course they believe that this legislation will do that for them! They have been told so most obviously by those who cannot see any formula other than the monopoly formula, which is ingrained in them.

The only Government in this State that ever had the intestinal fortitude to fight the monopolies was a Labour Government. Those monopolies are now getting free rein to strangle the Government and the mass of the people of this State. I am sorry to have to say that I regretfully anticipate that the proposed legislation will pave the way for the huge wheat monopolies to buy through the back door, turn the Wheat Board into an instrument for its own destruction, and further inflate the price of wheat and wheat products on the home market.

**Mr. HUNGERFORD** (Balonne) (4.15 p.m.): I generally go along with what is said by speakers on this side but I believe that special circumstances apply to the growers of the Balonne electorate. As the Minister has said, with the expansion in wheat-growing, some form of control is necessary. I think we must go along with that. It is all right to be able to feed the starving millions of the world, but someone has to pay for that. I do not know who will pay for it. It may be the grain-growers or the A.L.P.

**Mr. Baldwin:** I told you—the shipping people.

**Mr. HUNGERFORD:** Generally speaking, I think the machinery that has been set up to implement this scheme is basically fairly sound but, to my mind, three clauses need looking at, namely, 19, 24 and 25. Despite what the hon. member for Carnarvon has said, in my electorate, until recently, we have been encouraged to expand wheat production. Even the policy of the Lands Department has been directed towards that end.

Hon. members may recall a Welltown block of 3,800 or 3,900 acres which was thrown open for selection to a share-farmer who got very little quota. Unless he is given a much larger quota than that suggested by the committee, he cannot possibly last very long on that block.

Growers in my electorate, of course, had to diversify because of low wool prices and the high cost structure. We are fortunate in that we grow more prime hard wheat than is grown in any other electorate in Queensland. On that account, I believe that my electorate should be given some consideration.

As the hon. member for Carnarvon has, I have had great difficulty with the quota system in my electorate. Much of this has been attributed to the three years since 1965 when, although we had very good winter rains, we had no spring rains at all. Some portions of the electorate in the lower rainfall area had good spring rains and, because of this, their quotas would be better than the quotas to the east.

The Minister cited a basic case where a new grower had 500 acres working on a

20-bushel average. With a 66 per cent. reduction he would have a quota of less than 7 bushels. I do not think this would be an economic figure on which to operate. I should not like to approach my banker with a quota as low as that.

Another factor that applies to my electorate is that the last Valuer-General's valuation and also the Lands Department valuation have been related to the ability of the land to grow wheat. A great disability, as I see it in my electorate, which comprises most of No. 2 District of the State Wheat Board, is that we have only one member on the board. The Downs division has four. So, in assessing quotas to be applied, my electorate had virtually no say, yet it has a bigger acreage and more growers, and produced more wheat in 1968-1969 than did No. 1 division, with 4 representatives. The Downs division has a virtual dictatorship in this regard. I know this has nothing to do with the Minister and his department. Also, I have had many letters recently complaining about the gross inconsistencies in the quality of wheat coming from the same silos.

I do not think I can add very much more, but I hope this Bill will lie on the table for some time to give the industry a good opportunity to look at it.

**Mr. AIKEN** (Warrego) (4.20 p.m.): Whereas most sections of the national economy can look forward to an era of dynamic and fruitful expansion during the 1970's, the rural sector can look ahead only to problems of over-production, falling markets, uncertainty and a greatly clouded future. We must not be unmindful of the vital role that the primary industries have played in the development of this State, but I believe that this Government has let down very badly not only the wheat farmers but all the people of Queensland as well. The primary industries are slowly being bled to death as rising production costs are handed back to the real producers and they are unable to pass the costs on. Surely the plight of the rural industries merits greater consideration by the State and Federal Governments, but their plight has been overlooked in the massive prosperity boom in mining and the huge expansion in secondary industry.

As I see it, the quota system, as it applies to wheat, will affect the smaller grower more seriously than the larger grower. Many small growers have already reached the limit of their capacity and are headed for economic disaster. I suggest that heavy quota restrictions should be placed on the larger growers to enable the smaller growers to survive these perilous times.

