

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 22 OCTOBER 1970

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

AUDITOR-GENERAL'S REPORT

PUBLIC ACCOUNTS

Mr. SPEAKER announced the receipt from the Auditor-General of his report on the public accounts of the State for the year 1969-70.

Ordered to be printed.

PROPOSED MOTION FOR SUSPENSION OF STANDING ORDERS

MATTER OF PUBLIC IMPORTANCE

Mr. HOUSTON (Bulimba—Leader of the Opposition): I seek leave to move the suspension of so much of the Standing Orders as is necessary for me to move a motion on a matter of grave public importance.

Hon. J. BJELKE-PETERSEN (Barambah—Premier): I cannot accept the motion.

Question—That leave be granted—put; and the House divided—

AYES, 29

| | |
|-----------|-----------------|
| Aiken | Jordan |
| Aikens | Lloyd |
| Baldwin | Marginson |
| Blake | Melloy |
| Bromley | Newton |
| Casey | O'Donnell |
| Davies | Sherrington |
| Davis | Tucker |
| Dean | Wallis-Smith |
| Hanlon | Wood, P. |
| Hanson | Wright |
| Harris | |
| Houston | <i>Tellers:</i> |
| Inch | Bousen |
| Jensen | Moore, F. P. |
| Jones, R. | |

NOES, 37

| | |
|------------------|-----------------|
| Armstrong | Knox |
| Bird | Lee |
| Bjelke-Petersen | Lonergan |
| Camm | Low |
| Campbell | McKechnie |
| Chalk | Miller |
| Chinchen | Moore, R. E. |
| Cory | Muller |
| Crawford | Murray |
| Delamothé | Rae |
| Fletcher | Richter |
| Heatley | Row |
| Hewitt, N. T. E. | Sullivan |
| Hewitt, W. D. | Tomkins |
| Hinze | Tooth |
| Hooper | |
| Houghton | <i>Tellers:</i> |
| Hughes | Lickiss |
| Jones, V. E. | Newbery |
| Kaus | |

PAIRS

| | |
|-----------|---------|
| Thackeray | Herbert |
| Wood, B. | Hodges |
| Bennett | Ahern |

Resolved in the negative.

PRIVILEGE

SPEAKER'S INVOLVEMENT IN PARTY POLITICS

Mr. HOUSTON (Bulimba—Leader of the Opposition) (11.10 a.m.): Mr. Speaker, I rise on a matter of privilege. In the Press yesterday, and again today, it was reported that you led a deputation calling on the Premier to resign. I have no doubt at all that what you did was done in complete good faith. I am not casting any reflection on you, either as a person or as a Speaker of this Assembly, but I do not think we can divorce your position of Speaker from anything you do in this building other than at your own party meetings.

Naturally you will correct me if I am wrong, but the Press articles implied that when you either led or took part in the deputation that met the Premier outside your party meeting, it was with the deliberate intention of asking him to resign not only as leader of the Parliamentary Country Party in this State but also, automatically, as Premier of the State.

As I have said, no-one doubts your right to do this, but because you, as Speaker, and 10 other members—I believe the final vote was 13 to 11—found it necessary to ask the Premier of the State to resign, you apparently had very good reasons for doing so. Those reasons must have been of great importance to this State to warrant such drastic action. In reading through the history of this Parliament, I cannot find one instance of any similar action having been taken. I assume, therefore, that you will inform the House of your reasons for taking these steps.

Assuming that the vote taken had resulted in 13 opposed to the Premier and only 11 for him—we understand that if he had not voted for himself and had not had two proxies he would have been beaten 11 to 10—you would have then been in the position, as Speaker, of having to carry into effect many administrative functions that would have been necessary as a result of the situation that would have developed.

This becomes particularly important, because the Premier is reported as saying, when asked whether he would hand in his Commission if any vote of no confidence in him succeeded, "No fear. I have a responsibility to Country Party Executive members too". In other words, he was saying that whether or not a vote of no confidence in him was carried he would be subject to direction from this outside body to which he refers as the "Country Party Executive".

Without labouring the point, Mr. Speaker, I believe that you should have the opportunity of saying something to this House. Deliberately, in my original motion I did not indicate the nature of the business; it could have been anything. I believed that the Government would have given the House the opportunity of at least hearing the basis of the Opposition's motion, but it saw fit to

apply the gag. That is something that the Government has to stand up to. However, Mr. Speaker, I believe that the position you hold is such a high one that you should be given the opportunity to make a statement. If you were a Minister, members of the Opposition could ask you questions and I am sure you would answer them. I am taking this opportunity to give you the chance of answering the charges contained in the Press that you were either a member or the leader of the delegation that called on the Premier to resign.

Mr. SPEAKER: The Leader of the Opposition has raised a point that he has every right to raise. On numerous occasions in this House I have stated that while I occupy the chair I do so in the capacity of Speaker, and while I am controlling the conduct of the business of this House, I also act in the capacity of Speaker, but when attending to political matters—in particular, party-political matters—I reserve the right to take part in any action pertaining to my party.

I think this emphasises statements I have made on numerous occasions that while the Speaker is subjected to political attack outside the House, and at election-time is exposed and subjected to political attack, he must reserve the right to take part in any party meetings and in any action that is desired to be taken by the parliamentary party. In doing so, I have not created a precedent.

It is true that I attended the delegation. I was invited to attend as the member for Murrumba and one of the senior members of the Country Party. We were to have a discussion with the Premier; unfortunately, it developed into more than a discussion.

Mr. Sherrington: That would be the understatement of the week.

Mr. Aikens: I will tell you about "Johnno" Mann. He had Hanlon down on the floor by the throat.

Opposition Members interjected.

Mr. SPEAKER: Order! The hon. member for Townsville South and the hon. member for Port Curtis must realise that when a statement is coming from the Chair—on this occasion a very important statement—they will remain silent.

I make it abundantly clear that any action I took was as a mediator, at the invitation of the members who were going to see the Premier. I attended as the member for Murrumba, not as Speaker. Any mention of the Speaker in this connection is purely and simply due to newspaper reports.

If hon. members feel that I was out of order in attending the delegation—I do not believe I was—and if they believe that I have offended in any way, I offer my apologies. However, my conscience is clear, and I believe that all members of the Government parties would consider that I was correct in attending as the member for

Murrumba and taking part in political discussions while, as I have said, I am still subjected, on leaving the chair and the House, to political attack by other people. Unfortunately, on some occasions I have found that my occupancy of the chair has been used against me.

If I have offended by my action, which I took from a party point of view and as the member for Murrumba, divorced completely from the House and the position of Speaker, I apologise.

Mr. HOUGHTON (Redcliffe) (11.20 a.m.): Mr. Speaker, I seek leave of the House to make a statement relative to your remarks.

Mr. Houston: Is this a debate?

Mr. SPEAKER: Order! I do not wish this matter to develop into a debate. The Leader of the Opposition asked a question of me and I have given him my answer. I cannot allow a debate on the matter at the moment.

Mr. HOUGHTON: Mr. Speaker—

Mr. SPEAKER: Order! The matter is closed. If, later, any member wishes to make a personal explanation, it will be accepted. We will now proceed with ministerial business.

PAPERS

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

Reports—

Public Service Board, for the year 1969–70.

Commissioner of Irrigation and Water Supply, for the year 1969–70.

The following papers were laid on the table:—

Orders in Council under—

The City of Brisbane Market Acts, 1960 to 1967.

Co-ordination of Rural Advances and Agricultural Bank Act 1938–1969.

The Fauna Conservation Act of 1952.

Meat Industry Act 1965–1969.

The Primary Producers' Organisation and Marketing Acts, 1926 to 1966.

The Wheat Pool Acts, 1920 to 1957.

River Improvement Trust Act 1940–1968.

The Harbours Acts, 1955 to 1968.

Proclamation under the Wheat Pool Acts, 1920 to 1957.

Regulations under—

Meat Industry Act 1965–1969.

The Primary Producers' Organisation and Marketing Acts, 1926 to 1966.

The Wheat Pool Acts, 1920 to 1957.

The Harbours Acts, 1955 to 1968.

MINISTERIAL STATEMENT

REPORT ON RAILWAY FREIGHT RATES BY W. D. SCOTT & CO. PTY. LTD.

Hon. W. E. KNOX (Nundah—Minister for Transport) (11.23 a.m.): In view of the publicity that this matter has received, I wish to inform the House that the report by W. D. Scott & Co. Pty. Ltd., management consultants, on behalf of the Provincial Freight Study Committee was specially prepared for submission to the Co-ordinator-General. These documents will be examined by the consultants appointed by the Government to investigate alleged rail freight anomalies, Messrs. Beckingsale Management Services Pty. Ltd.

I received a copy of this report only yesterday and point out to the House that it is entitled "Preliminary Report" and that it is not the final report. W. D. Scott & Co. Pty. Ltd. have asked that this report be studied by the Government's consultants before presenting the final report.

It was understood that this preliminary report was to be confidential, but in view of the release of these documents on Tuesday—obviously members of this House would not be aware of their contents—I table the preliminary report and also the supplement to the report.

The questioning in the Press release by W. D. Scott & Co. Pty. Ltd. of railway policies is of some concern and I want it further understood that the Railway Department has been carrying out Government policy and there is no question in the mind of the Government relating to the policies that the railways are following.

If it can be shown from this or any of the other 63 submissions received by the Co-ordinator-General that these policies are prejudicing development of this State, then Messrs. Beckingsale Management Services Pty. Ltd. will be in a position to assist the Government with information on which changes in policy could be based.

Whereupon the hon. gentleman laid the documents on the table.

QUESTIONS UPON NOTICE

LEASE OF OLD PINE RIVERS SHIRE HALL, STRATHPINE

Mr. Houston, pursuant to notice, asked The Minister for Local Government,—

Has any concern been expressed by or through the Pine Rivers Shire Council or any councillor of that shire, in relation to the use of the old shire hall in Gympie Road, Strathpine, by W. H. Bowden Pty. Ltd.? If so, has any interpretation been given that the lease involved is in breach of any Act and therefore not legal, or what other advice has been offered to the Pine Rivers Shire Council and/or its councillors?

Answer:—

"The matter has been discussed. Three councillors have made written submissions in relation thereto and sought the dissolution of the council. Advice has not been tendered in this matter."

IRRIGATION LICENCES, BORDER RIVERS AREA

Mr. McKechnie, pursuant to notice, asked
The Minister for Conservation,—

As competition will be acute between land holders in New South Wales and Queensland for the available water until the Pike Creek Dam provides sufficient for irrigation on both sides of the border stream and as some of my constituents claim that the New South Wales authorities are granting the use of more water and larger pumps than the Queensland authorities, what are the details of licences applying on both sides of the border?

Answer:—

"The Irrigation and Water Supply Commission has not got details readily available for licences issued by the New South Wales Authority to New South Wales land-holders irrigating from the Border Rivers. However, information provided by both States to the Border Rivers Commission for the 1969-70 year indicates the following:—(a) New South Wales, total licences issued 196, including 89 above Mingoola; total water diverted for year 6,544 acre feet: (b) Queensland, total licences issued 391, including 274 above Mingoola; total water diverted for year 9,888 acre feet. In Queensland no new licences are issued without the proviso that no water shall be pumped when flow over Bonshaw Weir is less than 25 cusecs between September and April inclusive and less than 15 cusecs from May to August. New licences issued by New South Wales also have the proviso that no water will be pumped when flow over Bonshaw Weir is less than 25 cusecs between October and March inclusive. In addition to these conditions on licences, both authorities have power to restrict pumping from the stream when supplies are inadequate to meet requirements. The Border Rivers Commission has directed both authorities that pumping shall be controlled so that, when flow is available, not less than 10 cusecs shall be permitted to flow over Goondiwindi Weir to provide stock and domestic requirements downstream to Mungindi. The Border Rivers Agreement provides that the flow at Mingoola shall be shared equally after due allowance has been made for diversions by the individual States from streams on the catchment above Mingoola. The agreement also provides that any inflows from tributary streams downstream of Mingoola shall be the property of the State from which they were

derived. For example the Macintyre River Catchment in New South Wales frequently provides substantial flow in the Border River and the whole of this quantity is the property of New South Wales. Thus the share of water available to each State at any point below Mingoola is frequently more or less than half the flow available. New licences in Queensland have not had pump sizes limited by the Irrigation Commission. However, the commission would expect that pump sizes would be reasonably related to the areas to be irrigated. The fixing of pump sizes in New South Wales is one for the New South Wales Authority and it is not known whether any limit is fixed. It is important to appreciate, however, that irrespective of pump sizes and areas authorised to be irrigated, it is the responsibility of the authorities in each State to control use of water so that use does not exceed the authorised share of the individual State and the available share is spread as equitably as possible among all users in that State. Subject to the State authorities properly exercising this control, total quantities of water authorised to be diverted and pump sizes make little difference to the quantity available to individual irrigators in periods when flow is equal to or less than actual demand."

EMPLOYMENT OF PRISONERS UNDER RELEASE-TO-WORK SCHEME

Mr. Aikens, pursuant to notice, asked The
Minister for Justice,—

Since the inauguration of the release-to-work scheme, (a) how many prisoners have been brought under the scheme and (b) how many have been employed by Government departments and what are the names of the departments?

Answer:—

"(a) 166; (b) Main Roads Department 2, Queensland Railway Department 2, Postmaster-General's Department 1."

PETITION FOR POLL ON SEWERAGE SCHEME, SARINA

Mr. Newbery, pursuant to notice, asked
The Minister for Local Government,—

(1) Has his attention been drawn to an article in *The Daily Mercury* at Mackay on October 20, wherein Councillor McKie accused the Government of treating the Sarina residents as "hill billies" and claimed that the Minister refused a poll on sewerage?

(2) What were the circumstances surrounding the application for a poll and what were the reasons for rejecting it?

Answers:—

(1) "Yes."

(2) "I am informed that a petition was presented to the Sarina Shire Council in May, 1968, praying that the council conduct a poll of electors to ascertain their opinion whether or not to proceed with a sewerage scheme for Sarina and to withhold further expenditure on the work until the result of the poll was declared. The matter was considered by the council at a meeting held on May 20, 1968, and it subsequently advised the Director of Local Government that it was of the opinion that it would not be in the best interests of the shire generally, and the town of Sarina particularly, to take a poll on this question at this stage and the petition was forwarded to the director for his advice and direction. The council was subsequently advised that the matter was considered to be a domestic issue which should be decided by the council as the elected representatives of the area and that the Minister was not disposed to direct the council to take a poll of electors on the issue. Local authorities are duly elected bodies responsible to their electors and it has not been the policy of successive Governments to interfere in their domestic affairs."

LAND VALUATIONS, SARINA SHIRE

Mr. Newbery, pursuant to notice, asked The Minister for Local Government,—

(1) Is he aware that the Sarina Valuation Protest Committee is requesting a revaluation of the Sarina Shire on the grounds that the valuations arrived at were unjust and iniquitous?

(2) Is he prepared to order a revaluation of the shire and, if so, who will be responsible for the cost?

Answers:—

(1) "Yes."

(2) "No. Apart from the fact that the Valuation of Land Act does not permit this, I am satisfied that the revaluation of the shire area is generally fair and reasonable and has been made pursuant to the requirements of the Act."

RAILWAY CLERICAL STAFF, TOOWOOMBA

Mr. Bousen, pursuant to notice, asked The Minister for Transport,—

(1) How many clerks, classified and unclassified, attached to the General Manager's Office, Railway Department, Toowoomba, during the current year have had their positions (a) abolished and (b) reduced in classification?

(2) What was the reason for such abolition or reduction?

(3) How many of these employees have been transferred and to what classifications?

(4) How many clerks, on what classifications, are attached to the General Manager's Office, Toowoomba, at the present time and what were the details at the same time last year?

Answers:—

(1) "(a) One Fifth Class Clerk and three Junior Clerks; (b) A Third Class position was abolished and a Fourth Class position created."

(2) "The withdrawal of the Cash Credit Account previously operated at Toowoomba and the re-assessment of staff requirements."

(3) "A Third Class Clerk has been placed in a position in the same classification and similar action will be taken in respect of the Fifth Class Clerk concerned. The three Junior Clerks will be absorbed in vacancies."

| (4)— | "As at October 21— | |
|--------------|--------------------|------|
| | 1969 | 1970 |
| 1st Class | 1 | 1 |
| 2nd Class | 1 | 1 |
| 3rd Class | 5 | 4 |
| 4th Class | 14 | 15 |
| 5th Class | 27 | 26 |
| 6th Class | 4 | 4 |
| Unclassified | 34 | 31 |
| | 86 | 82" |

TAXI LICENCES

Mr. Bousen, pursuant to notice, asked The Minister for Transport,—

How many taxi licences are in operation and what is the method of issuing them for (a) companies and (b) private persons, at (i) Brisbane, (ii) Rockhampton, (iii) Townsville, (iv) Ipswich and (v) Toowoomba?

Answer:—

"(a) and (b) The procedure for the issue of taxi cab licences is set out in Part III—Vehicles for Hire—under "The State Transport Acts, 1960 to 1965," section 18; (i) Brisbane, 1,245; (ii) Rockhampton, 62; (iii) Townsville, 99; (iv) Ipswich, 46; (v) Toowoomba, 106."

SUGGESTED A.L.P.—METALSEX NEGOTIATIONS ON MINERAL ROYALTIES

Mr. Houghton, pursuant to notice, asked The Premier,—

As the Government has been attacked inside and outside Parliament by the Australian Labor Party for failing to ensure that Queensland received an adequate rate of royalty and other charges from wealthy overseas companies operating the State's mineral deposits and frequently accused of selling Queensland's birthright, will he

appoint a Royal Commission or other competent board of inquiry to determine if consideration was given or promised to the A.L.P. by Metalsex or anyone else to bring about the complete somersault by the A.L.P. on their policy as advocated by the Deputy Leader of the Opposition in the House on October 20?

Answer:—

“At the outset, let me make it perfectly clear that Queensland does receive adequate rates of royalty from companies operating our mineral deposits. So far as the Opposition’s attitude is concerned, it would not take a Royal Commission to confirm that their views in this regard fluctuate according to the political expediency of the moment and that, given the opportunity, they would exploit all and any of Queensland’s natural resources for political gain, without one consideration for the welfare and prosperity of the people generally.”

C.S.R. COMPANY LEASEHOLD LAND,
CAIRNS INLET

Mr. R. Jones, pursuant to notice, asked
The Minister for Lands,—

(1) What is the area and description and what are the boundaries of a lease recently granted to the C.S.R. Company on the south-east of Cairns inlet?

(2) What is the term and purpose and what are the conditions of the lease?

(3) Is any area of the water frontage included and, if not, what distance from the L.W.S.T. mark does the boundary extend?

Answers:—

(1) “Special Lease No. 34280 has been granted to the Colonial Sugar Refining Company Ltd. over portions 158 and 31, parish of Trinity. The area of the special lease is about 1,694 acres 1 rood 37 perches and is situated south-east of Cairns inlet. This land had previously been held by the C.S.R. Company under special lease tenure and the new lease was granted over a reduced area after excision of a 20-chain strip along the foreshore of Trinity inlet for future port and wharf purposes.”

(2) “The term of the lease is 10 years and special conditions of the lease are as follows:—(i) Before commencement of construction of revetment or of any other works on Crown land below high-water mark abutting the leased land, the lessee shall lodge plans of the proposed works with the Marine Board of Queensland and shall obtain the sanction of the Governor in Council to those plans, pursuant to section 86 of “*The Harbours Acts, 1955 to 1968*”; (ii) Any works constructed below high-water mark shall be maintained to

the satisfaction of the Chief Engineer, Department of Harbours and Marine; (iii) The lessee company shall, within three years from the commencement of the term of the lease, spend an amount of not less than \$50,000 on construction of a sea-wall or other reclamation works on the leased land; (iv) The lessee company shall not, without the consent of the Minister, sub-lease or share-farm any part of the leased land; (v) Transfer of the leased land, except where in the opinion of the Minister special circumstances exist, will not be allowed until developmental and improvement conditions have been complied with; (vi) The lessee shall have the boundaries of the leased land surveyed within one year from the commencement of the term of the lease; (vii) The lessee shall maintain the leased land free from noxious plants. Purpose of lease—Manufacturing, industrial, residential or business.”

(3) “No area of the water frontage is actually included in the lease; there being a wide esplanade on the south-western boundary and a narrow esplanade on the north-western boundary.”

HELICOPTER SQUADRON FOR NORTH
QUEENSLAND

Mr. R. Jones, pursuant to notice, asked
The Premier,—

Further to his Answer to my Question on March 12 concerning the stationing of a R.A.A.F. helicopter squadron in North Queensland, has he received a reply to his communication to the Prime Minister and, if so, with what result?

Answer:—

“Yes. The Prime Minister advised me in June that while it is intended to deploy R.A.A.F. Helicopter Squadrons to both Amberley and Townsville, such deployment would be dependent upon the operational and training needs of the Services both in Australia and overseas. He cannot therefore indicate a possible time scale in this regard. However, the Prime Minister assured me that the long-standing arrangement whereby the Armed Services assist Commonwealth and State authorities to the extent practicable, from resources available to them at the time of emergencies, will continue in being, subject only to operational demands.”

A.L.P. FETE IN NEW FARM PARK

Mr. V. E. Jones for **Mr. Ahern**, pursuant to notice, asked The Minister for Justice,—

(1) Is he aware that on October 17 in New Farm Park at a widely-advertised “Springtime Fair”, beer was on sale openly for those present?

(2) Is he aware that on a previous occasion liquor was confiscated by the licensing squad at a New Australians' picnic at Bishop Island and that the promoters were heavily fined?

(3) What action is contemplated against the promoters of the "Springtime Fair" for the consumption of liquor in a public place?

(4) Was a liquor licence issued for that day and, if so, to whom?

(5) What charities received or are to receive contributions from this fair, which was organised by the Australian Labor Party and advertised over 4KQ?

(6) Were any permits to hold raffles issued for this function and, if so, to whom?

Answers:—

(1 and 2) "I am so informed."

(3) "No such action as this is contemplated as it would seem that the area used for the time for the purpose was then not a public place within the meaning of the Liquor Acts."

(4) "At the Springtime Fair in New Farm Park on October 17, a booth licence was granted for the sale, supply and consumption of liquor from 12 noon to 10 p.m. in a marquee measuring 20 feet by 20 feet and situated within 25 yards of the Band Rotunda, the booth licensed area to cover an area 75 feet by 75 feet in front of the marquee. The licensed area was required to be defined by stakes with ropes running around the boundaries of this area. This licence was issued in the name of Garry Campbell Balkin, Licensee, Melbourne Hotel, South Brisbane."

(5) "This information is at present unknown to the Department."

(6) "No."

USE OF CYCLAMATES

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

With reference to my Question to the Premier on August 26 regarding the use of cyclamates as artificial sweeteners—

(1) Has the National Health and Medical Research Council made a final recommendation for Australia in line with the banning in many overseas countries of the use of cyclamates in food products?

(2) Is the announcement by the Western Australian Minister for Health regarding the introduction of regulations compelling the use of labels on all articles containing cyclamates, warning that the product should only be taken on medical advice, in line with any recommendation by the Council?

(3) When will similar action be taken in Queensland to guard the health of the people and encourage manufacturers to make greater use of the energy food, sugar?

Answers:—

(1) "No. The subject will be further discussed at a meeting of the National Health and Medical Research Council in the week beginning October 26, 1970."

(2) "In November, 1969, the National Health and Medical Research Council considered that cyclamates should continue to be permitted in low calorie foods and beverages in the amounts at present prescribed in the standard for artificial sweetening substances provided that such foods and beverages are labelled 'Take on medical advice only'. Subsequent to that recommendation further information has been placed before the council."

(3) "Queensland will closely examine any recommendation made by the National Health and Medical Research Council at its meeting referred to in (1)."

OVER-PRODUCTION IN SUGAR INDUSTRY

Mr. Casey, pursuant to notice, asked The Minister for Primary Industries,—

As the Mackay and Burdekin sugar districts, by their consistency in producing sugar when other areas could not, have been responsible for maintaining Australia's overseas sugar markets, will they now be required to destroy almost one million tons of cane because the Government is not prepared to store sugar under the terms of the International Sugar Agreement?

Answer:—

"The premise on which the Honourable Member has based his Question is not correct. However, the Sugar Board has already determined the maximum quantity of sugar necessary to meet available and foreseeable market outlets, and includes the storage of prudent quantities of sugar under the terms of the International Sugar Agreement. Apart from physical inability to store more sugar, the setting up of stocks of a size which could seriously prejudice the acceptance of mill peaks in 1971 and future seasons, could scarcely be in the long-term interests of our sugar growers."

LABOUR FOR TOBACCO INDUSTRY

Mr. Wallis-Smith, pursuant to notice, asked The Minister for Primary Industries,—

As labour is required at the present time for the tobacco-growing season and as farmers are often forced to pay excessive wages to some workers who give their services to the highest bidder, will he

take action to provide for a more controlled supply of labour so that sufficient labour will be available at the recognised wage level?

Answer:—

"The direction and control of labour is not a function of my Department. Therefore, I would suggest that the Honourable Member make representations to the Commonwealth Minister for Labour and National Service."

WATER CHARGES FOR NEW TOBACCO BLOCKS

Mr. Wallis-Smith, pursuant to notice, asked The Minister for Conservation,—

As the new tobacco blocks released at the ballot on July 3 are not producing tobacco this year and therefore do not require water—

(1) What water charges are made from the date of ballot?

(2) If charges are made, will he waive payments until June 30, 1971, or until water is needed for irrigation?

Answer:—

(1 and 2) "In respect of new tobacco farms opened in the Mareeba-Dimbulah Irrigation Area by ballot on July 3, only the actual quantity of water supplied will be charged for up to June 30, 1971. For 1971-72 charges will be made for one-third of the water-right quantity, or the actual quantity supplied, whichever is the greater. For 1972-73 charges will be made for two-thirds of the water right or the actual quantity supplied, whichever is the greater. For 1973-74 and onwards the full quantity allotted as a water right must be paid for whether used or not."

LOCAL AUTHORITY RATES ON NEW TOBACCO BLOCKS

Mr. Wallis-Smith, pursuant to notice, asked The Minister for Local Government,—

Is there any way that he can bring about the waiving of rates for the farmers who are unable to grow tobacco on the six new farms balloted for on July 3? If so, will he take the necessary action?

Answer:—

"There is no power vested in me to waive rates levied by a local authority. The matter is one for the local authority concerned which is empowered by section 27 of the *Local Government Acts* 1936-1970 to remit rates under the circumstances set forth in that section."

CAR-PARKING AREA, SANDGATE RAILWAY STATION

Mr. Dean, pursuant to notice, asked The Minister for Transport,—

Has the survey of the land adjacent to the Sandgate railway station for the parking of the cars of railway travellers been completed? If not, what progress has been made?

Answer:—

"An amount of approximately \$800 has been expended on the provision of a car-parking area to which entrance is gained from Cobb Street. Improvements are being effected to the footpath affording access to the station."

QUESTIONS WITHOUT NOTICE

PREFERENCE TO UNIONISTS, RAILWAY DEPARTMENT

Mr. BOUSEN: I ask the Minister for Transport: Is it departmental policy to grant preference to unionists for employment in all sections of the railway service? If so, is it mandatory upon the department to advise new employees in writing of their obligations in this regard?

Mr. KNOX: I must confess that, owing to the noise in the Chamber, I missed half of the question. I ask the hon. member to put it on notice.

REPORT ON RAILWAY FREIGHT RATES BY W. D. SCOTT & CO. PTY. LTD.

Mr. F. P. MOORE: I ask the Minister for Transport: In view of the Provincial Freight Study Committee's report, which says, "Figures demonstrate clearly that North and Central Queensland are supporting the Southern Division of the Railways," and the statement that his department has been aware of this for some time, will he assure the House that immediate action will be taken to correct existing anomalies, as the northern population is at a disadvantage when compared with its counterpart in the South?

Mr. KNOX: I can only interpret the hon. member as saying that he is concerned at the fact that the Southern Division of the Queensland Railways is not as profitable as other divisions of the State.

The first thing that should be understood is that the railways are buoyant in those divisions of the State because of the enormous mineral haulage undertaken on the terms and conditions laid down by this Government. This has been of benefit not only to the railways as a whole, but also to the State as a whole.

Obviously the greatest losses suffered in the Southern Division would be incurred in the transport of passengers on Brisbane

suburban services. If the hon. member is advocating that the fares for these passenger services should be increased, I will consider his request.

HIRE DRIVERS' LICENCES

Mr. WRIGHT: I ask the Minister for Transport the following question without notice—

Mr. SPEAKER: Order! I feel I should not have to request hon. members to use a microphone when asking questions without notice. I have made the suggestion on at least a dozen occasions. I trust that, in future, hon. members will take notice of what I say.

Mr. WRIGHT: I ask the Minister for Transport: Will he advise what aspects of departmental policy prevent transport drivers from obtaining a hire driver's licence, as indicated in his letter to me of 21 October, 1970?

Mr. KNOX: Applicants for hire drivers' licences have to pass certain tests. If the hon. member were to reveal the contents of the letter, I feel that he would have a clear explanation, not only for himself—apparently he was unable to understand it—but also for other hon. members. If an applicant is able to pass the test, and qualifies for a hire driver's licence in all respects, he is, of course, issued with one.

RAIL-FREIGHT RATES TO MT. ISA

Mr. INCH: I ask the Minister for Transport: Is it a fact that because of repressive freight rates there has been a growing tendency over the last few years for goods for Mt. Isa to be transported via South Australia and the Northern Territory?

Mr. KNOX: This matter would take some time to explain fully, but I point out that optional methods of transport are open to people and industries in Mt. Isa. For many years goods have come to Mt. Isa from the Northern Territory, South Australia, Townsville and Brisbane, by both land and air. Nothing new is being said by pointing out that there are developing lines of communication with increased business on them. Indeed, a tremendous amount of merchandise from Sydney passes through Brisbane for Mt. Isa, and goes further on to Darwin. That is an indication of the growth in the communications of the nation. With improvement of roads, particularly in Central Australia and Western Queensland, we can expect more of this traffic.

Mr. INCH: I direct a supplementary question to the Minister for Transport: What immediate action will be taken to rectify the position by which not only Queensland railways but Queensland manufacturers and merchants also are likely

to lose substantially if this transfer of business is allowed to continue through repressive freight policies for Mt. Isa.

Mr. KNOX: The railway system is not the only mode of transport over which I have jurisdiction. As business increases in other modes, it contributes to the raising of the standard of living of our people, having in mind the remote areas that are involved and that have been able to take advantage of these improved services. As we have a Constitution that allows free trade between the States, I will do nothing to prejudice what I regard as legitimate business and commercial activity.

PROPOSAL FOR CASINO, SOUTH COAST

Mr. JENSEN: I ask the Premier: What were the circumstances under which permission was not granted to Mr. Waterhouse to build a casino on the South Coast? Is it a fact that his adamant refusal was the basis of the move against him by the hon. member representing that electorate?