What about farmers who had wheat quotas last year but could not supply them owing to the drought? Did that mean that over-quota growers were allowed to supply their wheat to the Board? Who were the lucky ones—the large growers or the small growers? How does this quota system affect the

farmer, particularly the smaller farmer? We have been told that to become successful in any business we need to be completely efficient. Australian farmers are considered throughout the world to be experts, and so, as their efficiency increases, their production increases. But to what purpose—to quotas? Does this mean that many of our problems arise because we are too efficient? Apparently the efficiency of the wheat industry has resulted in an accumulation of undisposable surpluses.

The unprofitability of many primary industries has forced producers into other avenues. Wheat-growers and wool-growers have been forced into cattle grazing, and dairy farmers, too, have been forced into grazing, so that a glut will soon arise in the cattle industry. Surely greater efficiency means greater production with a consequent lowering of production costs, and that is what we are told to strive for and aim at. But how is the wheat farmer to reduce costs when he has virtually no control over the result of his efforts; in other words, his wheat, his income and his survival?

The horse-and-buggy days are gone, and it is no longer possible to supply horsepower by growing fodder to harness horses and to gather manure to fertilise crops. The cost of fuel, machinery, fertiliser, electricity and water supply has to be met continually. In addition, cartage costs, wages and general living costs have to be met. Previously the answer to all this was increased productivity.

Improved knowledge and research have introduced high-producing wheat varieties in the last few years. This, coupled with increased efficiency, finds the farmer, to his dismay, with his wheat lying in the paddock, at the mercy of the world, or rotting in improvised storages along railway lines open to attack by mice and weevils.

As I understand the quota system, it means that in order that each grower may be able to sell what he grows no-one must be allowed to grow too much. This is a direct contradiction of all previous high-level advice by experts of this Government, namely, that production per unit must be increased. But apparently the Government in panic—and there is nothing unusual about that—has decreed that a quota system is the new order. What does a contradiction or two mean to the Government? It has given us plenty of those over the last few years.

Any form of quota or restriction is a direct negation of all previous advice from the so-called Government experts. Their advice on the remedies of the ills of farming was to beat the cost-price squeeze, to go big, and thus take every advantage of the economies of scale. It is now claimed by the big experts that small farms are over capitalised, uneconomic and inefficient, and that the only way to overcome these deficiencies is to amalgamate the small farms, create bigger holdings and run them on more businesslike lines.

While this argument is probably true in the case of the wool-grower, personally I cannot agree with it in the instance of the wheat farmer. I maintain that, by his very efficiency and by the very advice of this Government, he has incurred Government displeasure. Already the cold winds of change are blowing from the Government benches, to the tune of, "Sack the small farmer". How ridiculous that argument is, when small farmers are producing surpluses which are impossible to sell, at least at economic prices.

I bring to the notice of the Chamber that so far I have not heard of any limitation or averaging of quotas. I point out to you, Mr. Ramsden, that if we are to have economic farms, a quota of at least 2,000 bushels is required for a man to get the basic wage. And in no way would that fully compensate him for his huge outlay on machinery, lands, buildings, and so on. The sacking of the small farmer is not the solution. With comparatively fewer growers having bigger holdings, there could be bigger surpluses, because, on what the Government has told us in the past, bigger holdings create greater efficiency.

The Government claims to support private enterprise but it is forcing redundancy on the small farmers by either deliberately or foolishly pandering to the bigger growers. Because of crippling droughts before the introduction of wheat quotas many growers were allotted quotas well below the recognised limit of 12 bushels to the acre. In other words, the whole scheme is uneconomic, principally for the smaller growers.

It is true that local business houses limit the credit of many growers according to their wheat quotas. In other words, a grower with a small quota has just a bare chance of making a living. The State and Federal Governments have not as yet been forthright with any definite policy on how they are prepared to stand by and assist rural producers in Queensland. Rural producers are still waiting for some confirmation of how big this big Government is. It is absolutely necessary for Governments and farmers to get closer together. This must happen soon. This argument is applicable to all sections of the rural economy. I am afraid that in Queensland things have perhaps slipped too far to be solved in an economic, rational way. But we are hoping.

We hear so much about increased markets and the opportunities of selling our farm produce in the Near East. But it is possible that these countries are now developing to a stage where they are cutting back on their intake of farm produce from Australia, which means that we will have to become sharper and go out and sell more. I see no other solution.

Are we once again being offered a solution in quotas, by these restrictions, which is really no solution at all? Suppose that the uneconomic wheat position of today forces 10,000 Queensland farmers from the

land and, on the quota system, this looks inevitable. What happens to these people? Are they to be condemned as failures, or less efficient, less enterprising, or less intelligent than those who are to survive; in other words, the bigger men?

Job positions, housing problems, mortgage problems and the responsibility to move these people from the land and rehabilitate them are matters for this Government if this quota policy is to be pursued. Surely this Government has exploded the myth of being termed a Country Party Government. This is not Country Party thinking, not to my mind, anyway. Its masterly inactivity—I hear weevils crawling into the hearts of the wheat men on the Government side of the Chamber—and failure to act in the best interests of its country cousins has condemned this party for ever.

The hon. member for Carnarvon, blowing off as he usually does, stated that growers who planted last season's wheat did so in the full knowledge that this wheat quota system would be implemented. What the heck did he want them to do? As wheat-growers, with big capital outlay, they had to grow wheat. There is no alternative for a wheat-grower. And the Government had warning, too, of surplus wheat. It knew that there would be surplus wheat production in Australia, particularly in the South.

**Mr. McKECHNIE:** I rise to a point of order. The hon. member for Warrego implied that I discouraged them from sowing wheat last year. I did not discourage anyone in any way from sowing wheat in the season just gone. I advised growers to go ahead and sow.

**Mr. AIKEN:** The problem of the wheat-grower and the wool-grower is one that did not grow overnight. It has been evident for years and it reflects seriously on a Government that has been content to lie back and bask in the glory of mining and secondary expansion and has persisted in the policies that have been so evident recently; in other words, pray and hope and wait and see.

**Mr. HANSON** (Port Curtis) (4.34 p.m.): After listening to many of the fine submissions that have been made by members of the Opposition, I consider that there is not much left for me to say. Nevertheless, I think that certain of the points made deserve attention, should be highlighted, and should be impressed upon the Government again and again.

While I have been a member of this House, there have been several amendments to the Wheat Stabilization Act, one only a few months ago. Today legislation pertaining to quotas has been brought before the Committee by the Minister for Primary Industries. Some years ago the Minister in a statement was quite joyful about the fact, which he attempted to "rub into" the Opposition, that the domestic price of wheat was

not much greater than the export price. There was a change of face when he amended the legislation some years later and the export price was infinitely lower than the domestic price.

As we of the Labour Party, which has the interests of the small people at heart, pointed out then, and have pointed out on many other occasions, any measure that will provide, by means of a reduction in the price of wheat, some relief for those who seek their daily bread will have our approval. I mention these matters because this is claimed in effect to be the ultimate; it is something that has been brought before the Committee after due and careful consideration. I do not suppose that there has ever been since Conservative governments have been in office in both the State and Federal spheres, after the Labour Party was the first many years ago to introduce stabilisation, a greater muck-up not only in the wheat industry but in rural industries generally. Not only are people being plagued with increasing costs for domestic needs—to quote cases, flour, eggs, bread and many other essential commodities—but the small farmer is constantly being plagued by legislation and the irresponsibility of those who really should be looking after him.

**Mr. B. Wood:** By their absence from the Chamber, it appears that Country Party members are not very interested in this measure.

**Mr. HANSON:** No. Many possibly are licking their wounds from the irresponsibilities that went on in the manipulation of the sugar industry some time ago. I have no doubt that many of them are suffering from political diabetes.

**Mr. Row:** Speak on a subject you know something about.

**Mr. HANSON:** My last remark about political diabetes can be taken as applying to the present Minister.

The matter of quotas is certainly causing concern in the rural sector of the community. On the introduction of a measure such as the one now before us, undoubtedly anxiety will be felt by many growers, irrespective of whether they be large or small producers. One has to be fair and reasonable, and I must say that I wish the measure a certain amount of success. After all, it will be a good thing if it will relieve anxiety and remove oppression from the minds of those who have low quotas and who at present, whilst interim quotas are in operation, have bank managers constantly breathing down their necks. I hope that this will be some sort of an answer to their problems, and some help in relieving their anxiety.