Mr. SPEAKER: Order! The question is out of order.

SUPPLY

COMMITTEE—FINANCIAL STATEMENT— RESUMPTION OF DEBATE

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

Debate resumed from 20 October (see p. 1240) on Mr. Chalk's motion—

"That there be granted to Her Majesty, for the service of the year 1970-71, a sum not exceeding \$5,093 to defray the salary of Aide-de-Camp to His Excellency the Governor."

Hon. G. W. W. CHALK (Lockyer—Treasurer) (11.59 a.m.), continuing in reply: Before dealing with the discussion that has taken place in the Budget debate, let me make it clear that the Government indicated this morning that it was not prepared to accept the motion for the suspension of Standing Orders because the Opposition has two other methods available to it to discuss the matter that it wanted to raise in this Chamber this morning. I can assure the Opposition that the Government is quite prepared to discuss this matter, but the point is that when the Opposition attempts to take control of the business of this Parliament, it is the right of the Government—

Mr. Hanken: Obviously somebody has to take control.

The CHAIRMAN: Order!

Mr. CHALK: I know that the Opposition is very keen not to have placed before the public the basis on which it attempted to take control of the House this morning. The Opposition had an opportunity to lodge

with Mr. Speaker one hour before the House sat notice of a motion indicating its desire to take action that it attempted to take in another way. It also has the right to move a vote of no confidence in the Government as a whole, or a motion dealing with any other matter. Consequently, the Leader of the Opposition, realising the mistake that he made, has now taken the avenue that is open to him. The Government will readily accept the motion of which he has given notice, and will debate the issue tomorrow morning.

Honourable Members interjected.

Mr. TUCKER: The Premier said, "No".

Mr. CHALK: You called, "Divide". You know that the Premier rose to speak and the Opposition called, "Divide".

The CHAIRMAN: Order!

Mr. HOUSTON: I rise to a point of order. Although I believe that the Premier has lost the confidence of the Parliament, at the time when he rose and said, "No", I assume that he was speaking on behalf of the Government of the State.

Mr. CHALK: I believe that I have made a clear explanation of the position, and I shall now address myself to the Budget.

For five days I sat in this Chamber hoping to hear from the Opposition some criticism of the Budget, because I felt that it must contain some real issues with which they disagree.

Mr. HOUSTON: I rise to a point of order. I have now had time to check Standing Orders. The Treasurer said that the Opposition had had an opportunity earlier to move the adjournment of the House.

The CHAIRMAN: Order!

Mr. HOUSTON: That is a statement of fact.

The CHAIRMAN: Order! What the Leader of the Opposition is saying is out of order at this time.

Opposition Members interjected.

The CHAIRMAN: Order! The matter has been dealt with, and is now finished. The Leader of the Opposition took a point of order, and had a division taken on it in the House.

Mr. HOUSTON: This is a different matter altogether. Standing Order No. 307 states the position very clearly. It reads—

"On the days so allotted for the business of Supply no business, other than that specified in the second paragraph of this Standing Order, shall be taken until after the consideration of Supply, and no Motion for Adjournment under Standing Order No. 137 shall be entertained."

The CHAIRMAN: Order! The Chair was quite correct. The matter had been dealt with.

Honourable Members interjected.

The CHAIRMAN: Order! The Honourable the Treasurer.

Mr. CHALK: I shall now address myself to the Budget. The point of the matter is that for five days the Opposition had an opportunity to raise particular issues and to deal with matters pertaining to the financial activities of the State. Opposition speakers have entered into the Budget debate quite aimlessly—that statement can be supported—and apparently without any real intention of achieving anything. In fact, they reminded me of a number of small boys jumping into a pool and then watching the ripples move out, because there was no real purpose in the exercise that they undertook relative to the Budget.

Perhaps the most often repeated criticism was that the State has not been benefiting as it should from the great mining developments—that the Government was not getting enough out of the mining companies; that all it was getting was 5c a ton royalty, and so on. I shall go on in a moment and repeat for the benefit of what I describe as the "knockers" in the Opposition some of the advantages that Queensland has gained from the Government's deliberate policy of mineral development in this State. Apparently neither the Leader of the Opposition nor other hon. members opposite who took part in the debate can see for themselves that Queensland's economy is booming in spite of the drought and that that is a direct result of activities associated with mineral development in the State.

However, before doing that, I should like to point to the fact that the Government, in its negotiations with the mining companies, has endeavoured to get as much as possible out of every deal that it has made. The latest reaction—and there is some reaction—of the companies in the Greenvale venture shows very clearly just how far the Government is prepared to squeeze the companies for the benefit of the State. I am satisfied that if, over the years, the Government had pushed harder, it may have lost for ever some of the larger deals that are now playing such an important part in development and in the booming economy. Of course, failure is what the Opposition wants. It would be delighted to see undertakings of that type fall down. On the admission of the hon. member for Baroona, the Opposition wishes to kill the goose that lays the golden egg. That is the type of socialistic activity that the hon. member has advocated.

Of course, the hon. member has put forward a solution—or perhaps it is a flight of fantasy. He said, "Let us get a bit of socialism into it." Having in mind all the profits that the company will make, he has advocated that the Government should work the mine itself. I ask all hon. members to really examine that proposal.

With all their experience in this complex field of mining, refining and marketing low-grade nickel ore, the two companies—Freeport and Metalex—admit that they are worried that the guarantee of \$50,000,000 for which the State Government is asking will make the operation uneconomic to them. These are the people with the know-how; these are the people who allegedly have the markets tied up; these are the people who are competent to operate the plant; these are the people who have the skill and the capital to invest. They wish to argue that the proposal is not sufficiently economic to enable them to pay \$50,000,000 to the Government. Now there is a proposal from our socialist friends in this Chamber, Mr. Hooper, that, even though the Government has not the required skill in the field, the know-how, the competence, or the capital, it should say, "Let us take it over. We will do better."

Let me take one of these factors and look only at the provision of capital. It is estimated that \$200,000,000 is needed to get the project off the ground. Where would the Government get this sort of money? I ask the hon. member for Baroona what hospital is he going to close? What road is he not going to build? What school is he not going to construct?

Mr. HANLON: I rise to a point of order. I know the Treasurer is rattled by governmental events in recent hours, but he is entirely misrepresenting me. I said that the Government should approach the Commonwealth Government for finance to allow it to operate the project, or join the company in operating it in partnership, and I may add that Sir Maurice Mawby, of Comalco, has suggested that latter concept.

The CHAIRMAN: Order! The hon. member is not taking a point of order but making a speech.

Mr. CHALK: I have no intention of arousing the ire of the hon. member any further. I have made my point. What sort of irresponsible, old-time socialistic approach is the hon. member for Baroona putting up? After all, a Labour Government could not run Peak Downs; it could not run State butcher shops. In fact, a Labour Government could not run a pub at a profit. Marty Hanson can, but the Labour Government could not.

I now move to the main issue that I see in the Opposition's attack, that is, benefits derived by Queensland generally from this Government's mining policy. I have tried to impress upon hon. members of the Opposition on many occasions that royalties are not the only direct benefit, let alone indirect benefit, that the State receives from mining operations. Nothing has been said to refute my statements in this regard, but every so often the matter is revived by one or other of the hon. members opposite, who chooses to completely ignore the truth

of the matter. Perhaps they have short memories, or perhaps they think that members of the public have short memories. Whatever the case may be, I am not prepared to allow their statements to go unchallenged and, at the cost of repeating what I have explained in detail on several occasions previously, I will point out the fallacy of their claims.

The most important direct benefit received by the State from mining operations is the profit earned by the railways on traffic created by the companies concerned. It is no secret that the greater part of the State's rail traffic does not pay its way, and I do not think any reasonable person would claim that, in a State such as this where we have long lines with relatively little traffic, each consignor should pay a freight sufficient to cover the cost of his particular consignment. For years, therefore, the Railway Department has been run at a loss and such loss has been a charge on the general revenues of the State. This loss is represented largely by the non-recoupment of interest and sinking fund charges on loan moneys used by the railways. These costs, borne out of general State revenues, are now running at about \$17,000,000 a year.

The Government has considered the operations of the railways to be a vital service to industry, and has been prepared to continue the service in spite of these losses. In fact, discontinuance of the service would not overcome the losses, because the huge capital outlay invested in the railway system could not be recovered, and the general revenues of the State would still be left to meet the debt burden on them.

With large-scale mineral traffic, however, we have set rail freights that not only cover the costs of railing the commodity, including the debt charges attributable to the capital funds employed, but also provide a handsome surplus. This surplus will obviously benefit the general revenues of the State in that it will increase the amount that the railways can afford to pay towards their debt charges, and may even eventually enable the railways to recoup some of their past losses. The main advantage of obtaining the State's contribution from the mining companies as part of the rail freight is that, under the agreements with the mining companies, the rail freight increases parallel with cost increases, and the State's profit grows with it. If the State's contribution had been taken out in the form of a fixed royalty, the real value of the royalty would have diminished as cost and price levels rose.

Further, where capital funds have been required to improve the standards of existing rail lines or to build new lines, the companies concerned have had to contribute large amounts, in some cases representing 100 per cent. of the cost. These contributions are to be repaid out of the freight charges

paid by the companies, and, as I have said, provision has been made for such repayments in fixing the freight rates.

Far from the royalty being the only return to the State, the total actual return comprises the royalty, a substantial surplus in respect of rail transport, and the fact that a new or improved rail line is provided at the companies' expense and owned by the State.

Apart from these direct contributions to the State, what of the indirect benefits? What of the competition for Queensland labour and resources created by the capital works, the continuing operations following the completion of the works, the service industries that develop to support their requirements, and so on? That competition for labour is obviously forcing up the rewards, in both money and real terms, received by employees in this State, and this trend will continue while the State continues through the era of development of mining and secondary industry, which has been with us during the past decade.

Experience all over the world shows that mining and industrial development have a snowballing effect. The demands of one industry or the output of another provides the livelihood for a further venture, and this further venture attracts another, and so on. For example, with our major coal export industries, and the transport facilities that are being provided for them, coal is arriving at our coastline at a low unit cost. This situation provides an attractive basis for a steel industry, and we are hopeful that one may be developed in the not-too-distant future. We have, of course, taken steps in our agreements with coal exporters to ensure that ample reserves are retained to meet the needs of local industries as and when they develop.

Some mention has been made of the low return received by the State from the extraction of bauxite. I would be the first to admit that, if the agreements relative to this mineral were being negotiated today, the Government would be taking a firmer stand on the question of the State's direct return, as it is doing with respect to the Greenvale nickel project and other current mineral negotiations. But it must be remembered that, at the time the Comalco Agreement was being negotiated, the State was craving for industrial development, and could not afford to lose the opportunity of the promised major developments in the form of the mining venture and alumina plant, with the later possibility of an aluminium smelter. The indirect benefits to be obtained for the people of the State from these developments were too great to sacrifice for the sake of holding out for a greater direct benefit.

While the direct return from bauxite mining may be low, the indirect benefits that have followed from the venture cannot be denied. The construction and operation

of the alumina plant at Gladstone has given a tremendous boost to the size and wealth of that town and benefits to employees drawn from a wide area. There is now a very real prospect of the construction of an aluminium smelter based on low-cost power, which will become available as the result of the availability of cheap steaming coal as a by-product of the State's export coal operations. The value of the indirect benefits from enterprises such as this cannot be measured in dollars but, if they could be, they would obviously swell the figure to many times the total of direct royalty revenue.

It cannot be overlooked, also, that the companies carrying out these mineral export operations contribute heavily to Federal Government revenues in the form of income tax payments, and are valuable contributors to the country's holdings of overseas funds.

Another issue that several hon. members raised was the question of local authority financing. This is a problem that has been of concern to people interested in the welfare of our councils for some time now. I have already spoken on the matter, at the Local Government Conference in Mackay in September last.

Let me say that, as Treasurer of this State, I can appreciate the difficulties being experienced by the councils in raising the funds needed to provide the services that the people are demanding. I have real sympathy for them and will do all within my power to assist them in their endeavour to find a better way. I do not think that anyone knows the real solution to this problem. We hear the parrot cry that the Government, either State or Commonwealth, should provide. This, of course, just shifts the responsibility to someone else's shoulders—someone who is removed from the problem and who is perhaps not so concerned about the welfare of a district as the people in the district themselves.

As I mentioned to the local authority conference delegates in Mackay, I look to them to submit their case, support it with good solid facts and statistics, and cast around for what they see as the best solution. If this solution finally was that an approach should be made to the Commonwealth, then I would be happy to present as forceful a case as I can on behalf of local authorities. However, if Commonwealth action is called for, it must be remembered that, under the Constitution, this can be done only on an Australia-wide basis. The local authorities would therefore have to ensure beforehand that authorities in every State went forward with a united approach.

I also pointed out to the Mackay conference that any Commonwealth assistance would undoubtedly have strings attached to it. It has been the State's experience that Commonwealth-tied grants require so much of the State's Budget resources to be diverted to the same purpose that the effect on

the whole Budget is one of rather harsh stringency. The authorities would need to have quite a good look at this prospect also before they plump for the idea of asking for Commonwealth financial assistance to overcome their burden.

This, I feel, covers the main issues that hon. members put forward on behalf of local government financing. There were some members, of course, who let their imagination run wild and did nothing to advance the case for local authorities. One such member was the hon. member for Mackay, who made the claim that, whereas the State was now receiving from the Commonwealth debt-charges assistance, under the new financial agreement, local authorities were receiving no such assistance from the State or the Commonwealth. This is an incorrect statement, and is apparently designed for emotional effect, because it is not founded on fact. Does not the hon. member realise that, with Queensland's unique subsidy scheme, our local authorities have been receiving the equivalent of debt-charges grants for years?

One of the end results of the local authority subsidy scheme is that our authorities do not have to service debt charges on moneys that they would otherwise have to raise by way of loan. This saving they enjoy is as good as an untied general grant or subsidy in the hands of the councils, for they can spend this saving any way they wish.

Over the past 20 years, capital subsidies to our local authorities have totalled in excess of \$150,000,000 and this would save these authorities in the vicinity of \$12,500,000 per annum under average interest and redemption conditions.

The hon. member for Sandgate spoke of the grave neglect, to use his words, of the City of Brisbane. I would not level such a charge when discussing the City of Brisbane, but if the hon. member wishes to, he should be sure to place the blame where it belongs. I can assure him, and the people of Brisbane, that no blame rests with this Government—if there is any grave neglect, as the hon. member contends.

For his information, I point out that the Government has responsibilities for people spread over a far-flung State. It cannot concentrate its resources in Brisbane; it must provide services for Queenslanders wherever they reside in this State. But, just the same, this Government can hold its head high on its record of assistance to the capital city.

Does the hon. member realise that, last year, the Government gave the Brisbane City Council \$4,383,000 in subsidies alone to help it provide sewerage, water, street works, etc., for the citizens of Brisbane? Does he realise—and if he does, does he tell the people of Brisbane—that since this Government came to office, it has given the Brisbane City Council over \$35,000,000 in subsidies to help with these works? Do the people of Brisbane

realise that nearly \$16,000,000 of the cost of sewerage in the city in those years has come from the State Government in free subsidy? I have not included, in these figures, another \$36,000,000-odd that this Government has provided for roads and freeways within the Brisbane boundaries. I am sure the hon. member will now agree that any neglect he sees around our capital city is in no way the fault of this Government.

I am sure that all thinking members and people interested in the local authority problem will agree that local authorities have been treated fairly by the Government. With its unique subsidy scheme, the Queensland Government is providing about \$16,000,000 a year towards the capital works of its local authorities. This has always been recognised by the authorities as very valuable assistance indeed in the capital development of their areas. This \$16,000,000 comes from very scarce State Loan Fund resources and, in addition to the cost to the State of repaying this loan money and paying the interest on it, it must be recognised that this money cannot be provided in the first place without having a rather serious effect on the State's capital works programme. The problem is a deep one, a serious one, and one that will require level-headed thinking—not the emotional and illogical rantings that we have heard from sections of the Opposition on this very important issue.

Having covered those two issues, which I feel were the main arguments advanced in the debate, I should like to refer to the particular matters raised by individual members. Time will not allow me to refer to each argument advanced by each member. Some hon. members exercised their right to discuss issues which were unrelated to the Budget. I can only presume that they had no particular argument with the Budget. I am sure that they will understand if I do not devote time to further discussion of the particular issues they raised.

In this category, the hon. member for Salisbury devoted his time to the Cooloola issue; the hon. member for Carnarvon discussed items of interest encountered on his recent trip to New Zealand, which he saw as of particular relevance to problems here in Queensland; the hon. member for Townsville South gave his views of the present-day Labour Party and the members constituting it; and the hon. member for Merthyr discussed the security of the nation.

I now want to spend a few moments replying to several of the points raised by the Leader of the Opposition. In the first place, he has a certain amount of difficulty in understanding the elements of State budgeting. In this regard, I am indebted to the hon. member for Chatsworth for explaining to him some of the items that to him were imponderables, especially in regard to the way in which salary provisions are determined in the Estimates, and the reasons for the apparently unspent funds in the Trust and Special Funds.

The Leader of the Opposition went on to take me to task over the fact that I had used the words "massive increases in salaries and wages in the 1970-71 Budget." He went on to say, "Surely no-one is going to doubt the justification of these increases." In the first place, let me point out that in no part of my Budget speech did I say or imply that the rises in those salaries and wages were not justified. The rises were approved by the Industrial Commission, and I stress that I and the Government also accept the Industrial Commission's decisions in these matters. The point I was making was the effect that these decisions have had on the Budget. In 1969-70, award increases cost \$7,000,000. This year's Budget has to meet a full year's cost of these increases granted during 1969-70, and this cost is estimated to be \$25,000,000. These are no small figures, and when I, as Treasurer, have to find this sort of money, there is every justification for using the word "massive", because that is exactly what it is. There is nothing sinister in that type of reference.

The Leader of the Opposition then went on to accuse the Government, since taking office, of continually using the drought as an excuse for something or other. I could produce reams of statistics to prove beyond any semblance of doubt that the Government has been plagued by a drought-affected economy during the major portion of its time in office. I can also produce reams of statistics for the hon. member's information to show him just what effect this drought has had on the economy of the State.

It sounds a bit like sour grapes for the Leader of the Opposition to advance such a case. I think it worries him that the Government has been able to maintain the financial stability of the State in the face of what might be described as natural disabilities. It says a lot for the Government that, despite a continually drought-affected economy, we have been able to pursue vigorous and positive policies in all fields of social endeavour, and have been able to provide the necessary incentive to attract private capital to boost the industrial potential of our State.

There is no doubt that it has been the industrial growth of Queensland, and the mining development of the State (that the Opposition seems to abhor), that have over the past few years virtually saved the State from a financial situation that 20 years ago, during the period of a Labour Government, would have meant bankruptcy for Queensland.

The Leader of the Opposition then went on to query the method of salary provision in the Budget, and he actually levelled the charge of "manipulation" in this regard. As I have mentioned previously, the hon. member for Chatsworth has enlightened him on this elementary point, and really, if there was any manipulation involved, it was in

the way in which the hon. member threw his figures around without the faintest idea of the actual position.

While the Leader of the Opposition was getting himself into that muddle, he arrived at the conclusion that the Government's over-spending on salaries last year was only "\$798,640". Now, I would not have a clue where he got that figure from, but I can assure him that it is miles out. As far as the total wages and salaries from Consolidated Revenue Fund are concerned, last year's Estimates provided \$185,540,735, the amount actually expended amounted to \$189,865,949, or \$4,325,214 above the amount provided, and the reason for that, as I explained in my Financial Statement, was that award increases last year cost \$7,000,000 for the year whereas provision had been made for only \$3,000,000 to cover that eventuality. In other words, if the award increases last year had not been abnormal, our salary provisions would have been spot-on, and I claim that this is a clear example of the expertise of my officers in their very arduous and complex task of assessing the many requirements of the services of Government.

The hon. gentleman then referred to the fact that most drought-relief moneys were coming from the Commonwealth Government and insinuated that the State Government was claiming the credit for the expenditure of these moneys. He knows that is not true. On numerous occasions I have publicly acknowledged the assistance rendered by the Commonwealth since 1965, and if the hon. member cares to read the Financial Statement again he will see where I have highlighted that fact.

He then moved on to the topic of royalties on the State's minerals, which I believe I have answered adequately already. If anyone cares to re-read the comments of the Leader of the Opposition, he will see that the hon. gentleman continually harps on royalties alone. Not a word does he say of the new railways involved; not a word of the tremendous freight revenues accruing to Consolidated Revenue Fund; nothing at all about the new townships that spring up with this development; nothing about decentralisation that results from these projects and the industries that are springing up around them. He can see only the question of royalties.

The hon. gentleman sought an explanation as to why the Official Secretary to the Agent-General received more than the Agent-General in 1969-70. The relevant figures were \$12,454 for the Official Secretary and \$9,914 for the Agent-General. The simple answer to the question is that a new official secretary was appointed this year. The appointee was from Queensland, and there was a period of three months involved between the date of actual appointment and the date the former secretary relinquished his duties. The three months covered the period required to transport the new secretary to London and the subsequent briefing period

before he took over the full duties of the office. Shortly stated, the Government had to pay two official secretaries for a period of three months last year.

The Leader of the Opposition saw something sinister in the reduction in the number of engineers in the Department of the Co-ordinator General of Public Works from 66 in 1969-70 to 35 this year.

Mr. Houston: Isn't that important?

Mr. CHALK: Yes. The explanation is that previously some of the 66 engineers were employed on the new Victoria Bridge and expressways. The construction of expressways under the Wilbur Smith plan has now become the responsibility of the Main Roads Department and this staff has been transferred to that department. The hon. gentleman could have seen that if he looked at the Estimates.

The Leader of the Opposition then went on to express some alarm at the number of Government departments being investigated by outside consultants. He thought it rather frightening to think we have Government departments administered by "supposedly competent men on high salaries"—those were his words—yet the Government has had to bring in these investigating companies. Let me say to him that today the job of Government administration is both big time and full time. Our administrators are fully occupied with the job of administration which, I might add, in many instances takes them well past their normal hours of duty. And I am indeed appreciative of their doing this.

After careful consideration, the Government has come to the conclusion that in some instances the quickest and most logical way to carry out any special investigations into the ramifications or workings of a department, is to employ expert consultants and to leave our administrators free of this detailed work to carry out the business of the Government.

I find no fault with this policy. I do, however, take exception to the hon. member's words, "supposedly competent" when referring to the top men in our Government service. I can say without fear of contradiction that our Public Service administrators are highly skilled, dedicated and competent, and the use of the words "supposedly competent" by the Leader of the Opposition was uncalled for and reflects on the ability of our top Public Service administrators.

Speaking on the increase in hospital fees, the hon. member said that the Government's decision would be reflected in the fees of every private hospital, nursing establishment, etc., in Queensland. This is a silly statement, and I refute it outright. If the hon. member had been conversant with the subject he would have realised that most private hospitals had already announced increases in charges before the Budget was presented to Parliament. So much for the Leader of the Opposition.

Once again, in this debate, the hon. member for Mt. Coot-tha has given us a very interesting contribution. He pointed out—and I agree with him—that there are weaknesses in the national stabilisation policies. He stressed that they have been rather inflexible and that any monetary or fiscal measures implemented by the central Government to combat inflationary pressures have applied uniformly throughout Australia although the economic conditions vary from State to State. I agree with the hon. member's thoughts on this matter. I have made the point myself in Commonwealth-State conferences that because the economy is sick in Victoria, the quite healthy economy in North Queensland has to have a dose of the same medicine. To me, this is quite silly.

I feel, however, that to correct this anomaly we must convince the Commonwealth Government that it should be more flexible in the application of its economic policies than it is at the moment. The States do not have the tools to do this. They do not have unlimited taxing powers. They have limited resources which would prevent them from, say, pumping massive expenditures into the economy at a given time—perhaps at this time to avert the adverse effects of the drought on the Queensland economy. The States do not have control over the Reserve Bank, they have no control over exports and imports, and they do not control, of course, the Government Mint. All of these are essential implements for economic control. I agree with the hon. member that it is a matter that the Commonwealth Government should tackle.

The hon. member for Toowoomba West indicated that he is concerned about the financial assistance rendered by the Government to charitable organisations, in particular the Queensland Sub-Normal Children's Welfare Association. This Government does recognise the wonderful work these charitable organisations do in the community, and it recognises it in a tangible way.

I think it would be fair for hon. members who criticise the amount of Government assistance given to these organisations to state the complete case when they are doing so. They should state exactly what the organisations are doing and what the Government does to assist them. In the case of the Sub-Normal Children's Welfare Association, the Government subsidises not only its collections but also the larger part of its expenditure of those collections. The Budget provides for an increase in subsidy of \$1,000 per annum for male teachers and \$1,500 per annum for female teachers. This works out at virtually double the previous benefit and represents almost the full cost of these teachers.

The benefit to the association this year as a result of this increase will be \$104,000. The total payment by the State to the Queensland Sub-Normal Children's Welfare Association this year will be in the vicinity of \$425,000, including \$200,000 endowment

on the collections of the association plus the \$225,000 subsidy being paid on its main expenditure outgoings.

The hon. member then beat the air about the fact that no freight rate relief was provided in the Budget for grain-growers. He goes as far as levelling a charge of repudiation in this regard. Let me make it clear that the Premier and I have said that an investigation will be carried out by consultants, and if in their report they say that anomalies have arisen and that better methods can be found to arrive at freight rates, the Government will see that the recommendations are carried out. That is the Government's promise, and it will rigidly adhere to that promise.

I deal next with the hon. member for South Coast. He was appreciative of the assistance that is rendered to our primary producers in these difficult times, and he recognised the problems associated with bringing down a Budget under these circumstances. He advanced arguments for improved services in his electorate. I know that the appropriate Ministers will read his comments with interest and do what they can to assist.

Now I come to the hon. member for Mourilyan, who, as I have said in the past, is a great "expert". On this occasion he became an "expert" on mineral development in this State. I am sure that if his policies were adopted the State would revert to the stagnation that it endured under Labour Governments.

To emphasise the comedy in his arguments, I will move on to his major contribution where he derides the Government's efforts in the field of education. If we exclude drought-relief expenditures as we must because they are not a normal charge against the State's finances, our total expenditure from Consolidated Revenue Fund has risen from \$291,000,000 in 1965-66 to \$472,000,000 for the current year. In the same period, expenditure by the Department of Education has risen from \$55,700,000, or 19.12 per cent. of the total, to an estimated \$114,700,000, or 24.29 per cent. of the total.

In other words, over this very short period of five years the Government has channelled a further 5.17 per cent. of its total expenditure into education—a significant increase indeed. The hon. member has been doing some figuring to prove that there has been no increase in the percentage of the total State resources directed to education, but of course last year we found that he was not a very good mathematician, and this year his figuring has again brought him to the wrong conclusion. From 19.12 per cent. to 24.29 per cent. of the total in five years certainly proves this.

When speaking of the percentage of the total State resources that we divert to education and the 24.29 per cent. of the total of this year's Budget that is directed to

education, it is interesting to turn back to 1956-57, the last year of Labour's reign, when the total of the Consolidated Revenue Fund being diverted to education was a mere 13.33 per cent. As I have said, today it is 24.29 per cent.

I do not think I need say much more about the hon. member in that direction. His arithmetic was not very good again this year when he made his calculations on the Forestry and Lumbering Fund. This is a trust fund and, as such, depends for its revenues on its own operations through timber royalties. Page 86 of last year's Budget Estimates shows that we budgeted for receipts and expenditure of \$5,950,000, which was the maximum that we believed we could expect. The fact that our revenues were short and reached only \$5,270,000 apparently escaped his notice. Either his calculation was wrong, or perhaps it is a simple fact of life that he overlooked the point that if we do not have the money we cannot spend it.

Once again I compliment the hon. member for Toowong on his clear understanding of the financial problems facing the State today. He can see the main issue in Commonwealth-State financial relations as a central Government becoming stronger and stronger at the expense of the States. On the other hand, he, like myself, realises that at the last conference we made some progress and got a better deal for Queensland. I refer the hon. member's speech to the hon. member for Baroona. If he read it he would know more about the finances of Queensland.

The hon. member for Ipswich West referred particularly to local government financing. As I have dealt with that matter at length, it is not necessary for me to add anything further.

The hon. member for Burnett referred to the financing of local government and assistance to it. If he reads the speech that I made at the Mackay conference, I think he will agree that we are trying to grapple with this problem.

The hon. member for Cook referred specifically to the amount paid by the Government in subsidies to local authorities. I do not know if he is aware that this subsidy scheme is unique to Queensland. He suggested that there should be a rejuvenation of Thursday Island, but it seems that he did not think over that suggestion very deeply. I am sure he would agree that a further influx of people into Thursday Island—that is what he advocated—would have a disastrous effect on the island's water supply. That is a particularly serious problem for the island community which so far has not been satisfactorily solved. His proposal to bring more people into the island, to make it a tax-free port, and so forth, would only complicate an already complex problem. The Government appreciates that something must be done for this area. We are trying to find a solution

to the problem, but I do not believe it will be solved by bringing more people to the island.

The hon. member for Windsor made a well-considered contribution to the debate. I can add very little to what he said. I assure him and the Committee generally that it is the Government's policy to jealously guard all State rights on financial as well as other matters.

It seems that the hon. member for Norman does not fully appreciate the Government's subsidy scheme for assembly halls in State schools. Rather than take up time now in explaining it to him, I suggest that he contact the Department of Works, which will provide him with full particulars. He also had some muddled thoughts on housing, but this muddled thinking was well and truly outdone in his discussion on the financing of new railway lines. He complained that the security deposits will eventually be repaid if the companies ship the required tonnages of coal. The fact that they will be repaid out of their own freight charges apparently escapes him.

Moreover, I stress again the point I made in the Budget, namely, that rail freights from mineral developments are now running at about \$35,000,000 a year, and it is the surpluses from this traffic that continue to keep other rail charges down.

I thank the hon. member for Burdekin for his support of the Budget. His remarks on the establishment of the third rural training school in the Lower Burdekin area represented informed comment, in contrast to the remarks of the hon. member for Mourilyan on this subject.

The hon. member for Logan gave us his usual distorted view on the standard of our education system and its teachers. He said that 10,000 teachers were not qualified to the proper standard. Time will not permit me to reply in full to his charges, but if he feels that his views are of any substance I suggest that, if he is game, he raise them during the debate on the Estimates for the Department of Education, when ample time will be available for the Minister to refute his accusations.

Mr. Baldwin: I shall prove them.

Mr. CHALK: Only one thing has been proved about the hon. member.

The hon. member for Landsborough elaborated on the merits of the Budget, for which I thank him most sincerely. The one matter of some concern to him was a transport issue. This could very well be covered by the Beckingsale report. If it is not, I suggest that he raise it with the Minister for Transport.