Quite apart from the quota system, I ask the Minister if this measure will in any way stop the black-marketing of wheat which, with wide ramifications, is operating between

State and State. The Minister did not tell the Committee about this. Are any plans being brought before the Agricultural Council?

**Mr. Row:** I think you know the answer as well as I do.

**Mr. HANSON:** I am only asking.

**Mr. Row:** You know the answer. I have been in this game too long to fall into your trap.

**Mr. HANSON:** If the Minister knows the answer, surely to goodness, as a responsible Minister, he should at least have advanced the idea today that the proposed legislation would remove the ramifications of the large black market that has been operating for a considerable time.

**Mr. McKechnie:** Do you know of any mills that are buying black-market wheat?

**Mr. HANSON:** Surely the hon. member for Carnarvon does not expect me to adopt the role of an informer. If he does not know that, he must be horribly blind.

**Mr. McKechnie:** I do not know that.

**Mr. HANSON:** Then the hon. member must be horribly blind.

**Mr. McKechnie:** I do not know of any flour mill that is buying wheat on the black market.

**Mr. HANSON:** I do not think the Minister is blind, either. I heard that he went to his optometrist in Ingham a few weeks ago.

**Mr. McKechnie:** To the best of my knowledge, flour millers are not buying wheat on the black market. That would be a very sound statement.

**Mr. HANSON:** I do not wish to stand round 24 hours a day to see them do it. I have other ways and means of getting information. I do not intend to inform on anybody, and I think that the hon. member probably knows the answer as well as I do.

**Mr. Row:** You have answered my question.

**Mr. HANSON:** The hon. member for Carnarvon has asked me about the millers. I am asking the Minister whether the legislation that he proposes to introduce will stop the putrid racket that is going on in the sale of wheat, sometimes for as little as 60c a bushel. As a responsible Minister, he knows that.

**Mr. Row:** You know, too.

**Mr. HANSON:** Certainly the Minister knows.

Let me turn now to the more pertinent points of the proposed Bill. On the question of quality, I certainly am in accord with the submissions made on occasions by leaders of the industry in support of the idea that

Queensland wheat-growers should endeavour to produce, and continue producing, top-quality wheats.

**Mr. Row:** You are not going to advocate low-quality wheat again?

**Mr. HANSON:** I have never advocated low-quality wheat.

**Mr. Row:** Yes, you have.

**Mr. HANSON:** In answer to the Minister's interjection, let me say that I advocated in this Chamber some months ago, when the Wheat Industry Stabilization Act Amendment Bill was being debated, that there should be a market in the years to come for low-quality wheat as a feed grain on the world wheat market. I still hold to that idea. I did not advocate that Queensland growers should go out and grow low-quality wheat willy-nilly. The Minister knows the answer as well as I do on that point. Perhaps he is still smarting under the drubbing that I gave him some years ago when he failed to tell hon. members about his performance at the meeting of the Australian Agricultural Council. I certainly brought that matter to his attention, and I did not receive an adequate answer.

As I was saying before I was so rudely interrupted, a high-quality product has a ready sale on the world market; it always will have. Queensland has the potential to constantly invade the world market with high-quality wheat. A submission was made last year by my colleague the hon. member for South Brisbane in which he delighted the Minister with his references to Manitoban wheat, which is of a soft variety and commands a premium on the world market.

**Mr. Row:** You must confess that he had you as his junior counsel at that time.

**Mr. HANSON:** If the Minister acts according to common sense, he will consider the qualifications of the hon. member for South Brisbane when setting up the appeals tribunal under the proposed Bill. The hon. member could make a very good chairman of that tribunal.

The question of storage is very disturbing. When I came into the Chamber, I think I heard the hon. member for Carnarvon mention storage. I quite agree with him that the storage facilities are far removed from many areas in the State where wheat is grown. Something must be done in the future to correct the situation. Only six or seven years ago chaotic conditions existed in the Central Queensland area in regard to storage facilities. These difficulties are now being largely overcome at the port and in the adjacent farming communities where wheat is grown.