The hon. member for Toowoomba East is critical of the Government's policy on pre-school activities. The Government has not yet reached the goal it hopes to attain in supporting this segment of education, but

its efforts to date have been commendable. If the hon. member were genuinely concerned with pre-school activities, he would recognise the benefits that have accrued to this service under the present administration.

The hon. member for Wavell is concerned with the ever-increasing size of the State Public Debt and the consequential debt-servicing charges. This has always been a matter of concern to State Governments, and, as a result of very strong representations by the States, certain measures of relief have been provided in the recently negotiated financial agreement with the Commonwealth. In fact, the Commonwealth has agreed to take over \$200,000,000 of the combined States' debt each year for the next five years, and to provide for part of each State's works programme from capital grants rather than from loans. The benefit to Queensland over the five-year period of the agreement is estimated to be some \$41,000,000 in debt-servicing charges.

Naturally, the hon. member is worried at the amount of money that has been made available for health services. I appreciate and acknowledge his interest in this matter, and hope he realises that some system of priority is required in the allocation of funds when the State's resources are limited.

I have previously answered the hon. member's claim that an additional \$30,000,000 is required by Queensland's health services and that it is available through the medical benefits funds. Nothing has happened since that time to cause me to alter my views in this regard.

The hon. member for Roma made an interesting contribution to the debate, especially on the question of stock assessments. There were shortcomings in his proposal, but his remarks will be noted and given consideration when these matters are again being considered.

I have already referred to the State nickel mine proposal advanced by the hon. member for Baroona, who also has proposals to run the State further into deficit. This is another issue on which the hon. member and I have differing views. I see no merit at all in bankrupting the State. Force of circumstances requires that, in this unfortunate drought period, the Government must run into a deficit. But, as I said in introducing the Budget, this will be picked up as soon as possible. I cannot really see the advantages that apparently the hon. member for Baroona can in running the State into deficit. Where does he think the funds come from to finance that deficit?

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

Mr. CHALK: Before lunch I was dealing with the remarks of the hon. member for Baroona, and I pointed out that I cannot really see the advantages that apparently he can in running the State into deficit. Where does he think the funds come from to finance

that deficit? I explained this point also in my Budget speech. They come either from the Trust Funds temporarily, or they come from Loan Funds permanently—and when they come from Loan Funds they require consequential reductions in the amount of capital works that we as a Government can carry out.

The hon. member is so keen on sending the State broke that he is upset that the additional amount of \$1,600,000 that we managed to secure at our most recent conference with the Commonwealth will not be spent on some continuing commitment, either in the relief of death duties or in expenditure through the departments. At this stage it is my view that the best way to apply this additional \$1,600,000 is in the reduction of the deficit to a more manageable level.

The hon. member devoted more than half of his speech to an attack on the State Government Insurance Office and its General Manager. I would like to assure the hon. member that there will be other opportunities in this session for him to continue this attack, and I will reply fully thereto. I have not time in this Budget debate to give the charges made by him what I believe is the reply that they deserve. Suffice it to say that the business of the State Government Insurance Office is booming; its premium rates are comparable with the lowest of any competitor; its investment policy is designed towards a building up of a balanced portfolio; the Workers' Compensation Department has the lowest premiums and the highest benefits, on the average, of any such scheme within Australia; and any problems being experienced by the S.G.I.O. are more or less related to the booming conditions within it.

The hon. member for Ithaca was also quite happy with the Budget in general. He indicated some concern about the pollution of rivers and streams in Queensland. I can assure him that the Government as a whole shares his concern on these matters. Investigations are at present being carried out that could very well lead to legislation designed to facilitate corrective measures in this regard.

I have already acknowledged the contribution of the hon. member for Chatsworth in his well-informed replies to some of the charges levelled by the Leader of the Opposition. I would just like to add that I strongly support his contention that the workings of this Parliament would be better served if the Budget debate were shortened and the time saved allocated to a fuller discussion of departmental Estimates.

The hon. member for Rockhampton South made what I believe have been well described as scurrilous charges and an unfair and untrue attack on my honesty and integrity, and also the honest and integrity of the Premier and other Government members. We have heard no more from the hon. member. Quite candidly, one would have expected that this Christian gentleman would have seen fit

to do what most Queenslanders, and Australians, would regard as the decent thing. By his silence, he has confirmed the opinion of him that I have already expressed.

I appreciate the hon. member for Albert's summing up of the Budget difficulties and his very pertinent observations on the effects of the drought. I assure the hon. member that the needs of his rapidly expanding electorate will receive consideration by the appropriate Ministers.

The hon. member for Burke quoted at some length alleged cases of neglect by the superintendent and staff of the Mt. Isa Base Hospital. I have, naturally, referred such serious charges to my colleague the Minister for Health.

The hon. member for Fassifern referred to the problem of death duties on estates of primary producers. It is true that, with a valuable property, the finding of the sum required for these duties can be a problem. However, it is a problem to be faced by anyone who conducts his own business, no matter what industry he is involved in. It is a levy that must eventually be faced, and some thought should be given to making provision for it as the value of the property is built up. Revenues from death duties form a substantial part of the State's Budget and are essential to it, but I realise, of course, that in the eyes of the taxpayer it is difficult to justify any particular tax.

Before the luncheon recess I referred to the contribution of the hon. member for Sandgate relative to State Government assistance to the Brisbane City Council. The hon. member also made his usual sincere representations on behalf of the charities in his electorate, and this year he devoted quite a deal of his time to similar organisations in the electorate of Brisbane. One can only assume that he is concerned about the standard of representation that the Brisbane electorate has received over the past 16 months.

Mr. DAVIS: I rise to a point of order. That remark is offensive to me. I ask that it be withdrawn.

The CHAIRMAN: Order! I ask the hon. member for Brisbane to address the Chair and not to worry about other hon. members. The hon. member says that the Treasurer's remarks are offensive to him and asks that they be withdrawn. I ask the Treasurer to withdraw them.

Mr. CHALK: If the remarks that I made are offensive to the hon. member, I withdraw them. I repeat that the hon. member for Sandgate made very strong representations on behalf of organisations within the electorate of the hon. member for Brisbane. Therefore, I can only say—

Mr. DEAN: I rise to a point of Order. To correct the Treasurer, I point out that

I referred only to the Brisbane General Hospital. There was no reflection on the hon. member for Brisbane.

Mr. CHALK: Mr. Hooper, I accept the assurance of the hon. member for Sandgate that he was not reflecting on the hon. member for Brisbane. However, I suggest that the hon. member for Sandgate should be careful not to lose touch with the affairs of his own electorate. His complaint about the assembly hall at the Sandgate State High School was very much out of time. The parents and citizens' association had already been advised over two months ago that work could proceed and replied that it was "over-joyed" by that advice.

The hon. member for Belmont spoke at length on the needs of local authorities. That matter was covered by several hon. members, and I dealt with it before lunch. The hon. member was concerned also with Housing Commission matters and called for a reduction in interest rates to borrowers. He must be aware that that could not be arranged without cost in some way or other to the Consolidated Revenue Fund. At the moment the Housing Commission is borrowing its money from the State Loan Fund, which is raising its funds at 7 per cent. The Housing Commission is lending these funds at 7½ per cent. and he must surely agree that the margin here is shaved to the lowest possible degree. At this stage it is not Government policy to take funds away from our education or health services in order to subsidise the interest rates of borrowers for housing.

The hon. member for Kurilpa drew a very stark comparison between the railways as they were under Labour and the railways as they are today. He saw the department as a run-down, non-profit-making business undertaking under the previous Labour administration and he contrasted this with the efficient organisation that it is today.

The hon. member for Hawthorne acknowledges the difficulties of framing a Budget under the existing economic conditions. At the same time he appreciates the priority given to health and educational services which are the fundamental platforms in the Government's policy.

The hon. member for Barcoo made his usual useful and reasoned contribution to the Budget debate. His two main topics were our mineral development and local government financing. These are the two issues one would have expected to hear about in a Budget debate. They have been covered in my earlier remarks, and I feel that I answered by interjection the points he raised with respect to Port Alma.

The hon. member for Greenslopes spoke of the problems being caused by the South-east Freeway to the constituents of his electorate. I know something about this matter and I realise that it poses a problem

to which the Government must ultimately find a solution. I thank him for his contribution to the debate.

The hon. member for Warrego spoke loudly but confusingly of issues he sees in the West. At least he was one member of the Opposition who recognised the existence of the drought and the effects it is having on our economy.

I wish however he would make up his mind about the value of the drought relief unemployment grants to shires in the West. In the early part of his speech he repeated his last year's claim that these grants to relieve unemployment caused by the drought were wasted money—a truly strange statement indeed for a Labour member. But before he concluded he was extolling the virtues of these grants and saying that as far as the finances of local authorities for the West are concerned, some other form of Government grant would have to replace them when the drought breaks. It is a rather inconsistent and confusing argument, as was the rest of his contribution.

The hon. member for Bundaberg was most appreciative of the many items in the Budget of particular benefit to the people of Bundaberg. As far as the Main Roads by-pass at Bundaberg is concerned, although I have read his speech on three occasions, I am not sure whether he finished up pleased or displeased at the fact that the city has been spared the confusion and chaos of heavy traffic in its streets.

The hon. member for Port Curtis rather surprisingly cries that a state of poverty exists in Queensland. He particularly must surely be speaking with tongue in cheek. I would say that our booming economy—and the industrial development in his area alone has meant a multiplication many times over in the income of his own business—is a direct result of this Government's policies. As a matter of fact I would safely say—in fact I would be prepared to lay a bet with him—that if he looked at his turnover in 1959 and compared it with that for 1969, he would find that it would have increased tenfold in as many years. How can that fact be indicative of the "poverty" that he talks about? Surely he was not serious in putting his proposition forward.

The hon. member took me to task on my interjection, during the speech made by the hon. member for Barcoo, on the future of the port of Gladstone. I am well aware of the fact that the port of Gladstone still has available capacity; however, the development in that area is so rapid that all available deep-water ports must be examined and utilised. Gladstone will not be able to handle all the trade from Central Queensland at the level that is expected in the very near future.

The hon. member for Mt. Gravatt contributed to the debate. I have reservations about his suggestion to impose a further education tax. There is no doubt that

further new State taxation will, some day, be found necessary; however, I feel that our first fight should be for a better distribution between governments of the taxation that is already levied on the Australian community.

I am now going to link two hon. members, namely, the hon. members for South Brisbane and Nudgee. They had very different views on the penalties that should be imposed on the dangerous driver. One said, "Let the poor fellow go"; the other said, "Gaal him." I contend that it is reasonable for a Minister to expect one policy from the Opposition on this very important issue. I ask those two hon. members to get together and iron out their differences before propounding such contrasting viewpoints in this Chamber.

The contribution made by the hon. member for Cairns was a valuable one from the Opposition's point of view, in that he successfully used up the time of the Committee at a critical period of the debate. He took upon himself—and not very successfully—the role of lecturer in public finance. He attempted to make some point or other with percentage figures of the local authorities' revenues that are now required for debt servicing. He claims that in 1949-50 31 per cent. of council revenues was directed to debt servicing, whereas on the latest figures this percentage has increased to 36 per cent. What has he proved with those figures? He has emphasised the effect of the great capital development that has been made possible in shire areas under this Government. If this had not been so and if Labour had still been in office, councils would still be employing sanitary contractors, whereas now they have provided sewerage schemes in their areas. Of course, council costs are high under debt-servicing headings as they pay off the sewerage loans; however, the costs are much lower in the wages of the men who carry the tins. I assure the hon. member that everyone except himself seems to be pleased with the situation and is not worried about it.

The hon. member for Isis advanced certain arguments on local authority finances and pre-school education, and these have already been answered.

The hon. member for Tablelands was upset by the fact that the A.L.P. is associated with the industrial upheavals that are occurring throughout the State. He cannot blame the Government for that fact. He then spent a good deal of time developing a case against the Government's treatment of two railway employees in the Kuranda-Mareeba area. On being cross-questioned by interjection by the Minister for Local Government he revealed that the incident occurred approximately three months ago, and has since been rectified. I am afraid that he was a two-time loser in his attempts to make political capital out of the industrial matters.

I thank the hon. member for Kedron for his praise of my efforts as Treasurer, even though it was given in a left-handed sort of way. The level of State endowment to the university was the subject of criticism by the hon. member. He said that our grant should be greater in order to avoid increased fees. Let us be practical on this matter. Perhaps we could increase the State's endowment to keep fees down, if the university were the only facet of education that we had to worry about. To take his argument to its logical conclusion, we could abolish university fees altogether. However, we still have to provide money for our primary schools, our high schools, our technical colleges and Colleges of Advanced Education. Now, which one of these levels of education would the hon. member hold back until we overcame the problem? After all, there is only so much money in the proverbial bucket. I point out to him that the State has always provided sufficient funds, both recurrent and capital, to attract the full matching grants from the Commonwealth.

The contribution by the hon. member for Wynnum was again of a domestic nature, relative to matters affecting his own electorate. I suggest to him, as I did a year ago, that he should make representations to the appropriate Ministers.

The last contribution to the debate, prior to my reply, was made by the hon. member for Townsville North. He has been in Parliament for a long time, and, as Deputy Leader of the Opposition, he was, as I expected, kept to fire a last worth-while shot. I felt sorry for him because, despite the fact that the Budget was introduced a month ago, he did not have his reply ready. I am quite sure that he was forced to his feet when he spoke, without an opportunity to collect his thoughts for his speech. Because of that, his examination of the State Budget documents and their implications was restricted to a count—he must have made the count during the afternoon—of 67 times that the word "drought" was mentioned in my speech. What sort of informed debate can we expect from this cavalier approach to the financial destinies of our State by the Deputy Leader of the Opposition?

He took certain comfort from his argument that there have been worse droughts. Whether there have been or have not been worse droughts does not matter; that is not the point. The fact is that this has been a serious drought, and we know it. It has affected all sections of the community, including the State Budget. It would have had a more serious effect on all sections of our economy and the State Budget but for this Government's developmental policies, the fruits of which have provided the cushion to assist us to withstand the recurring drought disasters.

Whether the building of one dam by the State in the hon. member's electorate—apparently that was his one contribution to the drought problems of the State—or whether

the Government's irrigation policy of many smaller projects is the best irrigation policy means nothing without the spread of industry and development that offsets the effects of drought. That is the real success story of this Government's management of the affairs of the State.

I am satisfied that the hon. member gave no time or thought to all the issues of the moment. Having counted the number of times that a certain seven-letter word was used in the Budget, he then fell back on two prepared briefs to complete his address. Not one original, worth-while thought did we get from the Deputy Leader of the Opposition.

On the question of rail freights, he spoke straight from the W. D. Scott & Co. report, which was prepared especially as a case to be presented to the Government-appointed inquiry on freights. The points made by W. D. Scott & Co. will be examined. They may or may not present the whole picture. That company was paid as an advocate for a particular organisation or for particular organisations, and I claim that it does not present the whole of the case. However, the point is that the Deputy Leader of the Opposition is so devoid of original thought that he takes any unproven idea and grasps at any straw that floats by, and puts it forward as his own proven conclusion.

He then picked up the brief from Metalsex on the Greenvale issue. Firstly, his premise is wrong. The operation is not marginal. According to the company's own figures, there is ample profit. The company's equity is about \$40,000,000; the borrowed capital will be repaid with interest; and there will still be a surplus, before taxation, of over \$400,000,000 in a period of 20 years. This Government is seeking, and is justified in seeking, \$50,000,000 of that amount in royalties and profit on the haulage.

Secondly, I should like to know the Opposition's policy in these matters. We have the shadow Premier crying, "Take more; you are not taking enough." We have the shadow Deputy Premier crying out about the harshness of the Government's demands on the Greenvale project, and we have the shadow Treasurer who says, "Let's have a bit of old-fashioned socialism in the whole business."

These are the people, Mr. Hooper, who would lead the alternative Government of this State.

Mr. TUCKER: I rise to a point of order. I do not mind the Treasurer referring to me like this—

The CHAIRMAN: Order! What is the point of order?

Mr. TUCKER: I want to be fair on this and I want to quote what I did say, because the Treasurer's insinuations are not correct. According to my notes I said, "I am not castigating him"—meaning the Treasurer—"for asking for more." I was one of those who suggested he should ask for more.

The CHAIRMAN: Order!

Mr. TUCKER: This man is not going to cast an implication on me.

The CHAIRMAN: Order!

Mr. TUCKER: I do not want protection from you—

The CHAIRMAN: Order! If the hon. member for Townsville North takes a point of order, the Chair will accept it. But the Chair will not accept a speech.

Mr. TUCKER: It is a point of order in rebuttal of what the Treasurer said about me.

Honourable Members interjected.

The CHAIRMAN: Order!

Mr. CHALK: I accept the hon. member's assurance, but the public can read what was said in "Hansard". All I can say is that there is a difference of opinion between the shadow Premier and the shadow Deputy Premier.

Mr. TUCKER: The Treasurer says that there is a difference of opinion between the Leader of the Opposition and me. That is completely untrue, and I ask for its withdrawal. It is offensive to me.

The CHAIRMAN: Order! I ask the Treasurer to accept the hon. member's denial.

Mr. CHALK: I have the hon. member's assurance that there is no difference of opinion between the Leader of the Opposition and the Deputy Leader of the Opposition; they both now believe that we should give these people less. I should like to know what the Leader of the Opposition thinks about it. I will go a little further, too.

Honourable Members interjected.

The CHAIRMAN: Order!

Mr. TUCKER: I rise to a point of order. I point out, Mr. Hooper, that you asked the Treasurer to withdraw. He withdrew, and then repeated what he had just withdrawn.

Mr. CHALK: In view of the difference of opinion, we will leave it to the people to decide. The only other thing is this: having allegedly pointed out the difference between—

Honourable Members interjected.

The CHAIRMAN: Order!

Mr. HOUSTON: I rise to a point of order. I regret that the Treasurer is trying to turn this House into a circus.

Honourable Members interjected.

The CHAIRMAN: Order! I point out to the hon. member for Brisbane that I am listening to a point of order. I ask him to remain silent till I have heard it.

Honourable Members interjected.

The CHAIRMAN: Order! If the hon. member for Brisbane answers back to the Chair, he will be ordered to leave the Chamber, under Standing Order 123A.

Honourable Members interjected.

The CHAIRMAN: Order! The hon. member for Brisbane will withdraw from the Chamber under Standing Order 123A.

Mr. HOUSTON: Mr. Hooper,—

The CHAIRMAN: Order! The hon. member for Brisbane will retire from the Chamber under Standing Order 123A.

Mr. Wright: I said it.

The CHAIRMAN: Order! The hon. member for Rockhampton South will also be ordered to withdraw from the Chamber under Standing Order 123A if he argues with the Chair. The hon. member for Brisbane will retire from the Chamber.

Honourable Members interjected.

NAMING OF MEMBER

The CHAIRMAN: Order! As the hon. member for Brisbane refuses to retire from the Chamber, I name him for disregarding the authority of the Chair.

The House resumed.

SUSPENSION OF MEMBER

The CHAIRMAN: Mr. Speaker, I have to report that in Committee I named the hon. member for Brisbane for disregarding the authority of the Chair.

Mr. SPEAKER: The Chairman reports that in Committee he named the hon. member for Brisbane for disregarding the authority of the Chair.

Hon. J. BJELKE-PETERSEN (Barambah—Premier): I move—

“That the hon. member for Brisbane be suspended from the service of the House until Tuesday next.”

Mr. P. Wood: He never said a word.

Mr. Hanlon: He didn't say anything.

Mr. HOUSTON: Mr. Speaker,—

Mr. SPEAKER: Order!

Mr. HOUSTON: Surely I should be given a chance to reply to the motion.

Mr. SPEAKER: Order! The suspension is made.

Mr. HOUSTON: No, it is not.

Mr. Hanlon: He hasn't been given an opportunity to defend himself.

Mr. SPEAKER: Order! There can be no debate on the suspension of a member.

Mr. HOUSTON: I rise to a point of order. I suggest that under the circumstances, as Speaker of this House and the protector of the rights of hon. members, you should at least hear the Opposition's point of view.

Honourable Members interjected.

Mr. SPEAKER: Order!

Mr. HOUSTON: The Treasurer deliberately broke every rule of the House, and then, when an hon. member is wrongly named, no opportunity is given to the Opposition to argue against it.

Mr. SPEAKER: Order! I shall put the question.

Question put; and the House divided—

AYES, 36

| | |
|------------------|-----------------|
| Ahern | Kaus |
| Armstrong | Lickiss |
| Bjelke-Petersen | Loneragan |
| Camm | McKechnie |
| Campbell | Miller |
| Chalk | Moore, R. E. |
| Chinchen | Murray |
| Cory | Porter |
| Crawford | Rae |
| Delamothe | Ramsden |
| Fletcher | Row |
| Heatley | Sullivan |
| Hewitt, N. T. E. | Tomkins |
| Hewitt, W. D. | Tooth |
| Hinze | Wharton |
| Hooper | <i>Tellers:</i> |
| Houghton | Bird |
| Hughes | Muller |
| Jones, V. E. | |

NOES, 27

| | |
|-----------|-----------------|
| Aiken | Marginson |
| Baldwin | Melloy |
| Blake | Moore, F. P. |
| Bousen | Newton |
| Bromley | O'Donnell |
| Davies | Sherrington |
| Davis | Tucker |
| Dean | Wallis-Smith |
| Hanlon | Wood, P. |
| Hanson | Wright |
| Harris | <i>Tellers:</i> |
| Houston | Casey |
| Inch | Jensen |
| Jones, R. | |
| Jordan | |

PAIRS

| | |
|---------|-----------|
| Herbert | Thackeray |
| Hodges | Wood, B. |
| Lee | Bennett |
| Knox | Lloyd |

Resolved in the affirmative.

Whereupon the hon. member for Brisbane withdrew from the Chamber.

SUPPLY

COMMITTEE—FINANCIAL STATEMENT—
RESUMPTION OF DEBATE

The CHAIRMAN: I call the Treasurer.

Mr. HOUSTON: I rise to a point of order. According to my reading of Standing Order 109, the Treasurer is allowed 1½ hours to reply.

The CHAIRMAN: Order! The Leader of the Opposition is quite correct. I had to call the hon. member who was speaking.

I was then immediately going to apply Standing Order 109, but the Leader of the Opposition beat me to it. When the Committee comes to order, I will put the question.

Mr. Bromley interjected.

The CHAIRMAN: Order!

Mr. F. P. Moore: "Adolf" Chalk.

The CHAIRMAN: Order! The hon. member for Mourilyan will withdraw that remark and apologise.

Mr. F. P. Moore: I was just saying that I heard it outside a moment ago.

The CHAIRMAN: Order! The hon. member will withdraw the remark and apologise.

Mr. F. P. Moore: I withdraw the remark and apologise.

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

Progress reported.

BUNDABERG IRRIGATION UNDERTAKING

APPROVAL

Hon. N. T. E. HEWITT (Mackenzie—Minister for Conservation, Marine and Aboriginal Affairs) (2.58 p.m.): I move—

"That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following resolution:—

"That the House approves the establishment of Stage I of the Bundaberg irrigation undertaking in accordance with the provisions of the Irrigation Acts 1922 to 1965 as set out in the joint report submitted by the Commissioner of Irrigation and Water Supply and the Director-General, Department of Primary Industries."

Motion agreed to.

COMMITTEE

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

Hon. N. T. E. HEWITT (Mackenzie—Minister for Conservation, Marine and Aboriginal Affairs) (2.59 p.m.): I move—

"That the House approves the establishment of Stage I of the Bundaberg irrigation undertaking in accordance with the provisions of the Irrigation Acts 1922 to 1965 as set out in the joint report submitted by the Commissioner of Irrigation and Water Supply and the Director-General, Department of Primary Industries."

I am indeed pleased to move this motion, because this will be the largest irrigation scheme initiated in Queensland to date. It includes agreement by the Commonwealth

Government to provide a non-reimbursable grant of \$12,800,000 towards the cost of phase 1 of the scheme, and is only the second occasion on which the Commonwealth has agreed to contribute to the cost of water conservation works in Queensland. The scheme will ultimately provide security and stability, and the opportunity for substantially increased output for a total of some 1,485 existing sugar-cane assignments in the Bundaberg region.

This important region is Queensland's third-largest sugar producer and supports six sugar mills with an annual peak of 341,000 tons of sugar, or 16 per cent. of the State peak, valued at some \$30,350,000 annually at the relatively low sugar price of \$89 per ton, compared with the average price of \$99.32 per ton for all sugar sold in 1969. The region supports a total population of over 40,000 people, including over 25,000 in the city of Bundaberg.

It is important, and consistent with this Government's policy on water-conservation works, that the scheme is aimed at consolidating and improving production and the development of existing farms rather than the development of new areas.

The region has an average annual rainfall of 44.3 inches, the lowest average annual rainfall of any non-irrigated sugar-producing area in the State. It also has a high incidence of drought or consecutive years of below-average rainfall.

In 1964, 1965 and 1969 regional shortfalls below mill peaks had an aggregate value of \$31,867,000 (67 per cent. of the cost of Stage 1 of the scheme) at actual sugar prices in those years. A further expected shortfall in 1970 of some 15,000 tons of sugar, valued at some \$1,500,000, almost all in the Isis mill area, will bring the aggregate shortfalls over the seven-year period to \$33,300,000, or 71 per cent. of the cost of the scheme.

Growers in the Bundaberg region have been seeking irrigation for many years. They have endeavoured to help themselves in this regard by development of available underground water supplies, particularly in the area between the Kolan and Elliott Rivers and between Bundaberg and the coast, and the utilisation of available surface water supplies.

Large capital investments have been made by growers in this development, and irrigation has expanded from some 18,000 acres in 1961 to 47,000 acres in 1968, of which 35,000 acres are irrigated from underground water supplies. This has clearly indicated that irrigation can provide reliable production at a reduced cost.

Unfortunately, supplies of surface water in the streams of the area, particularly the Burnett and Kolan Rivers, are unreliable, and investigations have shown that the safe annual supply from the underground sources is only about 50 per cent. of the current annual use.

Furthermore, a little less than half of the region, comprising sections of the Gin Gin and Bingera mill areas and virtually the whole of the Isis mill area, is remote from any significant source of water supply and unable to be irrigated unless water can be brought to it. These areas are completely at the mercy of drought and the violent fluctuations in production that result.

Thus the \$30,000,000 sugar industry in the Bundaberg region is insecurely based, and the provision of the proposed comprehensive irrigation scheme is the only means of ensuring stability of production in drought years. Further development of sugar production should only be in association with irrigation.

The scheme now proposed is the result of some eight years of extensive and detailed investigation by the Irrigation Commission and the Department of Primary Industries, culminating in a report presented to the Government in March, 1969, a copy of which is included in the report tabled as annexure A.

The 1969 report provided a plan, to be developed in two stages, for the irrigation of almost all existing assignments plus other unassigned but potential sugar-producing lands in the region. Stage I provided for one major dam only, and works to supply existing assignments only. It was estimated to cost \$47,079,000 and to provide an average annual increase in sugar production of some 150,500 tons, or 104,500 tons above existing peaks.

Stage II provided for a second stage of development from a further dam to be constructed on the Burnett River and additional development of unassigned land. However, the report proposed deferment of Stage II until Stage I was completed. This was agreed to by the Government, so that in this motion we are considering only Stage I of the scheme, to provide only for existing assignments.

The proposals for the Bundaberg irrigation scheme (Stage I) were approved in principle by the Government, and Commonwealth financial assistance was sought early in 1969 for implementation of the scheme. That year, however, proved to be a further disastrous one for sugar-cane production in the region. All mills experienced shortfalls below allotted mill peaks, the aggregate value of which, at that year's sugar price, amounted to some \$13,091,000.

The situation was so critical that, prior to receiving any Commonwealth decision on financial assistance for this scheme, the State Government decided that it should endeavour to make some State funds available for partial implementation of the scheme. In September, 1969, it therefore agreed that \$8,300,000 would be provided from State funds, when available, for provision of some of the initial works in the scheme. The Commonwealth Government was advised, therefore, that the request for financial assistance was reduced to \$38,800,000.

An important aspect brought out in the 1969 report was that, as in parts of the areas served by the Bingera and Isis irrigation systems, water had to be delivered to very high levels, the cost of delivering water to these areas would be considerable, and that, as parts of the area have steep slopes, some difficulty would be experienced by farmers in irrigating. In addition, the report indicated that some of these areas of assigned lands had been classified as unsuitable for irrigation for various reasons, including steep grades and shallow and eroded soils.

The report further indicated that there were some 33,000 acres of land, at present unassigned and classified as suitable for irrigation, which could be commanded by the main channel system. It suggested, therefore, that it would be very desirable, if it was proposed to proceed with the scheme, to consider ways whereby landholders in the unfavourable high and steep areas could acquire more suitable land in other parts of the region which could be supplied with irrigation water and to which they could transfer their assignments. Such an arrangement could reduce the capital cost of works required, substantially reduce the annual cost of supply of water and improve the security of, and the return to, individual growers.

In examining the State Government's request for financial assistance, Commonwealth officers appreciated that these factors could have an important bearing on the scheme. They consequently suggested that, before "going firm" on the scheme as a whole, the possibility of substitution of assignments from less attractive and higher areas to more favourably situated ones on currently unassigned land should be examined in detail.

Rather than delay the commencement of the scheme as a whole while these possibilities were being further investigated, the Queensland request for Commonwealth assistance was reduced to \$12,800,000, to provide for the construction of Monduran Dam, the Gin Gin main channel and the connection to the Burnett River to enable water to be conveyed from the main storage to the Burnett River.

The Commonwealth agreed to this request and has passed the Commonwealth-Queensland Grant (Bundaberg Irrigation Works) Act of 1970 to make the amount of \$12,800,000 available. With the State agreement to provide \$8,300,000, this gives us a total of \$21,100,000 available for what we now know as phase 1 of Stage I of the Bundaberg irrigation project.

Need for Further Report

The 1969 report did not provide for development of Stage I of the scheme in two phases as now proposed. Furthermore, since its publication, some minor changes had been made in the areas to be supplied by the various irrigation systems, particularly those to be supplied with surface water in lieu

of underground water. For this reason a further joint report by the Irrigation Commission and the Department of Primary Industries was prepared, specifically dealing with Stage I of the Bundaberg irrigation project and detailing phase 1 and the complete Stage I of the project. This is the report tabled. As previously indicated, it has attached as annexure A the original March, 1969, report, so that hon. members will have full details of the scheme.

The two reports together clearly indicate the extensive and detailed investigations carried out by the two departments. These cover all aspects of the project, including all the necessary engineering works, soils and their suitability for irrigated production, assessment of the effect of irrigation on current dry-land producing areas, possible marketing aspects, economics to farmers of using irrigated production in lieu of dry-land production, the benefits to sugar mills resulting from more stable and increased output, and the over-all economics of the scheme. I know of no other State in which reports covering all these aspects are produced in a single document.