**Mr. McKechnie:** The board is doing a good job at the moment.

**Mr. HANSON:** That may be so, but a disturbing feature of recommendations

recently made by the board was the decision that there should be no further storage facilities for over-quota wheat. As the Minister has said in this legislation, the quota, after all, will be highly flexible, and I believe that this could be a retrograde step unless the decision is reversed. I do not mean that over-quota wheat should go into storage to a large degree, but at least to the extent that the return to the individual grower will not be grossly eroded as would be the case if a decision was made to adopt a wild scheme of providing large amounts of storage for enormous quantities of both quota and non-quota wheat.

The world market is very flexible indeed. Last year saw the virtual collapse of the International Grains Arrangement owing to the ramifications of American big business and the Japanese interests telling the Americans that they were selling wheat to European countries at a very low price and demanding this price from the American wheat-growers. We in Australia had to go along and cut the I.G.A. price to fulfil contracts in Japan. I mention this for several reasons. On many occasions I have advised Ministers in this Chamber that it is vitally important for them to live up to their responsibilities and become hard, tough negotiators and bargainers when dealing with many foreign interests. It is not that we have to be bad friends with them. We must at all times give them a certain amount of encouragement if they are bringing to our country certain skills, management know-how and money, but at the same time we have a responsibility to the people of this State. We must always be conscious of our responsibilities, in this instance to the wheat-grower to see that he gets the best deal available on the world markets.

In dealing with the matter of storage and the flexibility of the quota system I want to mention how over-quota wheat, if storage facilities are not made available for it, can create problems within the industry. There is a growing concern that radical changes will be needed within the wheat industry itself. In Queensland, occupying as it does the very favourable position of being able to supply prime hard wheat to the granaries of the world, the feeling is growing—as it is in northern New South Wales—that a special quota deal should be created for the hard variety of wheat.

Whilst we do not want to see any weakening of the industry so that it would bleed to a collapse because of non-uniformity throughout the country, I firmly believe that as we have in this State the vital resources, men and farms to produce a very prime hard-quality wheat, we should not assume that in future years we will not have a separate board controlling this hard variety. I believe we should exercise our right and use our advantage to the full, if possible, bearing in mind that we do not want to see the collapse of any stabilisation agreement or quota agreement legislated for uniformly throughout the

States and the Commonwealth. Nevertheless, the position would be reversed if Victoria and South Australia were similarly placed. A million reasons would be put forward as to why those States would be placed in a position of prime advantage and why Queensland would have to suffer owing to the poor variety of wheat produced by this State.

As the Leader of the Opposition and the hon. member for Barcoo have said, members of the Opposition will look at the Bill, and no doubt the members of its committee will make submissions at the second-reading stage.

**Hon. J. A. ROW** (Hinchinbrook—Minister for Primary Industries) (4.51 p.m.), in reply: First of all, I express my appreciation to the members on both sides of the Chamber who have contributed to this important debate. The provisions contained in the Bill are completely new to the wheat industry, although, of course, they are not new to the tobacco and sugar industries.

My attention has been drawn to an error in the quota figures. The addition amounted to 343,000,000 bushels. I made the mistake of putting South Australia at 31,000,000 bushels when it should have been 45,000,000 bushels. Hon. members will find that that makes the effective figure of 357,000,000.

The Leader of the Opposition's main concern was with the amount of wheat made available to hungry people throughout the world. He said that greater effort should be made to get surplus wheat into the hands of the underfed people. As sensible people, we realise that it is a paradox when countries like Australia cannot sell their large surpluses of agricultural products. The fact is that if other people have not the money to pay for those products we cannot sell them and the producers cannot produce them for nothing. No-one would disagree with the hon. gentleman's ideals, but I point out that it is not possible for any one nation to overcome the problem. The combined resources of all the developed countries are needed to overcome it.

As the hon. member for Landsborough said, the Australian Wheat Board has been highly successful in selling Australian wheat on a keenly competitive and over-supplied market. I have here figures in long tons of the exports of Australian wheat to the main destinations in 1968-69. They are—

	Long tons
Mainland China .. .. .	1,163,000
Japan .. .. .	1,129,000
United Kingdom .. .. .	761,000
Malaysia .. .. .	249,000
Netherlands .. .. .	159,000
Peru .. .. .	152,000
Singapore .. .. .	105,000
Chile .. .. .	103,000

Those nations were the main purchasers of our wheat; other countries also bought Australian wheat.