I wish to express my appreciation to my colleague the Minister for Primary Industries and his officers for their very close co-operation with the Irrigation and Water Supply Commission in carrying out the investigations and producing the report. This is an example of inter-departmental activity and co-operation at its best.

Extent of Approval Sought

The motion before the Committee seeks approval of the establishment of the complete Stage I of the Bundaberg irrigation undertaking. It will be appreciated that at this stage we only have agreement on the expenditure of \$21,100,000 for this scheme. However, following detailed examination of the possibility of substitution of some of the unfavourable areas provided to be served by the Isis and Bingera irrigation systems for more suitable lands within the project area, it is proposed that further approaches will be made to the Commonwealth Government for additional financial assistance to complete the scheme.

There can be no doubt of the need for completion of the scheme, since the Isis and Gin Gin areas are generally the worst drought-affected portions of the whole project area. Work on investigation of this possible substitution of assignments has already commenced, and the practicability of these proposals is expected to be known well before the completion of phase 1.

It has been considered desirable, therefore, to seek approval for the establishment of the whole of Stage I of the scheme, to implement that part of it for which funds are now assured, and to proceed with further implementation of Stage I as and when

funds become available, rather than make two approaches to Parliament for what is, in effect, the one over-all scheme.

Detail Provided

The report has been available to hon. members now for over three weeks, and, as I have previously indicated, it is very complete in detail and includes all the information required to be submitted to the Committee under the provisions of the Irrigation Acts, together with a great deal more information. Under these circumstances, I feel it is not necessary to go over the individual aspects of the scheme in detail. However, I will present some of the main items.

Underground Water Supplies

It will be seen from the report that the possibility of providing artificial recharge of underground water supplies was extensively investigated, but proved impracticable. Under these circumstances, the only alternative is to provide surface water to about 50 per cent. of the area now using these supplies, thus reducing the demand from this source to a safe level for the balance of the area continuing to use it. Steps have already been taken to implement the provisions of the Water Act enabling licensing of bores and conditions of use of this water to be imposed.

Phase 1 Works

As indicated in the report, works required for phase 1 of the scheme comprise the following:—

(A) Those to be financed from Commonwealth Funds, which are Monduran Dam; the main pumping station and Gin Gin main channel; and the connection from the Gin Gin main channel via Sheepstation Creek to the Burnett River.

(B) Those to be financed from State funds, which are the Kolan and Bundaberg tidal barrages; the Gooburrum and Abbotsford irrigation systems to be supplied from the Kolan River; the Woongarra and Givelda irrigation systems to be supplied from the Burnett River; and arrangements for assigned riparian lands along and fronting the Kolan River downstream to the Kolan tidal barrage and similar lands along the Burnett River downstream to the Bundaberg tidal barrage, to obtain supply by private pumping from the two rivers.

In addition to the supplies for irrigation, the Bundaberg City Council will be allocated an annual supply of 5,000 acre-feet to be drawn from the Bundaberg tidal barrage to augment an annual allocation of 4,000 acre-feet which the city will continue to draw from the underground supplies. The council will be responsible for the works necessary to draw its supply from the barrage. The estimated cost of the above works is \$21,100,000.

Balance of Stage I

Works required to complete the scheme would be the smaller storages of Bucca weir and Gayndah weir, together with the balance of irrigation works comprising the Bingera and Isis irrigation systems. These works are estimated to cost a further \$26,000,000.

Details of the Scheme

The boundaries of the irrigation and drainage areas proposed to be constituted are shown in Figures 1 and 2 attached to the report. The lay-out and arrangement of the works are also shown in these figures.

Monduran Dam will be the main storage, with a capacity of some 475,000 acre-feet, the second-largest irrigation storage in the State.

The Kolan and Bundaberg tidal barrages on the Kolan and Burnett Rivers respectively would add a further 3,500 and 18,200 acre-feet capacity, respectively.

Irrigation Works

The irrigation works would comprise a series of separate irrigation systems, the main channel systems for which are shown in Figures 1 and 2 attached to the report. The Bingera system would obtain water direct from Monduran Dam through the Gin Gin main channel. The Gooburru and Abbotsford systems would be supplied with water by pumping stations on the Kolan River. From the Burnett River, pumping stations would supply water to the Woongarra, Givelda and Isis systems. In addition to the main channel systems shown in the figures in the report, smaller distribution works will convey water from each of these channel systems to individual farms.

Private Diversion

Assigned riparian lands along the Kolan and Burnett Rivers will obtain water by private pumping from these streams, the supply in which will be maintained from the storages when required.

It will be noted from Table II in the report that phase 1 of the scheme will supply surface water to a total of some 658 existing assignments with a gross area of 46,051 acres, while the complete Stage I will serve a total of 1,225 existing assignments with a gross area of 97,318 acres.

In addition, for both phase 1 and the complete Stage I, a total of 260 existing assignments, with a gross area of 22,512 acres, will continue to obtain water from underground sources.

Thus the total number of farms to be benefited from the complete scheme, either directly or indirectly by safeguarding supplies of underground water, will be some 1,485, with gross assigned areas of 119,800 acres, on which it is expected that some 73,000 acres will be irrigated from surface water

and 18,000 from underground supplies. All supplies to farms will be metered, including those obtained from underground sources.

Annual Cost—Operation and Maintenance

The estimated annual cost of operation and maintenance for phase 1 of the scheme is \$256,500, and, for the complete Stage I, \$818,500.

Annual Revenue

Revenue will be derived from water charges of \$10 per acre-foot for irrigation systems supplied at farm boundaries; \$3 per acre-foot for private pumping from rivers; \$1.50 per acre-foot for landholders continuing to use underground supplies; and \$10 per acre-foot to the City of Bundaberg for surface water supplies from the Bundaberg barrage.

In addition, it is proposed that sugar mills provide a contribution towards the cost of the scheme by making an annual payment of \$1 per ton of sugar allotted as mill peak in respect of farms served by surface water or obtaining underground water from areas benefited by the project. This is a unique aspect of the scheme, and is justified by the benefits to be derived by sugar mills from stable and increased output.

The annual gross revenue from phase 1 operations is estimated to be \$741,500, which, after deduction of annual operation and maintenance costs, will provide a net annual revenue of \$485,000. This is equivalent to 2.3 per cent. of the capital cost of the scheme for phase 1, and will provide interest and sinking fund payments of 7½ per cent. on a capital sum of \$6,470,000.

The annual gross revenue for the complete Stage I is \$1,520,330 and, after deduction of the estimated operation and maintenance costs of \$818,500, a net annual revenue of \$701,830 will be left. This is equivalent to 1.49 per cent. of the capital cost of the complete Stage I, and is sufficient to provide interest and Sinking Fund payments on a capital cost of \$9,370,000.

Finance

It has previously been indicated that the Commonwealth grant of \$12,800,000 for phase 1 is a non-reimbursable grant, and no interest and Sinking Fund payments will be required.

Interest and Sinking Fund payments on the \$8,300,000 to be expended from State funds through the Irrigation Commission's Construction Trust Fund will be met from Consolidated Revenue, to which will be paid the annual net revenue from the scheme, which, as previously indicated, will support interest and Sinking Fund payment of some \$6,470,000.

As previously indicated, when the feasibility of substitution of assignments from unfavourable to more suitable lands in the Isis and Gin Gin areas has been determined,

it is proposed to approach the Commonwealth Government again for additional finance for completion of the scheme.

Construction Programme

Commonwealth funds are available now, and detailed investigation, design, and preliminary works for the construction of Monduran Dam have been completed. The dam and associated works are planned for completion in 1974-75.

Because of commitments on works in progress, it is not possible to make significant funds available from State funds during 1970-71, but detailed investigations and designs have been commenced and it is expected that they will be sufficiently advanced to allow commencement of actual construction during 1971-72. Completion of works to be financed from State funds will depend upon annual appropriations from Parliament, but it should be possible to complete these works by 1976-77.

Water Requirements and Available Supply

Water requirements and available supplies are set out in detail in the report. Attention is drawn to the fact that available supply from Monduran Dam and the two tidal barrages will be more than adequate to provide the requirements of phase 1, and sufficient to irrigate something over 50 per cent. of the total gross assigned area for the complete project. From such an irrigation area, existing mill peaks could be produced.

Ancillary Works

At phase 1 of the scheme it is expected that the area irrigated will be some 35,110 acres, and, for the complete Stage I, some 72,962 acres irrigated from surface water, with a further 18,000 acres irrigated from underground water. This would make the scheme by far the largest of any individual scheme established to date in Queensland, being some 50 per cent. greater than the area currently irrigated in the Burdekin delta.

Water allocations and conditions of supply are set out in detail in the report and broadly provide for allocations to be such as to allow for the application of 2 acre-feet of water an acre to the areas to be irrigated from either surface or underground water.

As indicated in the report, where natural drainage is inadequate, surface drainage works to remove surplus irrigation and storm-water run-off will be provided. In other areas, in which soil erosion is a hazard and in which it is necessary to provide waterways for soil-conservation works, major waterways will be provided as part of the scheme.

Agricultural Aspects

Agricultural aspects of the scheme have been dealt with in detail in the report by the Department of Primary Industries. This includes the benefits to individual growers

with the use of irrigation. These studies clearly indicate that there is a substantial advantage to be gained by dry-land producers converting to irrigated production.

Project Benefits

The over-all economics of the scheme have also been assessed and indicate that the increased value of production of sugar for the area for phase 1 is estimated to be valued at \$6,730,000 per annum, equal to 46 per cent. of the capital cost of the project not serviced by direct revenue. For the complete Stage I of the scheme, the annual increased value of production is equal to 35.6 per cent. of the capital cost not serviced by direct revenue.

An alternative evaluation of project benefits by a benefit/cost study has shown that, on the basis of an average sugar price of \$90 a ton, the benefit/cost ratio could be as high as 1.96 when the scheme is analysed over a life of 75 years. An index of 1 is taken to indicate a viable scheme. The life of the works, with the exception of pumping equipment, would generally exceed 100 years.

Clearly, from all aspects the scheme is a viable one and would place the Bundaberg region in a situation of much greater security, with prospects for substantial increase in production when market conditions are favourable.

Conclusions

The outstanding feature of the investigation is the need for irrigation to raise the whole efficiency and security of the sugar industry in the Bundaberg region. This is essential to remove further catastrophic loss with recurrence of prolonged drought periods. The scheme proposed provides the only means of stabilising this \$30,000,000 industry on which an important city and community are based.

Although ultimate economics of the project depend on increased sugar production, the amount of increased production envisaged for the project is not excessive in relation to the time required for its development.

The capital cost of \$47,079,000 for the scheme is large, but it is important that this scheme is to provide security to existing landholders only, and the large number of 1,485 assignments given security, increased efficiency and volume of production make it unique in the State in the ratio of farms served to capital cost.

Tribute to Commonwealth

Financial assistance from the Commonwealth Government is a major factor in this proposal. It will enable construction of the main storage for the complete scheme, as well as the means of conveying water from it to the Burnett River. Thus the Commonwealth funds will enable us to store and distribute water along the main arteries of the Kolan and Burnett Rivers—the essential basic requirements.

I wish to record our gratitude to the Right Honourable the Prime Minister and the Honourable the Minister for National Development for recognising the needs of this important area and providing the essential assistance to get the scheme off the ground.

A tribute is due also to Commonwealth officers (one of whom, of course, is Arthur McCutchan, who once served in the Irrigation Commission in Queensland), particularly the officers of the Department of National Development, for their continuing co-operation in the many discussions of the scheme and their practical appreciation of the need for it and the benefits that will flow from it.

I have much pleasure in commending the motion to the Committee.

Mr. SHERRINGTON (Salisbury) (3.25 p.m.): I think it is incumbent upon me at the outset to indicate the acceptance by the Opposition of the proposal for this very important scheme. No doubt, the State of Queensland, to a great degree, lags behind other States in water conservation. To all intents and purposes, Queensland has been principally a primary-producing State for many years, and it is becoming increasingly evident that if we want to maintain our status in primary production, we must embark on an enlarged programme of water conservation. On behalf of the Opposition, I indicate that we fully support the proposal before the Committee for completion of Stage I of this scheme.

Of course, while we support the scheme and give it our blessing, we are not denied the right to be critical of various aspects, not particularly of this scheme but of water conservation generally in the State. I listened intently to the Minister's introductory remarks and I might say that in such a proposal, accompanied by a report, it is very difficult to follow the Minister's explanation, and it will take me and my committee some little time and thought to fully understand the various aspects of it.

If any part of the Minister's introduction caused me to be critical, it would be the compliment he paid to various Ministers for Development for their attitude in supporting this scheme. Earlier in his speech he made mention of the fact that this was only the second occasion on which the Commonwealth Government had assisted or come to the party in water conservation in this State. Over the years I have heard criticism of previous Labour Governments for their supposed neglect of water conservation in Queensland, but it now becomes painfully obvious that in those days the Labour administrations had to go it alone to a marked degree. One scheme that readily comes to mind—and one which I think was very laudable—is, of course, the Tinaroo Dam scheme, which stands as a tremendous tribute not only to the Government of the day but also to departmental officers for the

planning that went into it. I believe the benefits that have flowed from the Tinaroo Dam must have proved conclusively the great part water conservation plays in primary industry.

Mr. Wallis-Smith: Its introduction was ridiculed by members opposite at that time.

Mr. SHERRINGTON: I was just about to say that. The Minister's words on this occasion must destroy for all time any criticism of former Labour Governments, because it is quite obvious that most of these projects came solely from State funds.

The thing that concerns me and other members of the Opposition most is that aid for these schemes seems to be coming to Queensland too late. If one looks back at the great benefits that have flowed from the Snowy Mountains scheme, one can only conclude that it not only assisted the States of Victoria and New South Wales but became a national asset. The Commonwealth's economy was given a great impetus by the development that flowed from that scheme. However, over the years, although this State is recognised as a primary industry State, unfortunately it has never been able to obtain from the Commonwealth the assistance that its importance demands.

Mr. Campbell: What about beef roads?

Mr. SHERRINGTON: I happen to be dealing with water conservation. However, even in road grants Queensland has lagged behind the other States. Surely the Minister for Industrial Development is not proud of the fact that Queensland, which is one of the largest States, has for years lagged behind the small State of Victoria in road grants. I was in Melbourne when the most recent hand-out was given, and I know that the Victorian Premier, Sir Henry Bolte, said, "We are well ahead of every State in the Commonwealth, and if we get these additional funds we will be so far ahead that it will not be funny." And the Minister praises the Commonwealth for the miserable pittance that it has given to Queensland!

The TEMPORARY CHAIRMAN: (Mr. Houghton): Order! I ask the hon. member to come back to the motion.

Mr. Casey: The scheme to provide beef roads was the brain-child of Dr. Patterson.

Mr. SHERRINGTON: That is right. Dr. Patterson become so frustrated in his endeavour to get through to the Commonwealth Government that he resigned as a matter of principle. The Commonwealth Government has implemented the schemes put forward by him. However, I do not want to be side-tracked.

Whilst we might envy Victoria and New South Wales, and, to a lesser extent, South Australia, the benefits that they have received from the Snowy Mountains scheme, we cannot deny that that scheme is a great

national asset. Therefore, it is a matter of regret that the Commonwealth Government, which the hon. member for Aspley applauds on its contribution to beef roads—

Mr. Campbell: Justifiably.

Mr. SHERRINGTON: . . . has seen fit virtually to destroy the Snowy Mountains Authority as a constructing authority. The Minister shakes his head. Perhaps the authority dammed up Albany Creek for him; I do not know. The point I am making is that the Snowy Mountains Authority was completely emasculated by the Commonwealth Government. It is true that certain of its officers are retained in an advisory capacity to Governments. However, it cannot be denied that, as a result of the emasculation of the authority, water conservation in Australia has been set back many years.

I am critical of the figure put forward as the cost of the Bundaberg scheme. The Minister indicated that Stage I will cost approximately \$47,100,000, and of that amount approximately \$12,800,000 will be made available to the State as a non-repayable grant. When I hark back to what was spent in the southern States on the Snowy Mountains scheme, I am forced to the conclusion that this non-repayable grant of \$12,800,000 can hardly be regarded as generous. The Minister for Industrial Development would not disagree with that.

In terms of the motion, we are asked to give approval to Stage I of the Bundaberg irrigation undertaking. Already, because of lack of State funds we have broken down Stage I into phase 1, phase 2 and so on. It would be valid criticism for the Opposition to say that this aid has come all too late for the people in the Isis and Bundaberg regions. I am a native of that area—my people were early pioneers in sugar-growing in the Childers district—and I regard the Isis area as one of the great sugar producing zones of Queensland. While it cannot be regarded in the same light as Tully and Innisfail, which receive tropical rainfall and have ideal conditions for growing sugar cane, it has always been known to produce excellent cane crops.

Last year, when I took part in the successful campaign that resulted in the election to this Chamber of the member for Isis, I was appalled, on revisiting the Childers area, to see cane dying in the fields because of lack of water. That was happening in an area which, for many years, was renowned for producing good quality cane. I was shocked to hear farmers talking about their crops being of so little value that they were not worth harvesting.

The Opposition is justified in being critical of the Commonwealth Government because of its lack of interest in the development of primary industries in Queensland.

Mr. Murray: Surely it cannot be blamed for the lack of rain.

Mr. SHERRINGTON: The Commonwealth Government can spend \$300,000,000 on planes that cannot get off the ground and it can lease at a cost of \$35,000,000 planes that do not fly when they get here, yet the hon. member talks about excusing it for our not having water. It was said today that, because of drought, somebody put the skids under the Premier. Where does this apologia end?

Over the years the Commonwealth Government has been castigated on its lack of a positive approach to water conservation in a State that has only a very narrow belt of land, between the Great Dividing Range and the coast, with a relatively high rainfall. We should be very critical of the fact that in this area, the streams which are relatively short, are allowed to flow unhindered into the Pacific. Their outflow is completely lost to primary and secondary industry and this State. Why should we not be critical of the Commonwealth Government for its singular lack of interest in water conservation in Queensland? That was admitted by the Minister, who said that this was only the second occasion on which the Commonwealth had come to the State's aid in this way.

The Labour Party made a serious dent in the Commonwealth sphere by winning the seats of Capricornia and Dawson. Dr. Rex Patterson had battled for years as head of a department to get over to the Commonwealth Government his water conservation ideas. It was only at that stage that the Commonwealth Government started to make money available for these projects.

Mr. Wharton: Both of those members opposed the schemes.

Mr. SHERRINGTON: When did they oppose them? I have already said that Dr. Rex Patterson continually advocated water conservation in this State when he was in charge of the developmental organisation.

The Commonwealth Government was tardy in coming to Queensland's assistance, and in providing a non-repayable grant of 25 per cent. of the cost of Stage I of the scheme it can hardly be said to be generous. Because of other commitments like education and housing, it has become necessary for the State Government to talk in terms of phases rather than of Stages. Opposition members wholeheartedly welcome the opportunity to assist in the implementation of this scheme, which will guarantee the economic future of this district. However, we would be remiss if we did not castigate the State Government and the Commonwealth Government on their tardiness.

The hon. member for Isis has been a very successful farmer in this district for years, but he has not been able to overcome the ravages of drought in this sugar area and he, like many other farmers in this area whose lifeblood is water, will support the scheme.

As I indicated at the outset, this is a large and complex scheme which will have to be investigated thoroughly. I see no reason why, at this stage, we should do anything other than support its introduction.

Mr. WHARTON (Burnett) (3.43 p.m.): I rise to support this very important scheme. The only disappointment I suffered was that it was called the Bundaberg irrigation undertaking and not the Burnett irrigation project, because almost every drop of water in the scheme will be conserved and distributed in the Burnett electorate. I am glad that Bundaberg will be served by this scheme. As I said, if I have any reservation, it relates to the title, and, after all, what is in a title? It does not matter who gets these things or who does not, as long as we provide something for the people who deserve it. There is no doubt that this is an important scheme in our important State.

The first investigation into this scheme was conducted eight years ago. When I entered Parliament as the representative of this region, one of my first interests was to encourage and foster an irrigation scheme in the area. The committee was formed to extend irrigation in this area, and the scheme serves the Lower Burnett sugar region.

It took a long time to get the scheme going, but I am not going to be very critical of that because considerable investigation work had to be carried out before finality was reached. Consideration had to be given to the changing times and markets, and also varying seasonal conditions. Finally it was decided to press strongly for a major irrigation scheme in this area.

As the Minister has said, this scheme will serve an industry that is worth \$30,000,000 a year. The area includes six sugar mills, five of which are supplied by growers in my electorate. I am, of course, concerned for their welfare, but I feel that the proposed scheme is in the interests not only of the people of my electorate but also of the people of Queensland generally. The sugar industry is a very important part of the State's primary industry. It is well organised, and it has a future in supplying not only the home market but also the United Kingdom and other export markets. It is very important to the welfare of a great number of citizens in the coastal areas of Queensland, and indeed throughout the State.

This scheme will make the Bundaberg area comparable with other parts of the State that are more fortunate in the amount of rain they receive. The sugar industry in the Bundaberg area has suffered from the lack of rain. Underground supplies of water have been adequate in this area for some time, but dependence on irrigation has meant a heavy drain on such resources and they cannot last without supplementary supplies. Endeavours have been made to supplement these supplies artificially, but without much

success. The plan now envisaged will solve the problem of trying to replenish underground water supplies.

As I have already said, the scheme has been eight years in coming to fruition. It is something of which we should all feel proud, and I want to pay a tribute to the Minister for Conservation for his part in making the scheme a reality. I may at times have been critical of the delay in bringing it about, and I may have said at times, "Why hasn't this been done by now?" I realise, however, that investigations had to be carried out and the necessary finance obtained. I was pleased when Cabinet agreed to consider making a start on the scheme. The proposed advance of \$8,300,000 by the State Government certainly got the scheme off the ground.

I also wish to pay a tribute to the Commissioner of Irrigation and Water Supply (Mr. Haigh) and his officers for their work in the preparation of the scheme. I suppose there are none more dedicated to the cause of irrigation than they are. No doubt there are times when some of us have not agreed entirely with them on various aspects of the scheme, but that is quite an incidental matter. The main thing is that the Commissioner and his officers have used their considerable ability to prepare the scheme. Only last week in Bundaberg a tribute was paid to the Commissioner not only on his planning of the irrigation scheme but also on his knowledge of the sugar industry. It is most important that the planners have such knowledge, because the scheme is designed basically to serve the sugar industry. I also pay a tribute to the officers of the Department of Primary Industries who joined with those of the Irrigation and Water Supply Commission in planning the scheme.

Although the sugar industry is very important in this area, vegetables worth about \$1,000,000 a year are also produced there. In fact, the area meets half the State's vegetable needs. It is also an important tobacco-growing area, and that industry, too, depends on water, particularly underground supplies.

As I said earlier, one cannot depend entirely on underground water supplies, which have diminished and are continuing to diminish. It is imperative that further water supplies such as those now proposed should be made available. The Monduran Dam on the Kolan River will provide water, as the Minister said, by a channel through Gin Gin and Sheepstation Creek into the Burnett River. The scheme envisages that water will go down to the Bucca Weir and the barrage on the Kolan River, and also to the Bundaberg barrage.

When these works are finished, I am sure that the scheme will be extended to serve the Isis area. I agree with the hon. member who has just resumed his seat that the Isis area is an important sugar-growing area,

and it is desperately short of water and has suffered previously from an almost complete lack of water.

Although the Commissioner does get cross with me sometimes when I perhaps wear him down, I think he will probably agree with me that a weir at Gayndah is necessary in the near future to assist the citrus-growers. I have emphasised the importance of sugar, vegetables and tobacco, but citrus fruits also need water. The Government has built the Wuruma Dam, which is still not full. Of course, it is not the fault of the Government, the Minister or the Commissioner that the water required is not available, and I hope that in the future, when further funds are released by the Commonwealth, this proposal will be implemented so that not only people living at Gayndah but also those in the area below Gayndah will have the benefit of much-needed water supplies.

I remind the Committee that at this time there is a desperate shortage of water in the Burnett River and Barambah Creek. In my own case, I shall probably be able to irrigate for only one more week from Barambah Creek, and many people in the Burnett region are in a similar position. Again, that is not the fault of any person in particular, but the problem is there and we, as a State Government, have to try to resolve it. I am pleased that the Government is now taking action in that direction.

I appreciate very much the funds made available by the Commonwealth Government. Without them, what could the Government of Queensland have done? I do not think anyone is more cognisant of the need for irrigation than the State Government, and hon. members know that it has an extensive irrigation programme. I do not like to hear hon. members opposite saying that the Government has not done this and that. The fact is that it has not sufficient money, and it can proceed with irrigation schemes only as the necessary money becomes available.

When a Labour Government was in office, the Tinaroo Dam was built. That was an important exercise and, although it may have been the only dam built, it achieved something. The Labour Government was limited by a shortage of funds at that time, and Country-Liberal Governments have faced a similar problem since they have been in office.

Surely hon. members opposite will concede that the work undertaken by Country-Liberal Governments shows a vigorous implementation of a policy of building water storages and dams to provide adequate water supplies. If adequate finance is not available, the only place from which it can come is the Federal Government. In this instance it said, "We will give you \$12,000,000 to begin the scheme. You make some surveys to see what can be done about the substitution of areas in the Burnett and Isis electorates." Those surveys are being carried out, and I believe that if a satisfactory plan can

be put forward, the Commonwealth Government will make further money available. There is no doubt that the plan put forward by the Department of Primary Industries and the Irrigation and Water Supply Commission was acceptable to the State Government and the Federal Government.

It would be easy for me to emphasise the benefits of irrigation because, as a practical farmer, I would not have been able to survive without it. In my area, people depend basically on irrigation. It is true that many men make a success of dry-land farming—that is greatly to their credit—but I believe that irrigation is essential if we are to undertake intensive farming and produce set quantities each year for available markets.

I should like to indicate what a farmer would do in this region. Increased sugar production resulting from irrigation of dry land has been assessed as varying from 1.4 tons of sugar an acre in the Gin Gin mill area planned section to 1.6 tons in the Fairymead mill area and 1.9 tons for other areas. This in itself shows the increased production of cane that can be achieved. I know that somebody will say that we do not want any more cane. But that is not the case. These farms have their peaks and the mills also have peaks, and the design of the plan is to meet, for the present, the filling of the mill peaks already allotted. I believe that this is the sort of thing we should do—try to ensure that a farmer can fill his peak. I think this is the basis of the suggestion put forward in this scheme.

Perhaps I should quote, from the actual submission, the case of an individual farm situation. I think this is important, because I have to pay tribute to the mill-owners for their contribution towards this scheme. They rallied round and obtained finance by providing \$1 a ton on every ton of cane produced. This is a valuable contribution by the mills, and it must be appreciated. They are not all obtaining direct benefit from the water—perhaps some are, but not all—but they are indirectly benefiting from making these funds available to assist in financing the scheme.

In the initial surveys, the farmers contributed through the cane growers' executive to see that the scheme got off the ground. The farmers have agreed to pay water rates of \$10 per acre-foot for water from irrigation channels. This is important, because in this case the people themselves said, "We want this scheme." They then asked people to prepare the scheme and it has been accepted by the Government. But it still comes back onto the farmer to make it a success. He in his turn has to pay water fees. I make this point, and I shall quote an individual farm situation and compare a dry-land farm with an irrigated farm.

An assessment of the effect of irrigation at the individual farm level shows that for a typical farm with a gross assignment of 75

acres and a sugar price of \$60 a ton, a comparison of the annual return to growers with and without irrigation would be as follows: Area harvested, 49 acres dry land, 56 acres irrigated; average yield per acre, tons of sugar, 3.1 for dry land and 5 for irrigated; value of production to farmer at \$60 a ton, \$9,114 for dry land and \$16,800 for irrigated; less harvesting costs of \$1.85 per ton, \$2,081 for dry land and \$3,836 for irrigated. The comparative returns are \$7,033 for dry land and \$10,583 for irrigated land. The annual margin in favour of irrigation would therefore be \$3,550.

I am sure these figures show beyond doubt that this is an economic proposition. This is one of the great problems connected with many of the things the Government does. It spends huge sums of money in many ways; in fact, many people in business and commerce spend huge sums in some enterprise or another and do not get a return on capital.

The point I want to make is that, in view of the effort of the State to provide this facility, the farmer, in a sense, would have an economic return on this project of the difference between irrigation and non-irrigation.

I appreciate that there will be some problems. Boundaries will go, and decisions will have to be made on who should use underground water and who should use surface water. These things have yet to be resolved. No doubt the Commissioner, when he meets the farmers in these areas, will define the actual line where underground water will be used and where surface water channelling will go. I do not mean that he will be able to vary things extensively, but I believe that in some way he can make it possible, because of the rotational use of this water, for those who are used to using the bore system and to using water whenever they feel like it to adjust smoothly to operating on a roster system as they will have to under this scheme where the water will be distributed in channels.

I think the problems can be overcome, and the advantages will far outweigh the disadvantages. The scheme will provide a boost to the city of Bundaberg and its people, and will provide facilities for the expansion of industry. The whole Burnett area is progressing and employment opportunities will be created for a great many people. They, in turn, will create markets for the produce of the area. I have stressed its importance as a primary-producing area. It will become the food bowl of the State. Therefore, the scheme is a worth-while one and merits the support of all hon. members.

One of the conclusions of the Irrigation and Water Supply Commission is—

"If repeated under present conditions of peaks, prices and over-developed underground water supplies, production losses exceeding \$50,000,000 over the period could result, which could destroy the Bundaberg sugar industry."

I feel that this scheme will prevent the destruction of the sugar industry in the Bundaberg area.

Another conclusion is—

"The capital cost of \$47,079,000 for Stage I is large, but the number of 1,485 assignments given security, increased efficiency and volume of production make it unique in the State to date in the ratio of farms served to capital cost."

The Commission's recommendation on phase 1 of Stage I are then set out in the report, and they are very important. I look forward to the implementation of all stages of the scheme.

Mr. Davies: One would think that the Commonwealth Government would make more money available for the scheme, but as it is in Queensland I do not think we can expect much better from the present Commonwealth Government.

Mr. WHARTON: The hon. member has answered his own question. How silly can he get! He knows that this Government has tried to get as much money as possible for the scheme. We have already received \$12,000,000 from the Commonwealth and have been promised that, if we make a complete survey, we may obtain more. This Government has achieved a good deal in obtaining funds from the Commonwealth. Labour did not, and it never will.

The resolution is to be commended. It is obvious that Queensland cannot implement a scheme similar to the Snowy Mountains scheme, for the simple reason that there are no snow-capped peaks in this State. However, the Snowy Mountains Authority was able to provide assistance in the planning of this scheme, and it has done a wonderful job. It is doing a wonderful job in New South Wales, too.

Mr. Davies: We have Ben Chifley to thank for the Snowy Mountains scheme.

Mr. WHARTON: The hon. member would thank anybody in the Labour Party. He would never give credit to this Government. He should give credit where credit is due.

(Time expired.)

Mr. BLAKE (Isis) (4.4 p.m.): It gives me great pleasure to support the proposal. Rarely in parliamentary history does a member of the Opposition make that sort of remark. I can remember when in the Federal sphere a Labour Government set up the Snowy Mountains Authority and brought forward plans for the Snowy Mountains scheme. It received violent opposition from the Country and Liberal Parties, which were then in Opposition. As has been stated this afternoon, the same situation arose when the Country Party was in Opposition in this Chamber. Typically, it was most critical of the Tinaroo Dam proposal and the economics of water storage in Queensland.

I am quite happy to put aside party politics and support this very worthy scheme. Its introduction is belated, but we are very pleased to see it coming to fruition, as the need for it is very great, indeed. Some of the areas that might be said to have partly stabilised production from underground water supplies were in grave danger of losing their partly stabilised production because the drain on underground supplies far exceeded the supply.

It could be said that, without the introduction of the scheme, the production record of the proposed irrigation district might not be maintained at its present level. The scheme is designed not merely to guarantee production, but to ensure the continued profitable, commercial existence of the area so that in turn it can continue to contribute to the economy of Queensland as it has done so creditably in the past.

I do not intend to go into details at this stage, but I do not hesitate to compliment the Minister on his broad outline of it. If details are required, members can get them from the comprehensive report of the Bundaberg irrigation undertaking with which each of us has been supplied. I compliment the Irrigation Commission, the Commissioner (Mr. Haigh) and all people connected with the Bundaberg and District Irrigation Scheme Committee. The planning did not come to fruition overnight, it required much co-operation between councils, cane-growers, millers and local authorities, all of whom had to push their barrows very vigorously for many years before they got the attention of the proper authorities—those who control the main purse strings—namely, the Commonwealth Government.

I make it clear to hon. members that Stage I of the scheme, as originally planned, could not be undertaken because the Federal Government did not see fit to provide the money, at the time, for the whole of it. Stage I has therefore been broken down into phase 1 and phase 2. Briefly, the money is either available, or promised, to finance phase 1 of Stage I. That involves a water supply for a gross assigned area of some 47,000 acres, of which 35,000 acres per year are expected to be irrigated.

The \$12,800,000 granted by the Commonwealth Government is intended to provide for the Monduran Dam on the Kolan River, the main pumping station at the dam, and the connecting channel to feed the Burnett River. The \$8,300,000 of proposed State money is to be used to supply the additional works necessary by way of barrages and distribution and pumping systems to irrigate the area I have mentioned. Naturally, those in the areas not covered by phase 1 of Stage I were disappointed that sufficient finance for its implementation was not forthcoming. Some acrid remarks were passed and some minority circles held the belief that we had been excluded from the scheme.

Although I am disappointed that the full amount to implement Stage I was not forthcoming, I am confident that the Government realises that it will have to make strenuous efforts to obtain the balance of the money, particularly in view of the demands made on the Commonwealth Government for finance for water systems throughout the Commonwealth. The Government should not be tardy in putting its case forward.

It has been said in the political arena that we have been lucky to obtain the finance we have. This depends on the vantage point from which it is viewed. The first Commonwealth money spent in Queensland for irrigation was \$20,000,000 by way of grant for the Nogoia scheme, and then \$12,800,000 for this scheme was provided as a second grant, bringing the total to \$32,800,000. However, this is only a mere drop in the bucket when it is realised that, over the years, the Commonwealth Government has distributed \$900,000,000 for water services. While we are grateful for what we have received, I enjoin the Government not to think that we have received the big end of the stick in this regard, and to press forward with great vigour for more money.

Responsible people in the areas that are not to be serviced by phase 1 of the scheme consider that certain factors militated against Stage I of the scheme being implemented in one swoop. It is quite an ambitious scheme in its entirety. I understand that the State Government, in its case to the Commonwealth Government, suggested that it would be more practicable and economically feasible to irrigate the areas nearer to the distribution channels first. Responsible people, although they are not happy about it, would regard this as a valid argument.

From an emotional point of view, one fault in the scheme is that the areas that are least drought affected will get the water first, and the areas of greatest need will not, but we must be practical and constructive. It is regrettable that the driest areas will be the second or last to get water under this scheme. However, both Governments consider it is financially desirable that the scheme be implemented in this way. Every scheme must be viable, and the present scheme is perhaps, more commercially viable by reason of this decision.

The cost-benefit factor of 1.96 is very high. That no doubt would be a factor considered in the approval of the scheme, and, we trust, the eventual approval of the whole scheme finance-wise.

There is a very important factor of which I think growers in the dry areas are aware, and I wish to impress it upon the minds of members, particularly Government members. I know that it needs no emphasising to the Commissioner of Irrigation and Water Supply and his officers. When phase 1 of Stage I is carried out with the money that will be made available when this proposal is approved, sufficient water will be

stored in the Monduran Dam and other storages to supply water for the Isis area in the next stage of the scheme.

It is very important on an economic basis, if for no other reason, that that water be made available to the Isis district. Shortfalls in the Isis area over the years 1964, 1965, 1969 and 1970, which were four drought years, cost the district production losses worth approximately \$15,000,000 to \$15,500,000. I have not been able to make an exact calculation because it depends upon sugar prices and the c.c.s of the crop being harvested. However, in round figures, the losses in four years of drought in the Isis district represent about \$15,000,000 to \$15,500,000. Against that loss, the cost of taking irrigation water to the Isis area would be only \$14,500,000. I therefore do not have to impress upon members how desirable it is that the Government continue to press strongly for funds for the completion of phase 2 of Stage I of the scheme. It is extremely desirable that water be brought to Isis. Conversely, it is undesirable, when stored water is available, that anything should stand in the way of taking it to this district.

Production in the whole area that Stage I of this scheme is intended to serve is approximately \$30,000,000 a year. I do not want it thought that I am pushing the barrow for only my area of Isis. When a total production of \$30,000,000 is involved, the scheme is certainly justified on not only a State basis but a Commonwealth basis.

I do not want to go into details of the scheme, because the report that members have before them is most comprehensive. A tremendous amount of work obviously went into it, and it proves without doubt not just the feasibility but the desirability of the scheme, and not only in phase 1 but in its entirety.

My main purpose in speaking was to emphasise again that, when the proposal is approved, the way will be open to provide water storages in excess of that needed for phase 1, and stored water will be going to waste if it is not reticulated to other areas. In fairness to the present Government, let me say that the Opposition believes that it is largely the responsibility of the Commonwealth Government to provide the finance needed to take water to other areas. However, I again entreat the Government to continue pressing for additional finance to enable the scheme to be extended. As hon. members are aware, the money being provided is only for phase 1 of Stage I of the scheme, and I hope that in the near future the whole scheme will be approved, not only in principle, but also in finance.

I commend the motion to the Committee.

Mr. BIRD (Burdekin) (4.21 p.m.): Hon. members probably expected that when I rose to speak in this debate I would violently

oppose any motion for the implementation of an irrigation scheme in the Bundaberg-Burdekin area. However, I assure them that I am completely in favour of it.

Mr. Davies interjected.

Mr. BIRD: I would appreciate it if the hon. member allowed me to speak without interruption, because I think that I have something rather important to contribute to the debate.

As I said, it was probably expected that I would be violently opposed to the introduction of this scheme because I have been so outspoken at all times on the desire and need for a major water-conservation scheme on the Burdekin River. However, I come from an irrigation area in which the benefits accruing from irrigation are fully appreciated, and I state very definitely that I wholeheartedly support the motion and the implementation of this scheme in the Bundaberg area.

Mr. Davies: You mean you believe that this scheme should come before the Burdekin scheme?

Mr. BIRD: The hon. member for Maryborough asks whether I agree that this scheme should be implemented first. My answer to him is "Yes". I have stated in my own electorate, and I now state here, that I am 100 per cent. in favour of the implementation of this scheme in the Bundaberg area in preference to a scheme on the Burdekin River. That may sound strange to some hon. members, but I appreciate all the difficulties that the people in the Bundaberg area have had to face. I am well aware, for example, how their sugar production has suffered in past years. I know Mr. Ben Anderson, the chairman of the Bundaberg Cane Growers' Executive, Mr. Kevin Pharr, the secretary of the executive, Mr. Wharton, members of the shire councils concerned, and representatives of the mills and other bodies that have put so much effort into the preparation of the case for the implementation of the scheme. I congratulate them all on the preparation of the material they have presented in favour of the scheme, and I state again that I am very pleased they are getting it.

As I said earlier, people in the Burdekin area know just how much irrigation means not only in the field of sugar production but also in other fields of agriculture. We appreciate the difficulties faced by people in the Bundaberg area in the past few years. We congratulate those people, and hope that this will mean for them a return to the assured production that the Burdekin area has enjoyed. We know, too, the effects of drought on sugar cane and other crops. Although up to date, principally because of the formation of the North and South Burdekin Water Boards and their schemes for the replenishment of underground supplies, no major set-back has been suffered in the Burdekin area, a big problem has arisen in the Giru

area, where underground water supplies have failed. That is why I can assure the people of Bundaberg that they have our sympathy. They now have their scheme off the drawing board and about to be implemented. We are still looking for the answers to the problem in Giru. I hope it will not be very long before we have the answers, and I will expect members on both sides of the Chamber to support me in seeking implementation of whatever scheme is recommended.

I noticed that in his introduction of the proposal the Minister said that further development of sugar production should only be in association with irrigation. In this, I whole-heartedly concur. As I said only recently when speaking in the Budget debate and supporting the decision of the Government to locate the third rural training school in the Lower Burdekin, great emphasis will have to be placed on irrigation in this State. Therefore, every effort must be made to conserve water, and consequently education in the school must be focused on irrigation.

I know there are arguments about the proposal to carry out this scheme not only in Stages I and II but also in various phases, but I agree with the recommendations of the Irrigation and Water Supply Commission in this respect. I appreciate that so many things can be affected by Stage I that the remainder of the scheme might have to be altered as it develops. I know, for instance, that thousands of acres in the Bundaberg and Isis areas will not be suitable for irrigation, and it will be a recommendation that these cane assignments be transferred to land suitable for irrigation. This, in itself, will be a major undertaking. It will not be easy. Many of these people will say that they have been settled for years and do not like to shift. It will be a slow process making them realise the advantages of irrigation and then getting them to shift to areas covered by the irrigation scheme.

Further on in his remarks the Minister also said, "It is further indicated that there are some 33,000 acres of land, at present unassigned, to be classified as suitable for irrigation." It can be seen that the land is available and that it is highly desirable to transfer assignments over to that area. I feel that this is one of the reasons why the scheme must be taken steadily.

Looking back at the Kemp report for a major scheme on the Burdekin, we find that so many changes are now required before the scheme can be implemented that, had it been implemented at the time, quite a few farmers would have been in trouble. For instance, on the recommended farm size, we now realise that had the area been cut up into farms of the suggested acreages, many of the farmers would have been in difficulty today. These are some of the changes that I am sure will be found necessary as this scheme progresses.

I do not think I have very much more to say on this matter at present. I wish to speak at quite some length on irrigation when the Minister's Estimates come up for debate later on. I will then refer to the advantages to be derived from the construction of major water-storage facilities in the Burdekin River.

I am aware of the claims made by Opposition members that Queensland has received a very poor deal from the Federal Government in funds for water conservation. I agree with those claims. However, I hope the funds that have been made available for this scheme will be only a very small portion of millions of dollars that will be poured into Queensland not only for small irrigation schemes but also for major ones.

I have travelled through the Snowy Mountains and the Murrumbidgee irrigation area, and I had the opportunity to observe the benefits derived from the Snowy Mountains scheme. It is a marvellous scheme, and one of its greatest advantages is that its cost will be met by the sale of hydroelectricity generated by power-houses in the scheme. The water that is used in the generation of electricity will be made available to the irrigation areas downstream virtually free of charge. Of course, in this scheme the water will not be used for the generation of electricity but simply for irrigation.

I congratulate the Minister on this proposal. I also congratulate the Irrigation and Water Supply Commission on the detailed investigations it has made. I appreciate the wonderful work that has been performed by the Department of Primary Industries. Finally, I wish the people who will benefit from the scheme every success.

Mr. JENSEN (Bundaberg) (4.33 p.m.): I have much pleasure in supporting the project, and I know that it will be welcomed by the people of the Bundaberg area. The proposed scheme will benefit not a small number of farmers but the community as a whole. I wish to thank the hon. member for Burdekin for his comments. I know that he was honest in making his speech.

During the election campaign last year, and on other occasions, I have condemned the Government for dumping the Bundaberg area and going ahead with the Nogoia scheme when it had stated quite definitely that the Bundaberg scheme would receive No. 1 priority. I do not wish to go back over that matter. I condemned the Government, but it has now come to the party. I commend Mr. Haigh and his officers for the work that they did in relation to this scheme. They spent approximately \$800,000 in their investigations alone. They put forward the scheme as the No. 1 priority, but it did not receive the approval either of Cabinet or the Federal Government. However, Canberra has since appreciated the submissions put forward by Mr. Haigh and the fact that great benefit will be derived from the scheme.

I support the point made by the hon. members for Salisbury and Isis that the Federal Government has given Queensland only \$32,500,000 out of a total grant of \$800,000,000 to \$900,000,000. However, the Commonwealth Government now realises that irrigation is of great importance.

I have here a note from the "South African Sugar Journal" of May 1970, which says that South Africa has called 1970 a water year and that water is life for prosperity, in posterity. That simple but very true statement applies to Queensland and all other parts of Australia. It is only recently that the Federal Government has seen fit to come forward with irrigation schemes. I emphasise that a Federal Labour Government promulgated the Snowy Mountains scheme, and that a Labour Government instigated water conservation in Queensland. I remember quite well attending a political meeting in 1950 at Childers, which was addressed by the late Mr. Pizzey. He condemned the Tinaroo Dam scheme, saying that the State did not have the finance to support it. When I asked him, "What about the \$200,000,000 for the Snowy scheme?", he said that that was a different matter.

Mr. Ahern: I think you might be misquoting him.

Mr. JENSEN: I am not misquoting him. I know what was said at Childers. The hon. member can inquire about what happened at the time.

The "South African Sugar Journal" points out that South Africa had 20 dams and water schemes to be completed this year, that work on more than 200 schemes is in progress, and that 10 major undertakings will be implemented this year. That highlights the view of that Government that water is essential to South Africa, and it is going ahead with schemes to benefit the country. We want schemes to benefit not only our district but every other district in Queensland and Australia that needs water.

It seems that this scheme will get under way in 1971 or 1972. To me that seems a long way off. I was hoping it would get under way this year, but apparently finance is not available. The slack season in Bundaberg creates serious problems, and I should like the Minister to see if the work can be speeded up during the slack season and slowed down in the crushing season. I do not want any Bundaberg mills to lose labour for three or four years while the scheme is under way. We want Bundaberg labour to be employed on it to counter the serious unemployment we have had for many years. If properly controlled, the scheme will provide full employment during the slack and crushing seasons.

I hope that Bundaberg industries will be considered when contracts are allocated for work on the dams and weirs. Every hon. member has received a copy of the very comprehensive report. It sets out clearly

how the Bundaberg district has suffered—mainly in the Isis area—and this was emphasised by the hon. member for Isis. I worked in the Isis district, at the Isis Central Mill, for six years, and I know what the district can produce. With an adequate water supply the district can produce cane as good as any grown in Queensland. This year, Bundaberg mill areas with 90 per cent. irrigation will produce well over peak and will have standover cane. Millaquin, Fairymead and Qunaba mills will not be able to crush all the cane produced, in spite of under-average rainfall for 19 months out of 24.

The Irrigation Commission claims that the situation is becoming so serious that, before long, salt intrusion will occur. So much irrigation work has been undertaken in the past 10 years that 95 per cent. of some of these mill areas is irrigated. The only rain this year fell in January and February and the production in the area is more than 10 per cent. over peak, so that cane will be either stood over or ploughed in.

Last year, Isis crushed for only about five weeks. Again this year it will not reach its peak. The situation is very serious. I hope that Bingera and Gin Gin will reach their peaks, although there is a doubt of this because they have not the irrigation that exists in the Bundaberg mill areas.

Some time ago I mentioned long-range weather forecasters. Mr. Inigo Jones forecast years ago that there would be a 10-year drought commencing in 1978. If his forecast is correct, it will be similar to the 1900 to 1910 drought, and this would completely break the Bundaberg district. However, this scheme will be completed by then so that we will not have to worry about his forecast.

The Bundaberg Irrigation Committee has been in existence for many years. The hon. member for Burnett congratulated the committee on the work it has done, and I join with him in those sentiments. I know what it has done and I know how its members have travelled backwards and forwards to Brisbane and to Canberra to get this scheme under way. The committee has done good work and has issued several reports, and it deserves the congratulations of members of this Committee.

I fully support the remarks of other hon. members.

Mr. CASEY (Mackay) (4.43 p.m.): I rise to comment on a few aspects of this excellent and comprehensive report. I join with other hon. members who have congratulated the Minister, the Commissioner, and the department on the work they have done and the report compiled by them.

I have no general "beef" with this scheme, and I strongly support it. The only thing I am not happy about is that the worst areas will be the last to benefit.

One problem relates not so much to the Bundaberg district as to the whole of the sugar industry in Queensland. The report is based completely on an economic evaluation of increased and stabilised sugar peaks and assignments in one of the major sugar-growing areas of Queensland. Therefore, I feel I should make some remarks from the point of view of the sugar industry. I repeat that I have no general objection to the scheme lest my latter comments be misconstrued. The report is based on an economic evaluation of the sugar industry and, whilst it mentions other commodities, it makes no economic evaluation of their prospects under this scheme.

Undoubtedly overseas sugar markets have been retained because of the production efforts in both the Mackay and Burdekin districts, in particular, over the last 10 years. This has been possible only because of increased capitalisation by the farmers in those areas.

I do not wish to speak derogatively of the Bundaberg area. Its problems have been dealt with by the hon. members for Isis, Burnett and Bundaberg, and the Minister when proposing the motion, and they are well known to us. However, I point out that in 1964, when Bundaberg experienced a shortfall of 22 per cent. in sugar production, the Mackay district produced a surplus of 24.2 per cent. which enabled the sugar industry to retain its markets. In 1965, which was one of the most drastic years in Bundaberg, there was a shortfall of 45 per cent., and in that year Mackay helped to fill quotas by producing a surplus of 9.9 per cent. The new peaks were then in operation. In 1969 the story was much the same.

In 1962 and 1963 the productivity of the industry enabled the Gibbs Committee to make the report which brought about the subsequent increases in assignments. In 1962, the Mackay district produced 76 per cent. over peak, which allowed certain markets to be supplied. The old peaks then applied. In 1963, the Mackay district produced 40 per cent. over peak. The history of the sugar industry back to 1957, and even earlier, is one of increased production in this district. I do not have the figures for the Burdekin district, but I know that that area also made substantial contributions.

My main concern is that in the future, pressure groups, of which there are many in the sugar industry, could use, at any inquiries concerning the sugar industry, the capital expenditure on this scheme as an excuse to allow expansion of peaks and assignments in the Bundaberg district, to the detriment of other areas. I remind the Committee that it is Government money that will be used on this scheme. I think that I should, on behalf of other sugar-growing areas, sound that warning lest pressure groups or inquiries should in the future attempt to misconstrue the use of this

capital and the economic value of the scheme, and use it in an attempt to force the Central Sugar Cane Prices Board, or some other body, to determine more favourable peaks for the Bundaberg area.

The main people to gain from the proposed scheme will be the proprietary millers in the Bundaberg district, not the co-operative mill at Isis, which the hon. member for Isis supplies. In the Bundaberg district, only one of the six sugar mills is a co-operative mill. In my district, six of eight mills are co-operatives, owned completely by the growers. I say without hesitation that the fact that we have six co-operatives is one of the main reasons for the financial stability of the Mackay district and the strength of the sugar industry there.

I accept that the Government is implementing this scheme in good faith. I am not endeavouring to suggest that either the Minister or the Government is attempting to lay down guide-lines for pressure groups. If the Government was interested only in financial returns, it would proceed with the Eton scheme in the Mackay district, on which another comprehensive report has been compiled by the Commissioner of Irrigation and Water Supply in conjunction with the Department of Primary Industries. It shows that there is an expected increase of 56 per cent. in the gross annual value of production, compared with only 35.6 per cent. in Stage I of the Bundaberg scheme. Again, that highlights the capacity of the Mackay district to produce sugar cane. Working on the cost of the complete scheme, as the Minister pointed out, the benefit-cost ratio of the Bundaberg scheme is 1.96—nearly 2 to 1—whereas the Eton scheme shows a 3-to-1 ratio.

As I said, I believe that the Minister and the departments are acting in good faith, but I sound a warning to growers in the sugar industry for the future. I do not suggest that preference should be given to the Eton scheme, but I point out that the economics of that scheme and of the Bundaberg scheme are both based on considerable increase in sugar production in future years. The successful completion of Stage II of the scheme would mean an increase of about 100 per cent. in mill peaks in the whole of the Bundaberg district if the economic evaluation is borne out. The economic evaluation shows that Stage I (a) and (b) will result in an additional 150,000 tons of sugar, and that is approximately the amount that will be ploughed back into the ground in the Mackay district this year.

Is it any wonder that Dr. Patterson recently expressed concern about the problem now facing the sugar industry and the economics of the industry itself? In spite of what was said about Dr. Patterson in this Chamber yesterday by the Minister for Primary Industries, I make it quite clear that Dr. Patterson knows more about Australian primary industries than would any

Country Party or Liberal Party member in any Parliament in Australia. I remind hon. members opposite very strongly that the structure of the sugar industry is better than that of any other Australian primary industry. I remind them also—I think it is as well to do this from time to time because of the methods of deception that the Government uses to try to pull the wool over the eyes of the people—that that is so only because of the wonderful legislation introduced in this Chamber over the years by former Labour Governments. The economic structure of the sugar industry is sound because of the foresight and strength shown by men such as the late William Forgan Smith, one of my predecessors as member for Mackay in this Chamber. The first speech that Mr. Forgan Smith made in this Chamber—

Mr. Armstrong interjected.

Mr. CASEY: If the hon. member reads "Hansard" for 1915, he will see that Forgan Smith advocated then the establishment of the Central Sugar Cane Prices Board and other measures associated with the sugar industry. When he became a Minister in a Labour Government he helped to introduce these measures, and they gave cane-growers such as the hon. member for Mulgrave an opportunity to make fortunes for themselves. I point that out strongly to the people of this State, and I wish to ensure that it is laid down now that the economic evaluation of this scheme should not be used in future to disrupt the system now operating so successfully in the sugar industry.

I again support the comments made by Dr. Patterson about the problems facing the sugar industry. Of course, one hope that primary producers in Australia have is that there will be a Labour Senate after the forthcoming Senate election and that subsequently there will be a Federal Labour Government. Dr. Patterson will make an excellent Minister for Primary Industry, and the Labour Party will assist primary industries in this State.

The CHAIRMAN: Order! I think the hon. member has made his point.

Mr. CASEY: Whichever way one looks at it, Mr. Hooper, it is distressing to see valuable food destroyed in the hope that it can be grown again next year. When I asked a question this morning about the sugar industry, the Minister said that I had based it on a wrong premise. He should read the Sugar Year Book—it would appear he has not a very good grasp of the sugar industry—where he will see quite clearly laid out, in the productivity figures, who produced the sugar over recent years to guarantee our present market. I want to see the growers in the Bundaberg district prosper. I want to see the whole Bundaberg area prosper. With the implementation of this scheme, I believe it will. Lest some hon. member might attempt to misconstrue what I am saying, I repeat that I am not attempting to "knock"

in any way the expenditure of this money in Bundaberg. But I sound the warning that it should be not done on an economic evaluation that could be misconstrued by future Governments. There is no chance of its being misconstrued by future Labour Governments, but where the present Government is going at the moment is, shall I say, a bit of a mystery.

I suggest that in order to go a little bit further in the economic evaluation of this scheme, the Minister might have his department look further into the production of beans and other crops in the Bundaberg district. The Minister for Industrial Development was interjecting earlier when the hon. member for Salisbury was advocating some excellent points. Instead of wandering around Singapore and other places and then coming into this Chamber and making uninteresting interjections, he should go up to Bundaberg and have a look at the possibilities of developing a snap-freezing plant for the bean production of that district.

The Gibbs Report on the sugar industry set out quite clearly that expansion within the industry, upon which this report is based, involves economic risk of a major order resulting from the investment of substantial sums of new capital to produce sugar at the current world-price level. To justify this, I point out that in my district, for instance, the expansion in the 1960's—I set out how I arrived at this figure in my maiden speech last year—capital-wise is worth in the vicinity of \$150,000,000. Of course, the Gibbs Report again highlighted that the disparity between productivity and peak is not the same in all districts in Queensland but is at its greatest in the Mackay district. If I may, I should like to quote the last recommendation of the Gibbs Report, which says—

"The expansion of production should be effected as economically as possible and it is undesirable that assignments should be granted in an area simply for the reason that the area is distressed."

I think these words should be added to this extract from the Gibbs Report to ensure that the economic evaluation of this Bundaberg Report is kept in its true context:

". . . nor to prove warranted the economic structure of any report, present or future."

I have mentioned that I felt that the Minister and his department, or the Department of Primary Industries, should look at other crops in the Bundaberg district a little more closely and include them in the report so that the whole of its economic evaluation is not based, as it is at present, 100 per cent. on future expansion in the sugar industry.

Mr. O'DONNELL (Barcoo) (4.59 p.m.): I do not think that any member of this Committee would ever be inclined to disapprove of such a scheme as we have before us today. However, I want to take this

opportunity, because my electorate initially set the pattern for the construction of what we might call "a major project" in this State, to indicate to the Committee my high appreciation of the officers of the Irrigation and Water Supply Commission and the Department of Primary Industries who have co-ordinated their activities, and have planned and put into execution these projects. We are very fortunate indeed to have men of the calibre of Mr. Fred Haigh, Mr. Hiley, Mr. Learmonth, Mr. Rossi, Mr. John Ready, who has left the department and gone to the Northern Territory, Dr. Harvey of the Department of Primary Industries, Mr. Jasper Ladewig, and others. Statements that I made in this Chamber many years ago have since been proved to be fully justified.

I know that those men engaged in the engineering side will perform wonderful service on the proposed Bundaberg scheme, as they did on the construction of the Fairbairn Dam. In the Fairbairn Dam we see a practical demonstration of the claim that this State's engineers are at least equal to the best in Australia. I know that at times suggestions have been made that we should seek the advice and practical assistance of officers of the Snowy Mountains Authority, but in discussions with those officers I have found that they agree with my contention that Queensland possesses highly qualified men who perform their duties with the utmost efficiency.

On behalf of the people in my electorate, particularly those in the Emerald district and on the Central Highlands, I express sincere gratitude to those outstandingly able departmental officers who have shown that their workmanship is of very high quality. In carrying out their duties they have required the services of contractors, and they, with their efficient employees, in turn, have done excellent work. The progress that has been achieved on the construction of the Fairbairn Dam has unfolded like a fantastic story. It has been an education for me to visit the dam site periodically and view that progress. I sincerely hope that the people of Bundaberg will take a continued interest in their scheme. If they do they will see what man can do to assist nature for the benefit of mankind and, of course, the State.

Mr. AHERN (Landsborough) (5.3 p.m.): I compliment the Minister on the proposal. Like the hon. member for Barcoo, I believe that it will be well received by all hon. members. However, I am prompted to rise because my mind goes back to the early part of the history of this scheme. I can remember a friend of mine being involved in an incident during the recent Federal election. A small A.L.P.-inspired news service in Canberra circulated a release from the national capital that unofficial sources in Canberra said that the Bundaberg-Kolan scheme had been officially shelved. The Bundaberg "News-Mail" at that time carried a front-page headline that the scheme had been shelved by the Federal Government.

That action was absolutely scurrilous in Federal politics, and it was inspired by the Australian Labour Party. At that time I thought that the Labour Party was more interested in seeing the shelving of the scheme than its implementation.

John McEwen was on the phone the next day to the local radio station to emphatically deny the situation. He had stated previously, in Bundaberg, that the Bundaberg-Kolan scheme should receive top priority in the allocation of Federal funds. At the time, the member for Bundaberg, and his supporters, including the member for Wide Bay, scoffed at the suggestion and said it was political propaganda. What happened? The scheme received top priority, and that is why the motion is before us today.

Mr. Casey: It received top priority because he thought he would be defeated in the 1969 election.

Mr. AHERN: The hon. member would have to be joking when he says that the decision to proceed with this scheme was inspired by political motives. That is absolute nonsense. Only the Labour Party sought to make political capital out of the issue.

I congratulate the State authority on its initiative in saying to the Federal Government, "We will go ahead with the initial stages of the scheme and then invite you to assist us." That is what happened. The Australian Country Party leader, John McEwen, gave an assurance that was honoured. I hope the people of Bundaberg appreciate that.

I have spoken before in this Chamber about priorities allocated to water conservation in Queensland and Australia, and I have been taken to task by some hon. members for certain of my statements. I spoke in this Chamber about the need, in today's agricultural climate, for certain revision of thought relative to national priorities in water conservation. It is far too easy in Australia today to adopt the stockman's rationalisation of the situation and say that Queensland is a dry country, Australia is a dry continent, and therefore water conservation ought to receive top priority in Government expenditure.

It is easy to rationalise, but the solution is not as easy as that in the light of today's agricultural situation. We are facing gross surpluses of most of our agricultural commodities. I have said here before that, from now on, State and Federal Governments, in the national interest, should revise their policies on new development schemes. I emphasise the word "development". According to my definition, the scheme before us is not a development scheme, but a consolidation scheme. For example, a proposal to establish a dam complex that would initiate the use of another 300,000 acres for agricultural production of a commodity that was already over-supplied would, in my view,

be development policy which State and Federal Governments ought to look at critically. The scheme we are discussing is not a development scheme, but one that places emphasis on consolidation of industries stricken by drought.

As I understand the report that we have had before us for some time, the annual rainfall of the affected area is 44.3 inches. It is not very reliable, and the incidence of drought in the area makes cane-growing an extremely difficult operation.

In the light of my previous comments I have no hesitation in saying that this scheme is a very sound national and State investment. It is interesting to record that the Commonwealth has contributed \$12,800,000 and the State \$8,300,000 towards this scheme. Queensland has fared exceptionally well in Commonwealth assistance for irrigation schemes. I should like to see more consolidation schemes in the future, and I believe that the Commonwealth Government is, and ought to be, having a look at its over-all national policy in this regard.

I was particularly interested in one section of the report, which says that one of the prime objectives of the scheme is to prevent the intrusion of salt into the underground basin and to replenish underground water supplies. This is a very good motive and one which we should pursue further in Queensland. Our underground water supplies or aquifers that are suitable for irrigating agricultural crops are becoming fully committed, and they should be replenished.