On the basis of one ton of wheat equalling 37½ bushels it is not difficult to realise how hard it is to sell Australia's surplus wheat on all overseas markets at competitive prices when it is seen that the Australian consumption of wheat amounts to approximately 80,000,000 bushels, of which Queensland's consumption is between 9,000,000 and 10,000,000 bushels. As the hon. member for Port Curtis said, the international grains arrangement introduced some stability into the world-parity prices for wheat. But this, in turn, added problems, and they were very apparent last year when the arrangement almost broke down. I believe that it is working reasonably successfully now to bring about some stability in world prices, so that the wheat industry is not now faced with the keen competition that faced the sugar industry before the International Sugar Agreement was introduced last year.

**Mr. O'Donnell:** There is always trouble when certain countries call tenders for wheat supplies.

**Mr. ROW:** Yes. It should not be assumed that all the low-income countries or those with poorer-fed populations in the world are short of grain. That is certainly not so. The present surplus problem is due largely to increased production in some low-income countries such as India. The development of the new high-yield varieties of wheat suit those countries ideally, and it has been mainly responsible for their production. The other major cause of the surplus has been the rapidly increasing production of some advanced countries such as Australia.

The hon. member for Landsborough stressed the need for wider use of modern farm-management techniques and tools. I could not agree with him more. Our department has expanded its services in this field very considerably in the last few years. The Commonwealth Extension Services Grant which has been escalating each year has helped tremendously in our extension services and in other fields in outside country areas. More and more farmers are making use of the service. As pointed out, the percentage is still small but it is good to know that it is increasing slowly.

The hon. member for Barcoo covered a very wide field. I appreciate his remarks relative to the work of the department and the work of the Grain Growers' Council. Mr. Price and others have worked tremendously hard in trying to solve the very difficult quota problem. I tried to give him information so that he would be conversant with some of the provisions of the Bill. I did so in an attempt to help him, as I help members of the Government, so that they may know something on which to base a substantial contribution at the introductory stage.

As I said in my opening remarks, I strongly support any increase—referring particularly to the extra 5,000,000 bushels—

for the one and two-year growers and the new growers. I have already conveyed my views to the interim quota committee and I believe that it is sympathetic to that view. However, the committee still has the difficult problem of working out the details. I am sure that for the 1970-71 season these people will receive quite a lot of relief. Those comments apply equally to the remarks of the hon. member for Balonne who represents one of the affected areas.

The hon. member for Barcoo also referred to the effects of droughts. Obviously the situation varies from area to area and from time to time. Under the scheme it is not intended to deprive a genuine grower of his full entitlement. As I said earlier, that is not the idea at all. If a grower does not cultivate for two years, or does not produce for three years, he can be called on to show cause why his quota should not be cancelled or reduced. Any grower who has lost his crop in one of these years as a result of drought, frost or any other cause can seek a review of quota. Many have done so already.

While I agree with the hon. member on the need for all farmers to have a living area, I certainly could not see the figure set at 500 acres as he suggested.

**Mr. O'Donnell:** That was only a suggestion.

**Mr. ROW:** A little simple arithmetic would prove that. About 7,000 growers supply wheat to the board. If we gave them all 500 acres, at 7 bags to the acre we would need a minimum quota of about 73,000,000 bushels. Even that figure would not allow anyone to have a quota in excess of 10,500 bushels.

**Mr. O'Donnell:** I submitted a figure I had in mind. When talking about a basic living quota I would not be competent to put my finger on the exact figure.

**Mr. ROW:** The hon. member for Carnarvon displayed, as usual, his very fine understanding of the wheat industry and its problems, particularly some of the practical problems which the quota committee and appeals tribunal will have to face up to and deal with. He cited a number of cases of the type of situation which can arise. I think it would be obvious to anyone, from what he said, that it is not possible to make rigid rules to cover every individual case. There must be some flexibility to deal with the many and varied cases that will come up, particularly on the question of wheat quotas. I could list hundreds of different circumstances which would arise, and many of them will arise.