Quite often, we do not comprehend the problems associated with putting onto land water that is not totally suitable for irrigation because its salt content is unduly high, and by "salt" I mean sodium ion. This is a fact of life in Queensland which is causing considerable concern. An alarming number of aquifers which are being exploited in Queensland have a not insignificant content of sodium ion. This applies not only in the Bundaberg District—and the solution in that area is before us at the moment—but also on the eastern Darling Downs. The Minister and the Commissioner are fully conversant with this problem. Irrigation with water which has a relatively high content of sodium ion will have harmful effects, in the long term, on the physical characteristics of our soils.

Mr. Davies: In the same way as fluoridation in the long term will have ill effects.

Mr. AHERN: I expect that sort of comment from the hon. member for Maryborough. He is the only member of this Committee who would say such a thing. The two ions are completely unrelated and the two situations are completely north and south or east and west.

The use of water containing sodium ion will, in three or four years, lead to a breakdown of the physical characteristics of the soil on the Darling Downs. I believe

that State soil conservation authorities should be interested in this question. The soils of the State are a national asset, and, whilst Mike Ahern might have a piece of land on the Darling Downs and might want to do what he likes with it, I do not think that he should necessarily be able to do so. I think that a potentially serious situation is developing in this area. I hope it can be corrected without the ultimate solution of licensing irrigation with underground water, with licences being issued only on the understanding that gypsum will be used in certain quantities to counteract the effect that the sodium ion in the water has on the soil. I ask that some consideration be given to this potentially serious threat to the physical soil structure as a result of irrigation from certain underground water supplies in Queensland.

I believe it is true to say that State Governments could benefit to an increased extent by greater over-all evaluation of projects before they are presented for implementation. There appears to me to be great benefit in relating, first of all, any over-all programme of development to the most relevant criterion, which is the need for a satisfactory income for the farmer. That surely is the most relevant criterion for which we should ultimately aim, as it is not much use putting a farmer on the land if he is not going to earn a reasonable income.

Secondly, that first criterion should be integrated with the over-all engineering planning. I know that that is being done to a certain extent now, and I refer particularly to some recent observations that I have made of irrigation facilities in the South, where it was shown that for certain crops more frequent irrigation at a lower rate was much more beneficial than irrigation twice a week, for which the channels were designed. In other words, although the project was engineered for the provision of irrigation twice a week, agronomic factors of the crop concerned showed quite clearly that a lesser quantity of water could be used if irrigation was carried out four or five times a week. I therefore think that more over-all planning might be worth while in future schemes. I might add that in saying this I am making no criticism of the scheme now under consideration. Consideration should also be given to the agronomy of all the crops likely to be grown. Federal and State Governments also have to look at over-all national priorities in relation to water conservation investment in this country. This has come under some criticism recently by some economists who say that too much money is being spent on water conservation. I make no such criticism.

I now summarise the points that I have made today. I compliment the Minister on the introduction of the scheme, and I wish it well. I know that it is a consolidation scheme rather than a developmental scheme,

and I welcome it. I hope that some consideration will be given in future by the Irrigation and Water Supply Commission to carrying out research, in conjunction with the Department of Primary Industries, into the problem of the sodium ion in Queensland soils today, and the possible use of gypsum to counteract it.

I hope that in the future, now that the computer age is here, greater consideration might be given to integrating an over-all plan of economic evaluation, national priorities, the agronomy of the various crops involved, the water storage that is needed, and the engineering channels required to deliver a certain amount of water at a certain time to suit the agronomy of the crops involved. The primary consideration of the scheme should be to optimise over-all net farm incomes.

I compliment the Minister on his introduction of the measure.

Mr. WALLIS-SMITH (Tablelands) (5.21 p.m.): With other hon. members on this side of the Chamber, I fully support the scheme as outlined by the Minister. I am very conscious that water is a wonderful asset in any part of the State, and the Opposition has proved by practical measures that it knows the value of water conservation. One of these practical measures is the Tinaroo Falls Dam, for which investigations, surveys and construction work were carried out by a Labour Government. Unfortunately for the A.L.P., the timing of that project gave a Country-Liberal Government the opportunity of placing the last bucket of concrete in position, unveiling the plaque, and opening the system. History could repeat itself, and I predict that, upon the completion of this scheme, the hon. members for Salisbury, Bundaberg and Isis will be arranging the opening ceremony.

Mr. R. E. Moore interjected.

Mr. WALLIS-SMITH: I do not say that in any light or facetious vein. Despite the interjection of the hon. member for Windsor, I say it with all sincerity.

While I was hurriedly writing a few notes on the remarks of speakers who preceded me in this debate, I heard the hon. member for Landsborough say that the A.L.P. had misused the Bundaberg scheme for political purposes. Maryborough is my home town, and Bundaberg has been well known to me over many years. I visit Bundaberg frequently, and the persistent rumour I heard there was that this scheme would not have been given priority if the hon. member for Isis had not won the Isis by-election.

Mr. R. E. Moore: That shows how wrong you can be.

Mr. WALLIS-SMITH: Here we have the actual fact, and it seemed to me that the hon. member for Landsborough suddenly

came into the fray and, like the young fellow who put his finger in the hole in the dyke, tried to stem the flood.

The cost of phase 1 of Stage I is estimated at \$21,000,000, but it will increase the efficiency and security of the sugar industry in the Bundaberg region, which is now worth \$30,000,000 annually. That is very desirable, more particularly because the completion of the scheme will give security to the 1,485 cane assignments in the area.

In considering this scheme, I have in mind the way in which officers of the Irrigation and Water Supply Commission worked out the development of the tobacco industry in the Tinaroo area. As a result of experience there, they were able to speak with some degree of certainty in the Bundaberg area because of the established industries. In North Queensland, in the Mareeba-Dimbulah area, this industry was expanding slowly. It had many obstacles to overcome before it stabilised itself, but in this instance, Mr. Haigh, Mr. Harvey and other officers were able to fix their estimates of charges and so on on a sound and solid basis. I am always amazed at the facility with which these men are able to produce a report. I had a look at the Bradfield scheme in a book that is in the Library, and I was amazed at the intricate detail that goes into these investigations and reports. I congratulate anyone who had anything to do with this report and the drawing up of the plans attached to it.

The \$50,000,000 loss mentioned in the report in the 11 years of drought at the turn of the century is easily understood and is the basis on which we can say, "No longer will a lack of water be the cause of a drop in production in the district, and no longer will hardship prevail among so many people on the land."

Mr. Tucker: It makes them completely independent of the seasons.

Mr. WALLIS-SMITH: As the hon. member for Townsville North says, it makes them completely independent of the vagaries of seasonal rainfall.

Another point I should like to raise with the Minister and officers of the Department of Primary Industries was touched on briefly by the hon. member for Mackay at the end of his speech. In many instances a town or district depending on one crop or one industry is vulnerable because it is affected by many phases, national and international, beyond our control. Although we can produce the commodity, the actual marketing of it and the return to the grower are governed by people some distance away and out of our control.

I know that the Bundaberg area grows some tobacco. It is not really tobacco soil, but I suggest to the Minister for Conservation and the Minister for Primary Industries that this be considered as an alternative crop.

I should be quite happy if the Department of Primary Industries undertook as soon as possible research in the area to see if an alternative crop can be produced, even in an experimental manner. In Mareeba, just outside the 30-inch rainfall area, rice is grown. Why? Because the soil is right and the water is available. These are points the Minister for Primary Industries might study. He may find that other crops can be grown in the Bundaberg area that would find a ready market and provide a good return for the grower.

Bundaberg is a delightful town, and, as the hon. member for Bundaberg said, an alternative crop should be considered whatever the cost. No cost is too great to safeguard the investment and livelihood of the people who live there. In many instances they will speak about their fathers and their grandfathers, who were born and reared in that area. This indicates a feeling of security in the area; it indicates that the climate is good, that the services are good, and that, generally, it is a delightful place to live.

Following on the remarks of hon. members who represent the area, I indicate that the Opposition will support the scheme and not "knock" it. I hope that the Minister and his officers will consider some of the matters that have been raised, and that they will accept my suggestion to provide for alternative crops in the district now that adequate water supplies will at all times be available.

Finally, I refer to the cost of water to the grower. I ask the Minister not to endeavour to turn the scheme into a business by selling water. It is wonderful to think that in two or three years' time in that portion of the State drought will be beaten and sufficient water will be made available to grow crops. However, I stress that the water charges must be at a level that can be borne by the farmers, and they must be reviewed from time to time. One way of relieving hardship to primary producers is by providing water at a reasonable cost, so I ask the Minister to ensure that this is done.

Mr. LICKISS (Mt. Coot-tha) (5.32 p.m.): A scheme such as the one under review can be divided into two categories: first, the engineering feasibility of water storage and, secondly, its economic evaluation. Those two aspects need to be matched, and I believe that the proposed scheme matches them. I have mentioned those two categories to answer a number of the comments made by the hon. member for Mackay. It is interesting to hear an hon. member introduce rural industry politics, particularly those of a parochial nature, into a debate. I suggest that the hon. member for Mackay has done that. He spoke at some length on the economic evaluation of the scheme.

In a recent debate the Deputy Leader of the Opposition referred to the Burdekin scheme. To give him due credit, I point out

that he said he believed that scheme was necessary to provide water for Townsville, and that this was the No. 1 priority. I do not think I have incorrectly recalled what he said.

In 1964, in dealing in this place with the Burdekin scheme, I said that I doubted its economic evaluation although I believed that it was a feasible engineering project. If any scheme has given the Labour Party more political mileage, so to speak, than this one, I am yet to hear of it. Indeed, the adviser to the then Labour Government, Mr. Colin Clark, described the way in which the Burdekin scheme was being used as the greatest piece of political chicanery of all time. At that time I said I believed that the order of priority of water usage in the Burdekin scheme was: water for Townsville; water for the generation of electricity; and water for irrigation purposes.

Although the Deputy Leader of the Opposition now says that it is economically feasible to use the land for rural pursuits, the problems created by the clay soils of high saline content which are impervious to water have not been overcome. It was known that the only industry that could succeed was rice-growing, but it must be realised that rice is over-produced in the Murrumbidgee and Leeton areas.

Mr. TUCKER: You must admit that there are different types of rice.

Mr. LICKISS: Yes, I do. I know that there is a long-grained type and other types. The Northern Territory, which has adequate land and water, has a rice-growing potential.

Mr. TUCKER: We can produce two crops while only one is being produced in the South.

Mr. LICKISS: I am still considering the economics of the industry.

It is interesting to note that, after six years, the Deputy Leader of the Opposition substantially agrees with the statement I made in 1964 about priority of use of the Burdekin River water.

Mr. TUCKER: If you were fair you would look at the speeches I made before then. If you did, you would find that I said the same thing.

Mr. LICKISS: If that is so, I am glad that the hon. gentleman agrees with the priorities I outlined. However, in this situation, the hon. gentleman is like Robinson Crusoe amongst Opposition members, because all of his colleagues seem to be against me.

The member for Mackay was somewhat parochial in dealing with the effect of this scheme on the sugar industry. He gave the Labour Party credit for Queensland's sugar legislation. I am the first to admit that the sugar industry is a very sound industry. The hon. member, on the basis of consistent over-production in the Mackay area for a number of years, was critical of the very system that enabled the legislation to be

generally implemented so successfully over the years. In other words, he wants to have it both ways. A controlled industry like the sugar industry cannot be successful if those in it want to have it both ways. On the one hand the hon. member praised the system, but he then condemned it because his area cannot flourish as it would under such a scheme.

Mr. Casey: You want to stick to The Gap, where you know what you are talking about.

Mr. LICKISS: I point out to the hon. member that I once owned a cane farm. I wonder if he has, and whether he has had any experience in sugar production.

Mr. Casey: I have had plenty of experience.

Mr. LICKISS: I now come to the contribution of the hon. member for Barcoo, who said how pleased he was to see this scheme under way. I give him credit for his view that this scheme demonstrates quite clearly that the States can handle these projects, and that all we require from our Federal colleagues is the necessary capital to implement them.

That raises another matter under the Federal system as we see it at the moment relative to Commonwealth-State financial arrangements. I know that we must go through all the rigmarole of having the Snowy Mountains Authority and the Bureau of Agricultural Economics investigate such schemes to ensure that they are worth while. That is done only so that we may get the necessary finance. Our own departmental engineers have the capacity to implement schemes such as this equally as well as the best constructing authorities in the Commonwealth. I pay credit to Mr. Haigh and his departmental officers for the excellent planning and control of projects under their jurisdiction.

If we could describe this project briefly, we would say that it is a project to stabilise an existing rural industry which, under the recent adverse seasonal conditions, has shown that it has a definite water problem. It is well known that, with suitable soils and the application of water, the rural aspects of sugar production are such that it verges more or less into a guaranteed industry. I suggest that the implementation of this scheme will ensure an industry in perpetuity in Bundaberg and the general surrounding area.

This is a practical solution to a problem which has recently presented itself. If we, as the Government, are to give more than lip-service to sustaining population economically outside the vast provincial centres, which are growing and will continue to grow because of industrialisation, we are doing the correct thing in stabilising a population with its industry in areas such as Bundaberg. I support the scheme and congratulate those associated with it.

Hon. N. T. E. HEWITT (Mackenzie—Minister for Conservation, Marine and Aboriginal Affairs) (5.42 p.m.), in reply: The hon. member for Salisbury claimed that the State was lagging behind in water conservation. When we became the Government of this State, the total water storage was 380,000 acre-feet, whereas when the storages under construction are completed, it will be 2,200,000 acre-feet.

Mr. Sherrington: That doesn't prove we are not lagging behind.

Mr. N. T. E. HEWITT: It shows up previous Labour Governments. I happen to come from an irrigation area where people suffered for a long time under Labour Governments. If the hon. member wants to play it this way, I am prepared to do so. I am pointing out the facts as they are and I am prepared to give them to the hon. member as they are, even if he is not prepared to accept them.

I am prepared to give credit to the Labour Government for the instigation of the Tinaroo Falls Dam. Why wouldn't I? But, at the same time, let me say that we spent exactly the same amount of money, or very close to it, as the Labour Government spent in instigating that scheme. So let us be fair in these things and not be biased, as the hon. member often is in this Chamber.

He spoke of a lack of Commonwealth finance. Possibly we are not happy, but we can look back over the years and remember what has come to us in the way of finance. We have seen some \$35,000,000 come to this State from the Commonwealth in recent times—approximately \$20,000,000 for the Fairbairn Dam and \$12,800,000 for the present scheme. In addition, some \$2,000,000 was provided for measurement and investigation of water resources. Further requests are before the Commonwealth Government for the Pike Creek Dam and the Bowen River—Broken River scheme. We will go back to the Commonwealth Government for more money for the Bundaberg scheme when possible substitution of unfavourable areas in the Isis and Gin Gin districts has been sorted out. That is all I have to say in reply to the hon. member for Salisbury.

The hon. member for Burnett, quite naturally, pushed for the provision of the Gayndah weir, and he is entitled to do that. Every hon. member is entitled to fight for his own area; he should not be here if he is not prepared to do that. We will investigate the possibility of having that instigated as early as possible, in the second stage of the scheme. Like me, he is unfortunate. I have a \$6,000,000 dam in my electorate, which would supply the Burnett River. But I am unable to make it rain and, although that storage has been completed for over two years, it has not enough water in it to irrigate one farm. I thank the hon. member for his contribution.

The hon. member for Isis adopted a sensible approach, and I appreciate the manner in which he put forward his point of view. Although we would like to do what he asks, we cannot, because the scheme has to proceed as planned, and naturally the Monduran Dam has to be the first part of the scheme. When we have gone into the matter of substitution of more suitable land, we will be returning to the Commonwealth Government for further assistance. At present \$32,800,000 has been received in Commonwealth grants, and that amount is 21.8 per cent. of the \$150,000,000 allocated as national water resource development funds. Queensland has therefore not done too badly in recent times.

The hon. member for Burdekin referred to the problems being encountered in his area. No-one knows better than I, the Commissioner, and my staff the real problems facing the Burdekin area now, especially at Giru where, in addition to problems with water supply, there are also problems with salt. The hon. member can be assured that that matter is being considered, and that everything possible is being done to overcome the problem at the earliest opportunity.

The hon. member for Bundaberg made his contribution. In the main, he supported the scheme. He said that there would be no funds available in 1970-71. I say to him that Commonwealth funds amounting to \$1,250,000 will be available this year, and they will be spent on the Monduran Dam.

The hon. member for Mackay referred to the basis of the scheme. Naturally it could be based only on the sugar industry, and it is aimed at stabilising it and improving production on land presently assigned. In other words, no new assignments are proposed.

The hon. member for Landsborough discussed quite a few aspects of Commonwealth finance. He also referred to the replenishment of underground supplies, and the prevention of salt-water intrusion. It is true that almost all Queensland's underground water supplies are overdeveloped. Investigations are in progress in some areas to see if artificial recharging of underground supplies is practicable. Artificial recharging of the Burdekin Delta was the first work of this type in Australia. The quality of water for irrigation is certainly an important factor, and work to maintain its quality has been initiated.

The hon. member for Tablelands made quite a useful contribution. He mentioned alternative crops, and he referred to the cost of water to the irrigators. This matter was discussed with the irrigators in the Bundaberg area, and agreement was reached with 92 per cent. of landholders. In addition, the water charges were supported by the mills. It can therefore be said that at least the water charges are satisfactory to those who use the water.

The hon. member for Mt. Coot-tha raised certain other aspects of the matter, and he paid a tribute to the staff of the Irrigation and Water Supply Commission.

The hon. member for Barcoo devoted virtually the whole of his speech to what officers of the commission have done over the years. As one who has in his electorate the oldest irrigation scheme in Queensland, I feel that no-one has had closer contact than I with these officers over many years. I join with the hon. member for Barcoo in paying a sincere tribute to Mr. Haigh and his officers for the work that they have done, and the sincerity with which they go about their jobs. They are devoted to their task, and I am sure that all hon. members agree that they do their best in the interests of the people of Queensland.

I am sure that the scheme will be of great benefit to the Bundaberg region as a whole. It has taken some time to get off the ground, but I am pleased that, now it has come before the Committee, hon. members have signified their agreement with it. I look forward to the day when it is completed.

I wish also to pay a tribute to the Bundaberg and District Irrigation Committee, led by Mr. Ben Anderson and supported by many people in the area. The committee members did a great deal of work, incurred a great deal of expense, and gave much of their personal time in an endeavour to put the scheme in its correct perspective so that the Government of this State could submit it to the Federal Government.

I thank all hon. members for supporting the motion.

Motion (Mr. Hewitt) agreed to.

Resolution reported, and agreed to.

[Sitting suspended from 5.54 to 7.15 p.m.]

MARGINAL DAIRY FARMS RECONSTRUCTION SCHEME AGREEMENT BILL

SECOND READING

Hon. V. B. SULLIVAN (Condamine—Minister for Lands) (7.15 p.m.): I move—

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

The Bill and the agreement contained in it have been made available to hon. members, and I think it may be of some assistance if I comment on a number of the more significant aspects of the scheme and clauses of the agreement. The Bill was discussed extensively at the introductory stage, and I do not propose to repeat any more than is necessary the various points that were raised at that stage. I feel sure all hon. members will agree that the Bill was discussed extensively. And this is fair enough; it is such an interesting Bill. It provides for one of the first reconstruction schemes ever in the

dairying industry, and endeavours to solve certain problems that face primary industry generally.

Firstly, the scheme is a joint one involving the State and the Commonwealth. The Commonwealth has prescribed the main principles and objectives, and is providing the necessary finance to carry them into effect. Speaking on behalf of people in the dairying industry, I express appreciation of the Commonwealth's decision to make the finance available.

This particular scheme is designed to resolve a number of the problems that face the dairying industry at the national level and at this point of time. The Commonwealth's interest in reconstruction is desirable, not only in view of the adverse world market for butter but also because of the likelihood that Australia stands to lose its main market upon Britain's entry into the European Economic Community. Our geographical position and the fact that we have been a member of the British Commonwealth for many years, and have therefore had assured markets, must be matters of concern to those in primary industry, particularly the dairying industry.

The indications are that the membership of the European Economic Community is likely to expand, and now is the time for Australia to encourage and assist readjustments so that we will be ready for that expansion. It is apparent, therefore, that the scheme is desirable from the national point of view. In my opinion, it is also a good thing for more localised considerations. During the past decade we have witnessed a drift away from dairying as a way of life.

There are many reasons for this drift, and I think they were well canvassed by hon. members on both sides of the Chamber at the introductory stage. The comments made were very interesting, constructive and real. However, besides those who are able to diversify production away from dairying there are others who, owing to unsuitable farms or financial stringencies arising out of poor seasons and adverse markets, are unable to continue on the land and are in need of any special assistance that can be made available in order to finance a sale at a satisfactory price. In addition, there are small operators who can become more viable assets to the community if additional land is made available to them on the right terms.

Whilst the scheme is an attempt to face up to market realities, it also offers reasonable scope to those operators of small farms who feel they would like to try something else because of the trends which have made life more difficult for those engaged in the dairying industry. Those who want to get out should now find it more practical to get a buyer at a fair price. Those who want to stay, either in dairying or in something else, will now face better prospects and opportunities on a bigger farm.

To finance the scheme the Commonwealth has agreed to make \$25,000,000 available to all States over a period of four years. The sum is a budgetary provision which may or may not be sufficient for the purposes of the scheme. Recently there was some public comment that this sum could well be insufficient. It is not possible to assess at this point of time the extent of the operation, or the success of the scheme, although, in so far as Queensland is concerned, I intend to leave no stone unturned to ensure that full advantage is taken of this measure. It will be administered so as to ensure that the industry in Queensland gets every opportunity of taking advantage of this assistance, and it is my wish that these funds be fully used, and used to best advantage. I myself raised with Mr. Anthony, the Commonwealth Minister for Primary Industry, this very question, and accepted the statement of intention that, if experience demonstrates that the financial appropriation is inadequate, appropriate steps will be taken to supplement the fund. Mr. Anthony pointed out the difficulty in assessing the extent of funds likely to be required, and pointed out also that the Commonwealth would not allow the scheme to fail by virtue of insufficient funds. I am quite confident that if further funds are required to service the scheme, these funds will be available.

It is significant to underline that Mr. Anthony said the Commonwealth believes that this scheme cannot be allowed to fail. The Commonwealth realises the plight of the dairymen with over-production, and the threat posed by the possibility of the United Kingdom entering the European Economic Community. As outlined by me, this is a scheme to bring in finance to allow the uneconomic dairy farmer to get out of the industry, to diversify, if he wants to do so, or to build himself up to a more viable unit within the dairying industry.

It will be noted that the sum of \$25,000,000 is to be available to all States in a situation where separate allocations for each State have not been specified. Approaches were made to the Commonwealth for the making of separate allocations, but these were not accepted. It is almost impossible to assess accurately the degree of the problem and the allocation required in each State. When regard is had to the situation of the industry in some of the southern States—several hon. members referred to this matter during the introductory stage—I am inclined to agree with Commonwealth thinking on this point.

As I mentioned earlier, I intend to see that Queensland gets and uses its fair share of the fund, and personally I hold the view that the scheme is designed to assist not only the marginal dairy farmer, but also what might be termed the marginal dairy States. I say this in all sincerity. In broad terms Queensland produces an average of 160 lb. of butter-fat compared with 300 lb. in Victoria, so it is obvious that the Victorian dairy farmer is on a much better wicket

than his Queensland counterpart. This is all brought about by seasonal conditions, and not because the land on which people in Victoria are dairying is more fertile. Far from it. Originally it was very infertile soil, but with good rainfall and the application of scientific knowledge, it became highly productive country.

As a sideline to the introduction of the second reading of this Bill, may I say that when I was in Victoria recently studying national parks I took an interest in that State's dairying industry. In doing so, I was not trying to usurp the functions of my colleague the Minister for Primary Industries. My counterpart in New South Wales also administers national parks, and when we were driving through a certain area I said to him, "Let us get away from walking tracks and the beauty of national parks for a while and have a yarn to a few dairy farmers."

At the first house at which we pulled up, the farmer and his wife were having breakfast. As soon as we introduced ourselves as Ministers for Lands in Country-Liberal Governments we were welcomed, and within a few minutes we were enjoying a cup of tea and some toast. I said to the young farmer, "We are interested in your farming activities. Anything you tell us will be treated confidentially." That is why I do not intend to mention his name. I said, "I am interested in your production and your area because the country in Victoria, particularly in Gippsland and on Wilson's Promontory, is so different from that in Queensland." He was a modest type of fellow. He said, "Actually, I am not a top dairyman." I said, "I am not concerned about that. Would your mind telling me your acreage, number of cows, and production?"

He said that he had an area of 198 acres, that he milked an average of 120 cows and ran replacement stock, and that his production was 32,000 lb. of butter-fat. He said, "You know, you should not be talking to me; you should be over the fence talking to my neighbour who is a much more efficient dairyman than I am. Last year he produced 41,000 lb." I said, "By my standards you are not a real slouch. You certainly do not seem to be a bad sort of dairyman."

From there, we went to the heart of the Gippsland area. It is well known that Gippsland is the favoured dairying area in Victoria. There we met the chairman of the shire council. I have forgotten the name of the place, but that is not very important. I mentioned to him the figures that the young fellow had given to me. He said, "That is interesting. Actually, my family and I run five dairy farms. I am the father of five boys and five girls." I wondered whether he should have had 10 dairy farms—one each for his sons-in-law, too! He said, "Those figures are not bad, but we milk about 1,200 cows on the aggregation, and on the farm I personally conduct we milk about 220 cows." From

memory, his production for last year was in excess of 72,000 lb. of butter-fat. That gives an indication of what can be done.

Mr. Wharton: You have a good memory.

Mr. SULLIVAN: I am gifted in that respect. I mention those figures to indicate the situation in Victoria. That fellow could hardly be called an uneconomic dairy farmer.

This scheme will help some States more than others. With correct administration, and with dairy farmers obtaining the advantages to be gained under this Bill, Queensland can gain more from the Commonwealth scheme than perhaps Victoria can. That is why I am desirous of getting the scheme under way as soon as possible.

Returning now to a more detailed analysis of the scheme, I think it appropriate to outline its main function as expressed in the agreement. The agreement prescribes that dairy farmers whose farms have insufficient potential to become viable economic units while based on the sale of milk or cream for manufacturing purposes may voluntarily dispose of their farms to the State at market value and, after allowing for redundant improvements, the State may dispose of the land and useful improvements on the basis of the most practicable and economic land use with the object of building up other rural properties to economic levels permitting reasonable living standards.

The agreement also prescribes the financial arrangements which have been made between the State and the Commonwealth. The details of financial arrangements which are to apply between the State and the primary producer are not specified, with the exception that the terms and conditions of sale are to be based on fair market value.

Points of interest in these financial arrangements are that half the funds provided by the Commonwealth are made available as a non-repayable grant. The grant portion of the funds will be absorbed in writing down or writing off the value of redundant improvements. The grant portion will also absorb the various costs and losses involved in the process of acquisition and disposal, as well as the costs of administration. The grant section will also make it possible to extend a lesser rate of interest than would normally be possible. I do not have to argue that point, because I am sure all members on both sides of the House would agree on the importance of finance being made available at a rate of interest acceptable to people engaged in primary industry.

Mr. P. Wood: Do you think the value of redundant improvements in any one place would be approximately half the amount that might be lent?

Mr. SULLIVAN: No; as a practical man. I do not. I think the hon. member will appreciate that each case will have to be looked at individually. What he suggests

could happen in the case, of, say, the property of a person who over the years had over-capitalised by building a magnificent mansion, feed lots, a good dairy, and other such improvements. As a practical man, I would say that we will be looking at what those improvements would be worth to someone who does not want that type of over-capitalisation. I notice that the hon. member for Isis, who is a practical man, is nodding his head. I think he agrees with me on that point.

A further point of interest relative to the financial arrangements between the State and the Commonwealth is that the rate of interest on the loan section has been fixed at 6 per cent.—something less than the present long-term bond rate. The advantage here is that the State will not be faced with additional costs arising out of variations in the interest rate above 6 per cent. Needless to say, if the long-term bond rate falls below 6 per cent. the Government will be moving in the matter.

The financial arrangements between the State and the buyer of the marginal dairy farm are not specified in the agreement. This question is left to the discretion of the State. For the information of hon. members, I point out that the terms of purchase of marginal dairy farms will be the payment of a cash deposit of 5 per cent. of the purchase price at the time of purchase, with the balance payable over a term of up to 25 years. That is desirable, having in mind the difficulty of obtaining finance from lending institutions such as banks and pastoral firms, because it will put into the economy money that would not be there but for the good grace of the Commonwealth Government. As a result of representations from the industry and from the State Government, the Commonwealth Government is making money available on that basis. Interest will be payable on the outstanding balance of the purchase money at the rate of 5 per cent. per annum.

Again it is important to note that the 5 per cent. will operate for the 25 years. The land will be sold as freehold under an interim special lease tenure and the annual instalments of purchase price will be payable on 1 January in each year as if the payment were a rental.

After an initial holiday from the repayment of principal and interest, which will be available to any purchaser who requires this rest, the instalments will consist of 23 equal annual payments comprising purchase price and interest. If during the term of the purchase the purchaser makes payment of the full amount of the outstanding balance under the purchase, he will, of course, be issued with his deed of grant at that earlier time and will save the interest charge normally applicable.

I regard the terms of purchase as features of the scheme worthy of particular mention. The advantages are—

The provision to place a realistic value on useful improvements;

A low deposit of 5 per cent.;

A two-year holiday from repayments to give the opportunity of re-organisation;

A term of repayment much longer than that normally available; and

A rate of interest of 5 per cent., which compares more than favourably with rates presently being charged.

Those of us who have been in the dairying industry for many years, and those who, although they have not been in the industry, know how it works, will appreciate that the two-year holiday from repayments is about the only holiday that dairy farmers have.

The next point of interest might be the question of the qualifications or conditions that are applied by the agreement in respect of the purchase and sale of marginal dairy farms. The scheme, of course, is of a voluntary nature. It is important to remember this. Some of our critics have said that we are trying to force people out of the industry. That is far from our wishes. Finance is being made available under this scheme, and if people wish to avail themselves of it they do so purely and simply on a voluntary basis. It will be applied in Queensland in such a way that the vendor and the purchaser must reach agreement before coming to me or the officers of my department who will be administering the scheme. If the transaction is bona fide, is based on fair market value, is in the public interest and the farm is a marginal dairy farm, the transaction will be completed as quickly as possible.