The tobacco industry faced a similar situation, and the quota committee and the appeals tribunal, based almost on the same principle, were able, over the years, to iron out most of the problems. I am quite certain that the wheat quota committee

and the appeals tribunal will be able to do the same. True it is that when anything like this starts there must be teething problems, but, with the extra 5,000,000 tons of prime hard wheat this year, it should be possible to give considerable relief to the new growers and to the one-year and two-year growers. As I said earlier, I strongly support the idea that the smaller grower who is a genuine wheat-grower needs to be assisted.

I reiterate that it is impossible to define a small wheat-grower as someone who delivers, say, less than 4,000 or 5,000 bushels of wheat. It would not be fair to give a special increase to a grazier who grows only a bit of wheat as a side-line and not look after the grower who depends entirely on wheat, apart from his summer crops, for his income. Each individual case would have to be considered on its merits, and I believe that the Bill makes ample provision for this particular case.

I was happy to hear the remarks of the hon. member for Isis. I am sorry that he is not in the Chamber. He comes from a sugar area and knows the benefits of quota schemes in those industries where big surpluses can arise. The sugar industry is one of the really classic examples of a well-organised industry. Quotas, or assignments and farm peaks, have been operating in this industry for a long time; in fact, since about 1929, when assignments were pegged, and then, a few years later, mill peaks and farm peaks were introduced. The industry would have been in real strife over recent years had it not been for this organisation.

Anybody who has been associated with quota schemes knows that there will be many bugs in the initial stages. However, as long as there are competent and fair men on the quota committee and on the tribunal, these problems will be ironed out, although not always to the satisfaction of everyone, because that is impossible. It will take some time, but the men concerned are very knowledgeable and competent.

I do not think I need say very much concerning the comments of the hon. member for Logan. He was in complete contradiction and at variance with the hon. member for Isis. He was on his usual socialistic hobby-horse of monopolies controlling the whole country.

**Mr. Hanson** interjected.

**Mr. ROW:** I am not getting filthy. I never get filthy in this Chamber.

Monopolies are not involved in the present wheat problem. It is a simple case of over-production by a very large number of individual growers, both in Australia and overseas.

The hon. member for Warrego asked—I hope I got him right on this—who benefited last year when there was a shortfall. The simple answer is that every single grower

in Queensland who had any wheat benefited. I think he suggested that wheat quotas will force 10,000 farmers off the land in Queensland. This is nothing more than irresponsible nonsense. If he knows anything about the industry in this State he knows that there are only about 7,000 wheat-growers in Queensland anyway. I think he should get his facts square on this. I think he might, as he does in the wool industry, count the legs and divide by four.

The hon. member for Balonne represents an area that produces a high proportion of prime hard wheat. It is what is called marginal country. In actual fact, it is not marginal from the point of view of fertility but from the point of view of seasons. When seasons are good, production there is very good.

The hon. member mentioned one point which, whilst it is not contained in the Bill, I think I should answer. He is concerned about representation on the Wheat Board. He said, quite rightly, that his area has no representative. Under the present structure of the State Wheat Board, the State is divided into three divisions. There are four representatives from the Downs area, one from the western area, and one from the Central Queensland and South and North Burnett areas. I have had discussions with members of the Wheat Board, and in regulations to be introduced later, not in this session but in the following session, I propose to change the electoral zones somewhat and to increase representation on the Wheat Board in the hon. member's zone from 1 to 2 to give adequate representation to an area that is now a considerable producer of wheat. I am grateful to the hon. member for his contribution.

The hon. member for Port Curtis and I usually have a little verbal battle when he speaks. However, I appreciate quite a lot of what he said. He made some sound comments. His reference to the storage problem is a sound one, as storage for over-production of prime hard wheat is most important. If there is a carry-over, there will always be a market for prime hard wheat.

The hon. member also mentioned the International Grains Arrangement, of which I have spoken previously. I thank him for his contribution.

I do not think I have missed any speakers. I thank hon. members generally for their contributions. When hon. members receive the Bill, they will find it interesting reading.

I commend the Bill to the Committee.

Motion (Mr. Row) agreed to.

Resolution reported.

#### FIRST READING

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

The House adjourned at 5.11 p.m.