I think it is most important that the transaction be promptly finalised and the purchase money paid over as soon as possible. I have stressed this requirement to my department, which will administer this scheme with the minimum of delay. Special arrangements are being made to provide prompt service and prompt attention to applications. These arrangements have been made to ensure that inspections and valuations are given particular attention so that applicants under the scheme will be interviewed on the ground promptly upon the making of an application. If we are to get full benefit out of the agreement, it will be essential to deal promptly with those who wish to come under the scheme. This will involve a high degree of personalised attention, because the nature of the scheme is such that it will involve a wide divergence of situations requiring individual consideration.

The scheme is designed to help do away with the marginal dairy farm. A farm which fits this specification may be amalgamated with another farm to make an economic unit in whatever form of production is involved. The definition of a marginal dairy

farm is therefore important, because this is the only land which can be used to reconstruct another farm.

Under the agreement, a marginal dairy farm must comply with the following characteristics—

- Firstly, it must be a rural property;
- Secondly, it must have a minimum of 20 milking cows;
- Thirdly, at least half of the gross income of the farm must be obtained from the production of milk or cream used in the manufacturing side of the industry; and
- Fourthly, the farm, if used wholly for dairying and related purposes, must not be able to produce 13,600 lb. of butter-fat per annum, or the equivalent thereof, in its existing state of development and under average management.

The dairy farmer who has operated a marginal dairy farm for two years or more may offer his land for purchase under the scheme. In the case of ill health or other disability, the condition requiring the operation of the farm for a period of two years may be waived. The buyer of that farm, if he intends to use the amalgamated farm for dairying, is required to have held his land for a period of at least two years. If the intended land use is not dairying, this two-year requirement does not apply. It is a requirement of the agreement that the amalgamated farm constitute an economic unit. An economic unit in respect of a dairy farm is prescribed as a farm capable of producing at least 17,000 lb. of butter-fat or its equivalent.

The scheme will be administered here on the basis that the vendor and the purchaser will make a joint application for consideration under the scheme. These applications will be examined within my department and submitted to a committee of two comprising a member of the Land Administration Commission and an officer of the Department of Primary Industries who has been nominated by the Minister of that department. That committee will recommend acceptance or refusal of an application for my consideration.

Apart from examining the bona fides, eligibility and capacity of the purchaser to repay, the committee will also be required to have regard to public interest in the light of regional welfare. I think it quite likely when this scheme gets under way that some joint applications might need to be refused on the grounds of public interest. In these cases I envisage that it will be necessary to acquire the marginal dairy farm so that the vendor will be given the advantages of the scheme. In any such case the State will then deal with the acquired land in such a way that it will have regard to regional welfare as well as land use.

In a scheme of this nature I expect a great variety of circumstances arising for special consideration, and the agreement with the Commonwealth has been drawn in such a way that the State has wide discretionary powers in this respect. Our commitments to the Commonwealth are such that there is plenty of room to manoeuvre to ensure that in reducing one problem we do not create another.

As I intimated at the introductory stage, I have arranged for the production of a brochure for the purpose of informing dairy farmers on the main points of the scheme. This brochure is being widely distributed and, in terms of arrangements made with the Queensland Dairymen's Organisation, I will be talking to groups of dairy farmers in appropriate centres. This has already been done by officers of my department, namely, Mr. Heffernan and other members of the Land Administration Commission, accompanied by officers at a slightly lower level. Dr. Alexander, of the Department of Primary Industries, who is jointly administering the scheme with Mr. Heffernan, is scheduled to talk at a meeting to be held at Nanango.

Mr. Hanson: Is Dr. McCarthy from the university likely to be there, too?

Mr. SULLIVAN: I could not say. If he is there, we will box on. We envisage visiting the Port Curtis electorate because it is a fairly large dairying area.

We are trying to explain the scheme to dairy farmers, and are in the process of arranging meetings to be held on the Eastern Downs, the Western Downs, at Laidley, and at Nanango. A meeting has been held at Warwick. It is important to outline the scheme to dairy farmers and be questioned on it. As a farmer, I realise the unsuitability of simply reading something out. We want to get the scheme going, and have distributed the pamphlets and application forms. Even at this stage we have received applications from a number of dairy farmers who wish to acquire uneconomic units, but we cannot do anything about them until the Bill has passed through all stages and receives royal assent. Having said that, I hope there will not be too much delay in the passage of the Bill.

Again I commend the scheme as a sound and practical measure and I commend the Bill to hon. members.

Mr. O'DONNELL (Barcoo) (7.50 p.m.): I was interested to hear the Minister's final comment about delay in the passage of the Bill. We have been waiting round for quite a few days since the Bill was introduced, so apparently the Government believes that the measure is not urgent. It appears that the urgency has arisen only today.

The previous proposal, which related to an irrigation scheme, and this Bill, which relates to dairy farming in this State and throughout

Australia, are two measures that, quite naturally, will be approved by all hon. members. I wonder if it is part of the Government's psychology, in not wishing a rather tense situation to develop in the political atmosphere, that we have seen introduced this afternoon a couple of placid issues designed to tone down any recriminations that might arise on other legislation that could have been discussed because of its earlier placing on the Business Sheet.

This is a very interesting Bill. Its financial aspect interests me greatly, and I should like to quote the following very important words used by the Minister:—

"The Marginal Dairy Farm Reconstruction Scheme and its principles are the property of the Commonwealth. The role of the State is to implement the scheme in accordance with the agreement, using funds provided by the Commonwealth for that purpose."

That is very good indeed. I sincerely hope that the scheme will be implemented on a national basis and that money will not be allocated to individual States on a quota system. I hope the money is applied to help the needy marginal dairy farmers of Australia, irrespective of their domicile. If that is done, it could be of great advantage to Queensland. However, if an approach is made on the basis of population, the number of dairy farms in a State, and so on, we could fare rather dismally. It is very important to Queensland particularly, on the figures quoted, which show that 90 per cent. of our dairy farmers are in the marginal category.

If the approach is as I hope, surely much good will flow to those who are in dire need, firstly, because of the state of the industry and, secondly, because of the unreliability of recent seasons. It is important that money be allocated on the correct basis, because I know there is a marked contrast between the Victorian dairying industry and the Queensland dairying industry. I am going from one extreme to the other in quoting those two States.

I am very interested in how the scheme will be applied. All I have heard expressed are hopes that it will be applied in the way that I would wish. I should like the Minister to inform us, if possible, that it will be applied in that way. If he has other information, I am sure that the House would be very interested to hear it.

Mr. Sullivan: What are you implying?

Mr. O'DONNELL: The \$25,000,000 that is to be allocated could be allocated on a State basis, that is, that so many people are involved, on a population basis, in each State of Australia, or it could be based on the economy of the industry in each State. Either basis could be used. Instead of dealing with those in need, a specific sum could be allocated to each State according

to the problem that exists in it. Perhaps that would not work in the best interests of Queensland. If we are destitute in that we have the greatest number of marginal dairy farmers, we should get most of the money and not have to share it either on a population basis or on some other basis that could affect the amount we receive.

Mr. Sullivan: That is the way the Commonwealth has designed it. It will work in this way.

Mr. O'DONNELL: I hope it does. I hope State borders do not enter the picture.

Mr. Sullivan: The Commonwealth said that any farm that produces over 12,000 lb. of butter-fat was not marginal or uneconomic. We got it increased to 13,000 lb., and I think it will work.

Mr. O'DONNELL: I want it to work so that each individual case will be treated on its merits and so that, in the application of the scheme, no consideration is given to State borders. I want them completely eliminated from consideration. This is an Australian industry, and it should be assisted on an Australian basis.

Mr. Sullivan: You have my assurance that I am not the least interested in the dairy farmer in New South Wales, Victoria or any other State.

Mr. O'DONNELL: Unless the Minister is interested, this money will be expended on a State basis and Queensland dairy farmers will not get as much as they should. That is why I am a little worried that I have not been given this assurance.

Marginal land will not necessarily be passed on to another dairy farmer. It can be used for any other purpose. Naturally, I say this with the Minister's approval. To my mind, this is quite satisfactory, provided the Minister is very careful about the use of the words "for any other purpose." Today, because of city and town expansion, some dairy farms are on city fringes, and the scheme being promoted tonight could well afford an opportunity for some people to venture into land development.

Mr. Sullivan: There is no way in the world I will give them the chance.

Mr. O'DONNELL: This is very important. Large profits can be earned in land development, and this scheme could well provide an opening for somebody to dispose of a marginal dairy farm to a land developer.

I am satisfied that the Bill is well intentioned. According to it, marginal land need not necessarily be sold to another dairy farmer. We realise the position of the dairying industry, and that in itself is a good motive. However, we also realise that we want to keep our rural land under production, so we should put it to its best use.

We have a double problem here. We are worried about dairy farmers not having economic units, and it might be in the best interests of the industry, in certain areas anyway, to reduce the number in it. It is not that we necessarily want to reduce numbers, because we know how valuable decentralisation is in Queensland.

Mr. Murray: Reduce the number of dairymen, not the number of cows.

Mr. O'DONNELL: That is so, to a certain extent.

I am rather worried about diversification. Frankly, I do not know into what we can diversify at the moment with any degree of safety without embarrassing another industry, and in this instance I refer to the beef industry.

A few moments ago the Minister, in referring to an economic unit, spoke about 12,000 lb. of butter-fat. He has had this problem dropped into his lap without handling any of the prior negotiations.

Mr. Sullivan: I can assure you that it is no problem to me.

Mr. O'DONNELL: Of course it is a problem. I shall prove that it is.

The figure that will apply under this scheme is, of course, 13,600 lb. of butter-fat. That is rather an interesting figure, as the facts show that the production of an economic unit is 17,000 lb. of butter-fat. In other words, an uneconomic unit has three-quarters, or less, of the production of an economic unit. These are figures that have been given to the House, and hon. members can make their own calculations if they do not believe me.

Down through the years, especially in recent years, there has been argument about assistance to people on the land, and those who are interested in land matters will remember that we barred people from entering land ballots if they had 50 per cent. or more of a living area. Dairy farmers will receive assistance if they have up to three-quarters of an economic unit, or, in other words, a living area in the dairying industry.

I know the Minister and his officers will be pleased about this, but I am left wondering why the Commonwealth Government allowed under the scheme a variation in the minimum butter-fat production from one place to another. It is, for instance, 13,600 lb. of butter-fat per annum in Queensland, and somewhere else it is 12,000 lb. One would think that the Commonwealth Government would say, "It is 13,600 lb. for everyone", or, "It is 12,000 lb. for everyone." I do not like schemes that prescribe two or three different figures, because after a while someone is likely to come up with yet another figure. It is quite possible for a State to come up with a figure of 14,000 lb. of butter-fat. I am not objecting to the figure of 13,600 lb.; I am saying that there is

a weakness in the scheme in that it prescribes different minimum quantities from place to place. I should like to see one figure set for all. After all, dairying is a national industry, and surely it will not be said that dairymen in Western Australia or South Australia are any better or worse off than dairymen in Queensland.

In considering what a producer on an uneconomic unit can do with his land, it is important to realise that he is not required to sell his property as a unit, and that a buyer is not restricted to the purchase of one unit. He may buy two units or, if he so desires, three units, because he is allowed to have a production of up to 34,000 lb. of butter-fat per annum after he has negotiated a sale or sales with uneconomic producers. These are points that should be aired. A further one is that the additional area need not be adjacent to his property; he may buy land situated farther away. It does not necessarily have to be situated close by. I am not sure that these matters are being publicised as well as they should be.

I commend the inclusion of one clause in the Bill. It allows the seller to retain an area on which his home is situated, and to remain there for the rest of his days, if he so desires. That degree of sentimentality in a Bill coming before the House is worthy of note. One does not often find such thoughtfulness in essays into legislation. Perhaps we are improving.

Another aspect that is not well known is that share-farmers or sub-lessees are not permitted to participate in the scheme. I know that some people will say quite quickly, "Why should they?" But some share-farmers own land and engage in share-farming on other properties. In what category does one place these share-farmers? If one reads the booklet, one sees that it says that share-farmers and sub-lessees are not allowed to enter into the scheme. In my opinion, that statement needs further investigation, because it is possible that in certain instances a share-farmer could take advantage of the opportunity to acquire land in a specific area that suits him. Because of his efforts in other fields of primary production, he could benefit economically from acquiring the land.

Mr. Murray: Would you amplify that?

Mr. O'DONNELL: The position is that a share-farmer is not permitted to acquire one of the units that are for sale. Let us consider an instance where a share-farmer owns a certain area of land on which he may be running only a small number of cows.

Mr. Chinchin: He is not a share-farmer; he is the owner of that property. He is a share-farmer on another property, but he owns the other property.

Mr. O'DONNELL: That is the very thing I am talking about. It shows how arguments begin, because cases of that type do arise.

When people wish to enter the scheme, differences of opinion arise in the same way as the one that has now arisen. Take the case of a share-farmer who owns a piece of land on which he could run 20 lactating cows but on which he is running only the number he can cope with and still be a share-farmer in grain on an adjacent property. He is automatically debarred from entering the scheme.

Mr. Chichen: No.

Mr. O'DONNELL: The point is that he is debarred twice. For the information of the hon. member for Mt. Gravatt, he is debarred, firstly, because he has fewer than 20 lactating cows and, secondly, because he is a share-farmer.

All has been plain sailing up to date, but if the hon. member disagrees with me—

Mr. Chichen: I do.

Mr. O'DONNELL: . . . when I say that complications will arise, I refer him to the front page of "The Queensland Dairy Farmer" on which publicity is given to the first complication. It is very interesting because the problem referred to is not covered by the provisions of the Bill and has not been referred to by the Minister. The article says that the scheme will be administered in Queensland with "the absolute minimum of red tape and maximum of flexibility in defining eligibility" and that there will be a real "we'll-come-to-terms" attitude. That was stated by Mr. Heffernan at a meeting of the Q.D.O. State Council, and he said also that a favourable decision was expected from the Federal Minister for Primary Industry, Mr. Anthony, on a submission made to the Federal Government relative to farms receiving a side-line income from the sale of pigs, calves and culled cows above a certain level.

Here is one of the first difficulties arising. This does not include dairy farmers who grow small crops as a side-line. Why should they not be included? I am asking this question. Perhaps there is an immediate answer but I am game to bet that before long these people I have mentioned will be asking why they are not in it. The liquid milk suppliers did ask if they were in it and they were told that under certain circumstances, they were.

These things have not been mentioned before, but they are now starting to come to the surface. These people are beginning to realise that there is much more in this scheme than they first thought and there could be certain arguments brought forward, whether by the Commonwealth Government or otherwise, to debar or to permit people who want to participate.

Mr. Sullivan: What did you say about the small crop farmer?

Mr. O'DONNELL: Some dairy farmers have, as a principal side-line, the growing of small crops. They, too, will no doubt be asking questions along this line. This is

important. I should like to give further details, because obviously hon. members opposite have not read this article.

Mr. Heffernan said—

"We expect a favourable decision from Primary Industry Minister, Mr. Anthony. We pointed out that it was never intended that these farms be other than marginal and should not be ruled out because of this side-line income.

"If the farm has swung over to pigs on a large scale, this is a different matter."

So let us see what the solution put up is. We get another complication. The article continues—

"What we have submitted to the Federal Government is that the cream income be increased by 50 per cent. and other produce related to production of the cow reduced by 50 per cent. to rationalise the situation, a proposition which the Government's negotiating officer did not object to in principle.

"Asked by Mr. C. H. N. Smith (North Burnett) to quote a hypothetical case, Mr. Heffernan said that, a farm with a gross income of \$5,000 for cream, this would be increased 50 per cent. to \$7,500.

"If gross income from sale of pigs, calves and culled cows amounted to \$7,000 (with \$6,000 for pigs), this would be reduced to \$3,500, making a total of \$11,000."

On we go with complications! These are the matters that concern me, because what at first appeared to be a simple issue has turned out to be a complicated one, when deciding how we can bring in almost everyone.

Mr. Murray: I feel sure there is a simple explanation. Mr. Heffernan would be almost spot-on on this, would he not?

Mr. O'DONNELL: I am not objecting to Mr. Heffernan; he is a friend of mine, but, since this Bill was introduced into the House, certain matters have come up for discussion and certain aspects, apparently not before realised, are now featuring in discussions.

Mr. Chichen: The question is, is this a dairy farm reconstruction scheme or a mixed farm reconstruction scheme?

Mr. O'DONNELL: For years, we have been thrashing out the questions: what is a dairy farmer; what is a grain farmer; what is a sheep farmer, and we have never at any time come up with a definition. The hon. member knows very well that in the wool industry five-sixths of the growers are producing one-sixth of the clip, or, to reverse the proposition, one-sixth of the graziers are producing five-sixths of the clip. But we cannot get a definition when we want to consider reconstruction. Here we are introducing matters that become a complication rather than a simplification.

In this matter we have the important point of restriction on purchase and transfer of ownership. When I first heard of this scheme, this worried me a great deal, because I wanted to know just how to prevent an exploiter, whether a seller or buyer, from taking advantage of the situation.

It is gratifying to see that the Bill lays down a two-year entrance period, provided the land is to be sold to turn it into an economic dairying unit. That is important. As well, certain restrictions are placed on sales. They are under the strict supervision of the Minister, who will make a determination in any case of hardship. That aspect was rather worrying, because we know that in any scheme in which money is involved some smart person will endeavour to make a quick dollar.

I feel that the scheme has been well thought out by its planners, and I give full credit to them. I have no criticism to offer; I am endeavouring to say that it would be a pity if their wonderful work could be spoiled by somebody who was able to find a loop-hole. It is the responsibility of members of Parliament to study Bills and to raise any argument that could reveal their weaknesses. I am not being destructive; I am simply bringing these matters to the attention of people who perhaps did not think of them.

Mr. Murray: You are looking for loop-holes and being constructive.

Mr. O'DONNELL: I am. I may not seize on the solution, but it is quite possible that some other hon. member can come up with a very good answer at the Committee stage, not because he had thought of it previously but because his attention was drawn to the matter. It is possible that the scheme might be improved as a result of the vigilance of certain hon. members.

I have dealt with the eligibility of a farmer to buy two farms to make an economic unit, provided he demonstrates his ability to repay. Now I would like to digress a little and recall an incident that occurred many years ago.

I spent approximately 10 years on the Darling Downs, where I lived among dairying people. I know quite a lot about them and their problems. One of my friends on the Downs said to me, "That gentleman who lived next to you is doing very well in the real estate business."

Mr. Murray: The Minister!

Mr. O'DONNELL: I am not being facetious. If I needed a clown to assist me I would not call on the hon. member for Clayfield.

My friend said to me, "That chap is in the real estate business. He is doing very well, but I disapprove of what he is doing. When a dairy farm in the district is for sale and he cannot push it through quickly, he canvasses the neighbours and subdivides.

Then he sells a piece here, a piece there, and a piece somewhere else." My friend then said, "I am against that, but he is a good businessman." To a certain extent, this scheme will do exactly what that estate agent did about seven or eight years ago.

Mr. Sullivan: Are you in favour of the scheme, or aren't you?

Mr. O'DONNELL: I am in favour of it; but does the Minister want me, as a member of the Opposition, to jump to my feet and say, "This is good", and sit down? If he were on this side of the Chamber, would he stand up and say nothing about a scheme such as this, or say only that he approved of it and then sit down?

Mr. Sullivan: No.

Mr. O'DONNELL: Then I suggest that the Minister remain seated until I sit down. I am allowed to speak for 90 minutes, and I will do so if I want to.

Mr. Murray: It would be far better for hon. members to wonder why you are not talking than to wonder what you are talking about.

Mr. O'DONNELL: The clown is at it again.

Finally, I want to deal with a matter that was raised recently by Mr. McFadyen. He speaks with authority in the industry.

Mr. Murray: Where do the complications arise?

Mr. O'DONNELL: The hon. member asks where the complications arise in the industry. Mr. McFadyen asked if it was possible for two farms with a quota of 40 gallons of milk to amalgamate. People will ask questions and the answers will have to be given by Dr. Alexander and Mr. Hefferman. They will have to assess whether the matters are worth taking to Canberra to seek the views of those who are administering the scheme on the many situations that can develop. The administration of the scheme is not as easy as it looks. In the short time that I have been on my feet it has been revealed that questions are being asked.

The Opposition wants to see the dairying industry revitalised if at all possible. The Minister referred to the fantastic figures of dairy farmers whom he met in Victoria. I know very well that recently the Victorian Government had the temerity to bring into being a land settlement scheme to put up to 500 dairy farmers into production.

Mr. Sullivan: They have abandoned that scheme.

Mr. O'DONNELL: They have not abandoned all of it, as quite a number went onto the land. The Minister would be surprised at the number who were put on the land. The scheme envisaged putting 500 on the land, and I should not be surprised if 350 were placed before it was abandoned.

Mr. Sullivan: That is right. You are talking about the Heytesbury scheme.

Mr. O'DONNELL: Yes. They did put men on the land.

Mr. Sullivan: It has been abandoned.

Mr. O'DONNELL: They put up to 70 per cent. of the applicants on the land, which was a pretty good effort. It should not be forgotten that 350 additional dairy farmers in Australia would have repercussions on those already in the industry.

Mr. Sullivan: You are not quite right. There were not 350 additional dairy farmers. Some were transferred.

Mr. O'DONNELL: They transferred share-farmers, and so on. It should not be forgotten that under this scheme share-farmers are out.

Mr. Sullivan: You are nearly right.

Mr. O'DONNELL: I am close enough to being right.

Mr. Sullivan: You are not close enough; you are partially right.

Mr. O'DONNELL: We will not argue about that.

The Opposition does not oppose the Bill in any way. The Minister can rest assured that he will not get another smoke of his pipe for half an hour or so, as other Opposition members wish to speak. Whilst he likes adopting the air of a practical or professional farmer, I admit that I am not a practical farmer. At least, however, I advance practical criticism, as will other Opposition members. It would be in the Minister's interests to listen to them. Opposition members have taken the time to study this measure because it is of particular interest to them. The marginal farmers are in a critical financial position being in an industry which has receive many set-backs and is suffering a recession as a result of the adverse climatic conditions of the last few years, which would be demoralising to anyone.

Mr. Sullivan: You are not suggesting that I am not interested in what hon. members will say, are you?

Mr. O'DONNELL: The Minister suggested that I should have sat down after giving voice to one sentence of approval.

Mr. Sullivan: I did not say that. You interpreted it in that way.

Mr. O'DONNELL: I do not misinterpret anything.

Mr. Sullivan: I am always interested in listening to what you have to say.

Mr. O'DONNELL: I will leave any further remarks to the Committee stage. We on this side approve of the scheme and wish it every possible success in rehabilitating those who are intimately involved.

Mr. WHARTON (Burnett) (8.25 p.m.): I rise to support the Bill.

Mr. Davies: Speak up.

Mr. WHARTON: I am sorry if the hon. member for Maryborough cannot hear me. He is not hard of hearing and can usually hear me. I appreciate the fact that he generally passes some comment or other that keeps me on the ball.

I commend the Minister on his introduction of the Bill. He explained many of its principles. Most Government members understand all the facets of this scheme and Opposition members should appreciate its virtues. While it possibly has some complications, it will do something worth while in Queensland where the dairying industry is labouring under some difficulty.

The hon. member for Barcoo made a number of valid points and raised a few queries. I was glad to hear him support the measure. There is an over-supply of butter on the Australian and export markets, and this surplus must be reduced so that those who stay in the industry will enjoy an economic return. Those who wish to sell should be able to obtain a reasonable price for their assets. If they wish to retire and leave the industry, they should be able to do so with a fair return. Surely we all believe that a person who wants to sell is entitled to fair value for the assets he has built up over the years.

The financial aspect of this scheme is important. A person can purchase extra land over a period of 25 years, on a deposit of 5 per cent., which is fairly reasonable, and for a period he is given a holiday from redemption payments and pays only interest. Because of this he does not need to touch his other assets or finance, and this relieves him of some of the problems normally associated with the purchase of land today.

This is a rather difficult time financially for primary production. A fortnight ago the Development Bank made extra funds available for farming operations, and loans were made available by the trading banks. Only this week a statement was made that all those funds had been allocated, so that financial restrictions still apply to the farming community and still hinder this facet of commerce. This scheme will give people the opportunity to acquire land and improve their financial position.

The Minister spoke about the position in Victoria. This scheme should benefit Queensland more than Victoria, which has higher rainfall and a more suitable climate, and, therefore, better pastures for dairying. I am happy to think that somebody in this country can enjoy these conditions.

The Queensland dairying industry was very prosperous when prices were realistic, costs were lower and people were able to develop their land.

Mr. Hanson: How many suppliers have you lost in Gayndah in the past 10 years?

Mr. WHARTON: I agree that the industry has gone back in the past 10 years because of high costs and many other factors, including our inability to increase the price of butter and so give the farmer an economic return. This has deprived him of the conditions which he should enjoy.

Mr. Davies: Costs have increased since your Government came to power.

Mr. WHARTON: That is quite incorrect.

Possibly in the very early days there was some need to raise the wages and living standards of workers. I remember that when I was looking for a job in about 1929 there was little reward for work, but since those days the Labour Party has done nothing but increase costs. Only yesterday an increase of \$11.50 a week was announced in a wage rate, and that is a pretty steep increase. The House knows that I do not object to high wages, but constant increases are unfair to farmers, who are not able to increase the prices of their products to recoup their higher costs. That tragedy is evident in the dairying industry today. The attitude of some members of the A.L.P. is to look after the workers, or themselves, without any consideration for the fellows who own land, pay interest on its purchase price, work long hours and endeavour to provide a quality product for the consumer. They are the real salt of the earth.

Mr. Jensen: How much has butter gone up in the last five years?

Mr. WHARTON: Hardly at all. It has gone up a few cents. And how much have wages gone up in that period? I think the price of butter rose about 3 or 4 per cent., whilst wages increased by about 26 per cent. Surely the hon. member for Bundaberg concedes that primary producers should be able to recoup their losses from increases in costs.

Mr. Jensen: I agree with you, but I still say that the price of butter has risen over the years.

Mr. WHARTON: Hon. members, as consumers, know that they do not have to pay a fair price for butter because the Labour Party said, "We can't afford it. We're too poor. We will eat margarine." The Government opened the door to margarine, and provided a substitute for butter.

Mr. Tucker: Who decides wages in this State? Is it the Labour Party?

Mr. WHARTON: No, it is not. The hon. member ought to know that. The Industrial Commission decides wages.

Mr. Tucker: Are you in favour of the Industrial Commission?

Mr. WHARTON: Of course I am—and I am in favour of an increase in its membership by the appointment of someone with a

bit wider experience; someone who appreciates that wages cannot be based entirely on capacity to pay.

Mr. Tucker: You are in favour of the Industrial Commission when it suits you, but, when it does not, you want to do away with it.

Mr. WHARTON: I am not like the hon. member who wants to have "two bob" each way.

Mr. P. Wood: Do you say that the Industrial Commission makes bad decisions?

Mr. WHARTON: No, I do not, and the hon. member knows that. I shall return to the Bill in a moment.

I merely want to say that, as a Government, we must see that justice is done to all. The pressure is on for wage increases. Mr. Hawke says, "We will get wage increases by hook or by crook; by negotiation or conciliation; through the Arbitration Court or without it." We, as a Government, must see that the people get justice.

Mr. Tucker: You are highlighting the weakness of your Government.

Mr. WHARTON: I would not say that at all.

Mr. Tucker: I would.

Mr. WHARTON: Of course, because the hon. member cannot see anything different. He knows how wage levels have risen, and, as a Government, we must see that justice is done for all. We do not want to kill the goose that lays the golden eggs.

It is ironical that one aim of the scheme is to reduce production. That will mean that there is not so much dairy produce for export, for which prices are low. There is the problem of the European Common Market, and there are marketing problems in the Commonwealth. On the other hand, while there is a surplus in this country, Australia is importing a great deal of cheese and other dairy products. That, of course, lessens the opportunity for the dairy farmer to sell larger quantities of his product.

Mr. Davies: Do you agree with the importation of cheese?

Mr. WHARTON: No, I do not. There is no doubt that the hon. member for Maryborough is a friendly interjector, but I ask him: why should anyone approve of the high volume of imports of cheese when there is a surplus of dairy produce in this country? It is wrong. The A.L.P. does not care as long as the workers receive higher wages and something for nothing from the dairy farmer. However, the dairy farmer has become a business man. He wants to become more efficient in his farm practice, and the Bill gives him the opportunity to do so.

The hon. member for Barcoo referred to several problems. He mentioned that in some rural communities it may be possible for a landowner to buy two or three farms. I think that the Committee considering applications must be allowed to adopt a reasonably wide and elastic attitude, so that each application may be dealt with on its merits. If a farmer amalgamated a number of farms, he would have first to arrange finance with reasonable repayment conditions. If he bought two or three farms, he probably would have to commit himself to high repayments over 25 years.

I am sure that the authorities would keep in mind the fact that it is not desirable to have a large number of farmers drifting away from rural areas. There is a butter factory in my electorate and if 25 per cent., 50 per cent., or any substantial number of the farmers left the district—I remind the House that it is not necessary that the farms shall remain dairy farms when they are amalgamated—problems would arise for that factory. It employs staff, and those men live in the town, take part in the community life, and make the town a better place for their families to live in. The dairy trading company in which I am interested employs 28 people, and the community will be affected very adversely by any general drift away of farmers. I am sure that the Minister will have something to say about that question, and the committee probably would consider it, too, because business enterprises in country towns would be affected. One hears a great deal of talk about decentralisation. Although Brisbane provides a ready market for dairy products, it will be a sad day for Queensland if everyone comes to Brisbane to live. The amalgamation scheme will, it is hoped, make good farmers better; but it is hoped, also, that it will not lead to a general drift from rural communities, thus lessening the effectiveness of businesses in country towns based on the dairying industry.

Many dairy farmers are committed to the Agricultural Bank, for drought-relief payments. When a farmer commits himself, he may not have paid his original account and may have further accounts to pay. These are circumstances over which he has no control. There may be criticism of him for taking drought-relief payments. But what is he to do? He might say, "I think it is going to be a fairly good season." It may not turn out that way. He cannot exist on his income, so he turns to drought-relief assistance. He probably feels that in time his position will be all right. Unfortunately over the last two or three years the break in the season has only been a momentary one and farmers find themselves recommitted to drought relief.

During a drought it is difficult to sell a property. The point I want to make is that the Agricultural Bank, in its wisdom, finances many farmers but, if a farmer has to shift to another factory—if a factory closes or

something else happens and he has to shift his account—the factory that originally guaranteed repayment to the Agricultural Bank still has to carry that debt. This is one of the things that I think is wrong. We discussed this yesterday at a dairy association conference.

Mr. Hanson: It has not been fixed up yet, either.

Mr. Wharton: This is true. The hon. member for Port Curtis would know because he is in a dairying area in which the Port Curtis Dairy Co-operative has a rather large interest. We always admire factories for the part they play in the dairying industry. But the fact remains that in the event of a shift by a farmer to another factory the Agricultural Bank ties the debt to the original factory the farmer was supplying. This particularly affects some of the nearer areas with factories over a wide area. I repeat that I think this is wrong. The place where a dairy farmer goes for the servicing of his product is the place that should attract his liability to the Agricultural Bank. I feel that, in the interests of the Agricultural Bank and of the dairy companies, this matter should be adjusted so that dairy companies will not have to continue to guarantee the debt of a farmer who is not supplying them. The repayment should be transferred to the factory he is now supplying.

The Bill contains many good points. It allows a farmer to leave dairying altogether or amalgamate. At the same time, if a farmer wishes to remain in a particular community and go to work in some other sphere, he can excise his home from the farm and remain in the community. Many dairy farmers have to go out and find other employment. In my own area some farmers do go out and work in orchards and other places during the year. Those in the sugar industry often go to Victoria to pick fruit. These shifts of employment are made necessary because of the seasonal nature of the work. It is a common pattern of activity.

I feel that the Bill has many virtues. I realise that some problems will arise in connection with it but I think we can commend the Minister upon the appointment of those who are to administer the applications. I have no doubt that Mr. Heffernan is a very competent man with a lot of common sense. If common sense is applied in administering this Bill many of the problems will be overcome. Common sense in any field leads to satisfactory results. The Bill is a good one; it serves a very useful purpose for Queensland dairy farmers. We can leave the matter in the capable hands of the Minister and his board of review. The interests of the country dweller will be preserved and the opportunity will be given to extend farming and other primary industries. While the scheme may cause one or two problems, I am sure that common sense will prevail and the Minister and his officers will ensure that justice is done to everyone.

Mr. F. P. MOORE (Mourilyan) (8.45 p.m.): I support the comments of the chairman of the Labour Party's lands committee, the hon. member for Barcoo. As he said, the Opposition is not against the Bill, but members on this side of the Chamber have the right to offer suggestions on certain points.

A Government Member: We will take them as read.

Mr. F. P. MOORE: If that "fairy" wants to butt in on me, I will have to deal with him. I do not know where he comes from, but if he is either the Yeronga or the Kurilpa "grazier" he can have his say shortly. I doubt whether he has mounted anything, let alone a horse.

Mr. Hanson: That's wrong!

Mr. F. P. MOORE: Possibly it is wrong.

Mr. SPEAKER: Order! I suggest that the hon. member apply himself to the Bill and not engage in—

Mr. F. P. MOORE: If you heard what they said—

Mr. SPEAKER: Order! I warn the hon. member that engaging in personalities against other hon. members is strictly out of order. I intend to apply that rule.

Mr. F. P. MOORE: Mr. Speaker, from my position in the Chamber I could hear certain words uttered in the far corner. I am sorry.

I must comment, first of all, on the previous speaker's reference to wage increases. I think it was the Deputy Leader of the Opposition who suggested to him that wage increases are not attributable to the Australian Labour Party but are granted by the Arbitration Commission.

The important point is that people like Mr. Heffernan, Dr. Alexander and Mr. Eaton will supervise this scheme and will help convert marginal farms into economic units. Therefore, the turnover will increase, as it has in other primary industries. In the most recent expansion scheme undertaken in the sugar industry an assignment of 1,250 tons was considered to be an economic unit, but the Central Sugar Cane Prices Board should have realised that 2,000 tons was nearer the mark. The sugar industry has its problems. I observe that in this scheme the Minister and his officers will go a little bit further than Western Australia and have stipulated that an output of 17,000 lb. of butter-fat represents an economic unit.

The principle of the Bill is to increase turnover and thereby increase the net return to the farmer. As a result, possibly marginal dairy farmers will be able to pay the wage increases that occur. I reiterate that such increases are not attributable to the Australian Labour Party. As the Opposition's shadow Minister for Lands has said quite often, we are entitled to bring certain points forward.

Apparently the system adopted throughout Australia today is "Get big or get out." That is certainly the principle of the Liberal Party. Possibly it is not the principle of the Country Party, although that party is forced to live with it.

I wish to refer now to a booklet that describes this scheme. It sets out that farmers will be able to sell properties at their current market values. But what are the current market values? In my electorate one farmer, while still holding his property, was forced to leave it. He did not have 20 lactating cows on it, which is the minimum figure provided under this scheme. Because of the provisions of the scheme he may not be able to sell his farm. That may not be fair to any marginal dairy farmer in a similar situation. Perhaps the Minister can enlighten us on this point.

The Minister for Primary Industries said today that he has every confidence in the Sugar Board. I, too, have every confidence in it. However, when a cane farm is being sold, the current market value may be stated by the Central Sugar Cane Prices Board but we all know that some money is paid under the table. I am sure that Mr. Heffernan, Dr. Alexander and Mr. Eaton will look after the Government's interests in this scheme.

We have been told that the current market value of a farm can be repaid in easy instalments. However, the explanatory booklet does not define what constitutes "easy terms". Possibly the Minister will elaborate on this important point in his reply.

The booklet says that in special circumstances dairy farms which are not marginal may, with Ministerial consent, be included. In other words, if they are just above the definitions outlined on page 4 of the booklet, they can be sold with the Minister's consent. If a farmer has a large area of 400 acres on which he has 20 lactating cows, the land can be sold. But if the buyer acquires the land to graze cattle and not to undertake dairying, what would be its market value in that case? I could refer to the value of grazing lands in my area, but when we allow people to acquire marginal dairy farms, I feel that a line must be drawn between those who acquire them for grazing purposes and those who acquire them to run a dairy herd.

As the Opposition's shadow Minister for Lands said, and I reiterate once again, we have every right to raise these points. It seems that the Minister for Lands has shown a little more foresight in this legislation than was apparent when the last sugar industry expansion took place, because he has increased the economic unit to 17,000 lb. of butter-fat whilst the Western Australian figure is 15,000 lb. In Western Australia a 25 per cent. increase is provided for, but it seems that the Minister has allowed for the future in this State.

I notice that page 7 of the booklet sets out what may and may not be acquired. One condition is that livestock and plant will be disposed of by the seller on his own account. What in the name of goodness can a man do with plant and a house if he has no property? A house is not worth anything without the land. The owner might sell it for removal, but in North Queensland, when the Government sells a school-house, it is lucky to get \$50 for it. How much would a dairy farmer on a property outside, say, Malanda, Innisfail, Gayndah or Gladstone get for a house on such a farm? This will be the responsibility of the fellow who, in the opinion of the Government, has already gone bad.

Mr. Muller: The scheme takes in the house.

Mr. F. P. MOORE: The scheme does not take in the house. It is stated quite clearly that the home area can be taken if required, but the retention of the home area is the responsibility of the seller. Livestock and plant are not the responsibility of the buyer. He need not buy them if he does not want them, and all he is after is the land. So what does the seller do?

The scheme refers to 20 lactating cows. They could be 20 "old crackers" not worth a dime. They could be breeders. No doubt the seller would put them up as lactating cows. Therefore, he could have problems in getting rid of livestock, plant and the home area. Of course, it may be possible for him to keep the home area.

The scheme allows for existing easements to a property, and some can be renewed. Imagine a fellow living on part of a property which has been sold to his neighbour as a marginal farm. Like most dairy farmers, the neighbour would drive his milkers through the original owner's yard. He would probably have to fence if he wanted to remain in that area. That will cost him money.

Paragraph (b) on page 9 of the brochure reads—

"If the amalgamated farm is to be used for dairying, the buyer is required to have held his land for a period of at least two years prior to the application."

I agree with that, but then follows—

"(This requirement does not apply where the land is to be used for purposes other than dairying.)"

I do not agree with that provision. If the person is dairying he must have held his land for two years, whereas if he is not dairying he need not have so held it. We have had this problem in the North. Doctors, solicitors, and other people are buying land as a capital investment and claiming it as a taxation deduction. Is the statement in the brochure correct? It seems that if I want to buy land for cattle-raising I do not have to observe that two-year condition.

The hon. member for Barcoo referred to the principle of one farm. The buyer can obtain up to two economic units and produce 34,000 lb. of butter-fat. A person who buys two or three farms producing up to 34,000 lb. of butter-fat could, after a period of time, decide that there is good money in the cattle industry. He could be producing 34,000 lb. of butter-fat on 1,000 acres, which could be a good economic unit, and then convert immediately to the cattle industry or the beef industry.

It is also stated on page 9—

"Where the land is not required by the buyer for amalgamation with other land owned or held by him, and where the buyer does not intend to use the land for dairying but for some other purpose such as farming or forestry, consideration will be given to the application, provided that in the opinion of the Minister for Lands the intended use is considered to be economically practicable and in the public interest."

I am not casting any aspersions on the Minister, but we can all make mistakes and marginal farms could be bought not for the sole purpose of the public interest.

It is stated on page 10—

"The buyer will execute an Improvement Agreement providing for repayment of the agreed value of the structural improvements upon the same easy repayment terms as for the land."

That possibly could cover the point that I mentioned previously, but most dairy farms are improved lands, and possibly the only thing that could be done to them would be regrassing or getting rid of the devil's feet. That is the position in my area, at any rate. I cannot understand how the other points in the improvement agreement will apply.

Over all, the provisions with regard to the holiday in repayments will be of great benefit to the people buying properties, but, as the hon. member for Barcoo pointed out, many problems will arise for those implementing the scheme.

We do not oppose the scheme, but we are at least trying to set out specific problems that could arise in the introductory period.

Mr. MULLER (Fassifern) (9.2 p.m.): As I spoke at the introductory stage of the Bill, I did not intend to participate in the second-reading debate. However, as I have become conscious tonight of the pessimistic attitude of Opposition members, I now feel obliged to speak at this stage of the Bill.

As a member representing a primary-producing area and one in which much dairying was carried on some years ago, I decided that it was necessary for me to do some research before passing comments on the Bill. I assure Opposition members that being a member of the Government does not necessarily put me on the Government's side. I felt obliged to analyse the contents of the

Bill to qualify me to comment on it. I have been out among a number of dairy farmers. I have asked them for their views, and their reaction to the intention of the Bill. I now assure all members that the result of that research has been most favourable.

As I listened to members of the Opposition (who, I presume, had the instruction booklet on the scheme before them) I was amazed at their confusion over a comparatively simple issue. First of all, the Bill contains absolutely no compulsion to sell. That is something that I think hon. members must have very clearly in their minds before commenting. If people desire to avail themselves of \$25,000,000 of Commonwealth money, the Bill provides an opportunity for those engaged in dairying and other forms of primary industry to do just that. I mention "dairying and primary industry" because people are not necessarily obliged to continue dairying if they amalgamate properties. That is a point we must not forget. All hon. members are very conscious of the fact that there are problems associated with the marketing of primary products, particularly dairy products, and it would be normal for a number of people to assume that the amalgamation of properties would lead to greater efficiency and, in turn, to an increase in production. That is not necessarily correct.

Let me leave that point for a moment and outline to the House some of the qualifications that are required. First of all, people cannot qualify by being back-yard dairymen. Although I am sick and tired of listening to references to the number of lactating cows, that, nevertheless, is one of the necessary qualifications. To be eligible, the farm must not have the capacity to produce 13,500 lb. of butter-fat. The hon. member for Barcoo referred earlier in the debate to men possibly increasing production out of proportion. I remind him that it is clearly outlined in the Bill that a man whose property is capable of producing 17,000 lb. of butter-fat does not qualify.

Mr. O'Donnell: That is what I said.

Mr. MULLER: I do not recall the hon. member's saying it. He was very disturbed about people being allowed to amalgamate properties producing up to 34,000 lb. of butter-fat. That is correct, but they cannot take advantage of the scheme if they produce more than 17,000 lb. on their original property.

Mr. O'Donnell: That is the buyer, not the seller.

Mr. MULLER: Both are involved. There cannot be a seller without a buyer. How one can be divorced from the other is beyond my comprehension.

The Bill contains another provision that I think primary producers will find very interesting. All hon. members will agree that today it is very difficult to raise the

finance needed to establish any project. Under this scheme primary producers will be able to borrow money at 5 per cent., with the assurance that the interest rate will remain unchanged even if they take the full 25 years to repay the amount borrowed. In my opinion, that is a worth-while concession. I certainly do not know of any lending authority that will offer money to me at that rate of interest over 25 years, and I am sure dairymen and other primary producers will appreciate that provision.

Reference has been made also to buildings and improvements on amalgamated properties. Take the case of the dairyman who has been established for a number of years. He owns his own home and does not require two homes. I suggest it is one of the merits of the scheme that there is no obligation on him to own two homes on one property when obviously he requires only one. In the city and other developed areas there is a ready market at all times for homes for either sale or rental. That does not apply on farms or country areas. I think I would be making a reasonable statement if I said that if a person built a new home on a farm property and attempted to realise on it within six months, it is very doubtful whether he would obtain 50 per cent. of the cost of its erection. Consequently I say that this is one of the merits of the scheme.

Further, livestock are not eligible for purchase by this means of finance. However, if the purchasing party desires to acquire livestock he is not prohibited from doing so. All he has to do is arrange his own finance. After all, it does not matter from whom the purchases are made, or how they are made. If a purchaser requires them, he will arrange his own finance.

Under this scheme the purchaser is required to have only 5 per cent. of the purchasing price. If he feels he would like to make a purchase and amalgamate a property but has not 5 per cent. of the purchase price, he should leave the whole venture alone.

I do not think I need say much more at this time. I have analysed the Bill, and I have spoken to many primary producers who are conscious of the merits of the scheme. They are appreciative of the Minister and his officers, and particularly of the Commonwealth Government, for making the \$25,000,000 available. There is only one note of warning I should like to sound. It is the one thing that, from the very inception of this scheme, has concerned me, and, if I feel some concern, this is the place to express it. I wonder whether \$25,000,000 will be sufficient to carry this scheme through to its ultimate and final conclusion. The cost of properties today, regardless of the fact that they are not netting 5 per cent. of capital, is, for

some strange reason, high. I am often amazed at the amount required to purchase one of these so-called low-return investments. Because of this, \$25,000,000 spread over the entire continent of Australia may not be sufficient. I am not qualified at the moment to substantiate my statement as to whether or not this is so because no research has been done on this point.

I readily agree with the hon. member for Barcoo that 90 per cent. of Queensland properties are at present eligible. If this is so, we can reduce it by half following amalgamation of these properties. There would then, in reality, be 45 per cent. of Queensland dairy farms eligible. If they all elected or nominated for participation in this scheme I am not sure what the financial position would be.

In conclusion, I congratulate the Minister and his officers on the preparation and construction of the Bill and on its presentation to the House.

Mr. BLAKE (Isis) (9.14): I have listened with interest to the remarks of previous speakers and I do not wish to speak at length. As the Minister said, many applications are already before the department and they cannot be processed until the Bill is passed through this House. I should not want to delay the processing of these applications because I realise just how eagerly so many people engaged in the dairying industry will seek relief through this Bill.

I can understand the haste with which many dairy farmers will wish to avail themselves of this finance because it will be a great improvement in their way of life not to have to milk cows before they go out to road jobs or railway works, do eight hours of work, and then milk the cows when they come home. I can assure hon. members that this is a very common occurrence and a normal way of life for many people engaged in the dairying industry, and it has been so for many years.

Those substandard conditions are not peculiar to the dairying industry. Deteriorating economic conditions are becoming common in other rural industries. Therefore, in thinking of the plight of many primary producers we have to approach the Bill constructively from wherever we stand politically, because it can be considered as a pilot exercise in rural reconstruction. Whether or not the Bill is imperfect, it behoves all of us to look at it constructively and attempt to make it work. If it fails the repercussions on many people in the dairying industry, and possibly in other rural industries, will be very great.

The scope of the scheme causes me some concern. I have no complaint about the terms of finance under the scheme, namely, a deposit of 5 per cent. and the balance to be paid over 25 years at 5 per cent., or

alternatively a two-year rest and repayments to be made over 23 years. However, the scope of the scheme appears to be far too limited. That opinion is shared by other people.

In "Queensland Country Life" of 1 October, 1970, Dr. Owen McCarthy, lecturer in economics at the Queensland University, is reported as follows—

"Governments were only thinking in terms of stop-gap measures when applying \$1,000,000 a year to each State for dairy farm amalgamation.

"Dr. McCarthy said money allotted by the Commonwealth Government to initiate farm amalgamation was too small to do any good."

I do not agree with that, but it appears that it could be too small to do much good.

The report went on—

"If farms could be bought at \$25,000, a very low figure, this meant that only 40 farms a year would change hands.

"This was a small number when thinking in terms of 9,000 dairy farms in Queensland.

"He said money in the coffers would certainly start to flow back to the Government but only at a slow rate with the buyer paying up over a period of 25 years. This money would be available to go out again for buying up properties, but initial amounts would not be much in the coffers."

On those figures that would be so, and it would take a long time for the purchase or utilisation of 40 farms for amalgamation to make a dent in 9,000 farms, as approximately 70 to 90 per cent. of Queensland dairy farms can be termed marginal.

The Minister has said that in discussions with the Federal Minister he has been either promised or assured that further finance would be made available if required or necessary. There is no question of it being either required or necessary; certainly it will be. I hope that the Commonwealth's indication will be honoured when the time arises, and I think that will be very soon. The scheme will need to be enlarged to deal with the demand made by the Queensland section of the dairying industry.

One hon. member asked, quite constructively, whether it was a dairy reconstruction scheme or a mixed farm reconstruction scheme. Frankly, from the information that we have been given, I do not know; however, that does not matter a great deal. The important thing is that, whether we like to face the fact or not, the world-wide demand for dairy produce is far below production. This scheme is designed to look after the welfare of the people who are supposed to benefit from it.

If the scheme achieves its objective of getting people off unprofitable, low-standard dairy farms, well and good. In my opinion,

it is of little significance whether this is a dairy reconstruction scheme, or a mixed-farm reconstruction scheme, so long as planning is instituted so that people do not move into what appear to be profitable avenues where, after a short time, they over-supply available markets and are no better off than when they started.

I have already explained it very simply in this way: if 10 people are sitting on a seat which has room for only 10, and another person tries to sit on the seat, he either pushes somebody else off one end, or the others gang up and stop him getting on. That is all that can be done with markets. There are unlimited markets, but, unfortunately, there are very few profitable markets. When looking at this as an economic reconstruction scheme we must bear that in mind.

I mentioned at the introductory stage that if we do not plan in this way we are only stopping-up a leaking structure until the pressure rises and leaks occur in other areas. I am not "knocking" the scheme, but I am foreshadowing what could happen if we do not plan properly and people are allowed to go willy-nilly into other avenues of production.

I appreciate what has been said about people leaving the land voluntarily or otherwise. It is a pity to see people being lost to the land, but there does not seem to be any alternative unless there is a reversal of Government policy, so that, instead of a massive single-city complex in Queensland, these people can be absorbed in other service industries. Without a reversal of policy they will not have much alternative other than to come to places like Brisbane. I say, without fear of contradiction, that unless Government policy is directed at starting a nucleus of decent complexes in decentralised areas, there will be no other place for these people to settle.

Our Minister has said, the Federal Minister for Primary Industry has said, and people overseas have said that too many people are engaged in producing dairy products in Europe and many other places. If it is necessary to have greater output from each farm to overcome the problem, and there are no increased markets available, it is inescapable that fewer people will be employed in the industry, if they are to have a viable enterprise.

Unfortunately, the hon. member for Burnett has left the Chamber. In speaking after me at the introductory stage of the Bill, he said, among other things, that my speech was the worst speech he had ever heard in the House. I would accept that, if the hon. member were deaf.

Mr. Wallis-Smith: He is very rarely in the House.

Mr. BLAKE: That may be so.

As well as saying that it was the worst speech that he had heard in the House, he made this allegation about me—

"Only recently I read in the Government Gazette that the hon. member for Isis was granted an increased farm peak, yet he wants to deprive the dairy farmer of the opportunity to obtain an extra quota for his butter."

Taking the last criticism first, namely, "yet he wants to deprive the dairy farmer of the opportunity to obtain an extra quota for his butter", I point out that in my speech I said distinctly that if a greater output per unit was required, and there were no further market prospects, the only solution was to have bigger units, bigger quotas, and fewer people in the industry. This has been repeated by many people in this Chamber. However, the hon. member for Burnett misconstrued it to mean that I was against increasing their quotas. Apparently he wants to increase their quotas and the number of people in the industry and so provide them with a more depressed market and put them in a worse financial position than they are in at present.

His second remark about my increased farm peak puzzles me greatly. I have not read this. Farmers in the Isis area do not have farm peaks. I was somewhat disturbed when the hon. member claimed that my speech was the worst one he had heard in this Chamber. There is always a time for self-analysis, so I analysed his statement and found that, in referring to my remarks on quotas and to my farm peak, he was ignorant of the matters he spoke about.

An Opposition Member: Why would he have told that untruth?

Mr. BLAKE: I do not think he told an untruth. In fairness to him, I do not think he knows any better. I think he had a burr under his saddle-cloth, because in my earlier speech I said that Government members had criticised Government policy. The hon. member for Burnett said he wanted a couple of months of drought-relief allowance paid at the one time so that they could do something worth while like buying a reasonable amount of fodder while it was available and before its price became extortionate.

I did not analyse his criticisms further because it was obvious that, in speaking about my farm peak, he had imagined the whole thing. There are no farm peaks in my area, so he could not have read about mine. Therefore, his judgment on the worth of his speech compared with mine can be readily assessed.

Mr. Casey interjected.

Mr. BLAKE: I do not know how he speaks. In fairness to him, I would say that he speaks with good intent but with very little ability.

Basically, I approve of this scheme. I am concerned, not with the terms of financing it or its application, but with the limited amount of finance available compared with the magnitude of the job to be done. As previous speakers have said, a great onus lies not only on the officers but also on the Minister, who has a discretion in administering this scheme, to decide the boundaries. There is always a line, and there is always some unfortunate person who has a foot on each side of it.

One thing that intrigues me is the priorities. We are told that a person can buy two farms to bring his production up to 34,000 lb. of butter-fat. If 17,000 lb. is considered a viable concern under this scheme—and I believe it is—34,000 lb. should be twice a living area. I do not say that it will be for many years to come, but on that basis it will be. As I said when the Bill was introduced, the Minister has a responsibility to ensure that no shrewd operator gets the chance to build up a worth-while enterprise or asset at the expense of the funds of the scheme and at the expense of financing people who are more deserving. It stands to reason that if finance is limited and one person purchases two living units to bring his production to 34,000 lb. of butter-fat, the money will go only half as far as if it had been used to produce two units each of 17,000 lb., thus helping two smaller producers out of trouble.

I would not attempt to say how the scheme should operate. I realise that it is necessary for fairly wide powers of discretion to be given to the Minister. Because this is virtually a pilot scheme for further reconstruction, which is badly needed in many forms of primary industry, I hope that the Minister uses that discretion to the greatest effect. I hope that the scheme, as a pilot scheme, is a success, not only because it will assist the dairying industry but because it will help to point the way for others in other types of rural employment who are greatly in need of succour at the present time.

Mr. CORY (Warwick) (9.31 p.m.): I rise to support the Bill, and to endorse the comments that I made at the introductory stage.

In the first place, I should like to pay a tribute not only to the Minister but also to the officers of his department who have had the responsibility of framing the Bill and working on its effects and side-effects over a period of years. When it was announced by the Commonwealth Government that a scheme of this type would be introduced if the States consented, this State examined the proposal and found the scheme as first presented to be wanting. Since that time officers of both the Department of Primary Industries and the Department of

Lands have done a lot of work in considering the application of such a scheme in Queensland.

I should like to mention particularly Dr. Alexander, Mr. Brian Heffernan and Mr. George Parker, who will be doing most of the work of sorting out applications and putting into effect the details of the scheme. I pay a tribute to the work of those officers who have spent a lot of time going round various areas in Queensland explaining the scheme to dairy farmers and others who may be interested in it so that they will know exactly what it offers. Dr. Alexander and Mr. Heffernan have been in the Warwick area. They attended a large gathering of interested parties, and they were received favourably. The people have appreciated the fact that these officers have been prepared to go out and explain the finer details of the scheme so that when it begins to operate as many as possible will know whether it applies to them and whether they wish to make use of it.

I should also like to mention that any scheme that affects the dairying industry must be considered in conjunction with the dairying industry as a whole. I refer now to the industry in southern Queensland, which is affected by milk quotas and milk supply franchises. It is realised that a production quota is placed on the dairying industry in Australia, and that Queensland has its production quota.

We do not know how important the quota will be to Queensland, because in the last couple of years production in this State has not reached the quota that has been allotted to it. When seasons become more favourable and production is at a high level in many areas, it will be possible to gauge the effect that the quota system will have on the dairying industry. I think we must consider the quota system and see what effects it might have when taken in conjunction with a scheme such as this.

One of the main points to which I wish to refer in the scheme is flexibility. Criticism has been made that there are inclined to be weaknesses in a scheme that provides for too much flexibility, and some honourable members have suggested that, in the hands of the wrong person, too wide a discretion can cover a multitude of sins. But I believe that it would be impossible to get a scheme such as this off the ground without flexibility in administration.

As I mentioned at the introductory stage, the first indication of flexibility is that it is within the Minister's discretion as to whether or not certain deals will be accepted under the scheme. I remind the House that the scheme will be financed from funds made available to the Minister by the Treasury and that interest rates will be fixed. These

matters have been dealt with by other honourable members, so I need not reiterate them. In addition, the mortgage on the purchaser's existing assets will not be affected in any way, nor will the security of the purchaser. This is not a banking exercise; it is merely a purchasing lease financed by funds made available to the Minister through the Treasury.

I wish to make some comments on the remarks of the hon. member for Mourilyan, who indicated that he did not understand some aspects of the Bill. He mentioned residences and said that either the buyer or the seller would have to dispose of them at sacrificial prices. He told the House that in his electorate railway and school houses were being sold at very low prices. Let me assure him that neither the purchaser nor the seller will be responsible for the valuation of or any depreciation on a residence. Any loss in that regard will be covered under the scheme. Admittedly, the seller may retain his residence if he wishes to do so, and a small area around it may be excised to enable him to remain there. That is his business. On the other hand, if the purchaser wants the house, he may take it at its value. If he does not want the house and the seller does not want to remain there, the house can be excised for sale if that is practicable under the conditions. In neither case is the seller or the purchaser responsible for any depreciation in value. It was made clear by the Minister at the introductory stage that, under the scheme, the committee would be prepared to accept a considerable amount of depreciation on unwanted improvements, and residences fall into that category.

I do not think the hon. member for Mourilyan was fair to the Minister when he indicated that the Minister might not implement and administer the scheme in a completely honourable way. Let us be quite fair. The present Minister for Lands has the character and the ability to administer this scheme wisely, regardless of what problems he might confront. I do not think it is a reasonable assessment to say that there is a weakness and that the Minister may be subject to whims and various other things—perhaps bribes—that may work to someone's advantage. This is farthest from the thoughts of any of those administering the scheme, and I feel we can support it with the greatest confidence.

Victoria has been mentioned by the Minister tonight in connection with this amalgamation scheme, but we all realise that although Victoria can produce dairy products at a fairly attractive price compared with other places in Australia, Victoria will probably suffer the greatest restrictions by the quota system, which we have to think of hand in hand with the amalgamation scheme. Victoria has the highest plane of production, but that State's quota limits

are lower than the present production whereas Queensland's quota limits are in excess of our production, and have been for the last couple of years.

As I said, we do not know how the quota system will affect the over-all industry when we get back to good seasons, but it appears on the surface that at the present time Queensland will be less affected by quotas than any other State. This is as it should be because Queensland does not have as large a dairying industry as the other States, and at present we are forced to import dairy products, butter in particular, from the South. We do not want to see this situation continued indefinitely. It is one into which Queensland has been forced because of the dry weather.

I should like to mention some of the remarks made by the hon. member for Isis. He gave a very considered assessment of the situation. I will not repeat anything he said because I agree with most of what he did say. But he mentioned the remarks of Dr. McCarthy, the economist from the Queensland University. Let me say that these were an economist's figures, not based on actual facts of where the industry is going, how the industry has been developed, or what may be the reactions of the industry in the future.

The first premise which I feel has to be put in its right perspective is Dr. McCarthy's reference to the number of farmers who had left the industry over a period of years. What he did not mention was the number of those who sold their farms. The greater percentage of the dairymen who make up his statistics as having left the industry are still on their piece of land and active in some other form of primary production. If the farm has not been sold and the farmer has gone to some other industry, firstly, a scheme such as this has no application and secondly, he is not, in fact, stating in any way the story of the rise or fall of the dairy industry. This is merely a social transition that has been taking place in many districts and explains why fewer people happen to be dairying at the present time.

The other point mentioned by the hon. member for Isis was that the amount of money available under this scheme will be inadequate and that this would quickly become evident. That could be true, because until the scheme gets under way none of us will know exactly how much it will need. But we do know that Mr. Anthony has indicated that additional money will be made available if necessary.

The assumption made by Dr. McCarthy is that every eligible dairy farm in this State, which means approximately 90 per cent. of dairy farms, will be sold under the scheme. But let us be honest. Not all dairy farmers

want to sell their land; in fact, a great number do not want to sell. Perhaps within a few years the number who desire to sell will increase, but those dairy farmers who are in secure areas and are making a living will not want to sell simply because the scheme enables them to do so. Although we do not know how many farmers will be eligible, we will not need the massive amount that it is suggested is invested in all dairy farms in Queensland.

I agree with the hon. member for Isis that the scheme is a sound one, its principle is good, and the sooner we get it operating the better. The scheme could affect dairy farms on the Darling Downs, as many of them fall into the category envisaged by it. However, a large number of dairy farmers on the Downs are fairly well consolidated and do not want to dispose of their properties, although obviously a certain number will be happy to do so. That area is one that we would not wish to fade out, for two reasons. Firstly, it is the area in Queensland that can produce the cheapest and best quality milk and, secondly, it is the area in which the incidence of disease among dairy cows is the lowest.

That was proved in the late 1940's and the early 1950's when the testing of dairy herds for tuberculosis was made compulsory. It was found that the herds on the Darling Downs were comparatively free from T.B., although no treatment had been given to them prior to that time, whereas in other parts of the State a great percentage of dairy herds was affected by that disease.

In reply to one hon. member who asked what a fair price would be, I point out that a dairy farmer may have the chance to sell either to a purchaser within his industry or to one from another industry, so the farmer has the matter completely under his control. Obviously he will sell to the highest bidder, irrespective of the industry in which that person engages. The agreed price between the two parties is the best estimate of value. I hope that departmental officers enter the picture only if it seems that an unreasonable price is being paid, considering all conditions. This aspect will look after itself, because obviously a seller will get the highest price offering. The department should intervene only when an unreal price is paid, perhaps when the purchaser thinks that conditions are extremely good and he can afford to pay a high price.

I commend the Minister on his explanation of the Bill. The sooner we pass it and get it into operation, the better.

Debate, on motion of Mr. Baldwin.
adjourned.

The House adjourned at 9.51 p.m.