

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 28 AUGUST 1975

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Mr. SPEAKER (Hon. J. E. H. Houghton, Redcliffe) read prayers and took the chair at 11 a.m.

PAPERS

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

Report upon the operations provided for by Part III—Aid to Development, of The Financial Arrangements and Development Aid Acts, 1942 to 1947 for the year 1974–75.

The following papers were laid on the table:—

Proclamation under the Acquisition of Land Act 1967–1969 and the State and Regional Planning and Development, Public Works Organization and Environmental Control Act 1971–1974.

Regulations under the Queensland Marine Act 1958–1972.

MINISTERIAL STATEMENT

AUSTRALIAN CONSTITUTIONAL CONVENTION

Hon. J. BJELKE-PETERSEN (Barambah—Premier) (11.3 a.m.): In accordance with the terms of the resolution carried by the Parliament on 24 April 1975, I desire to inform the House of certain further developments concerning the Australian Constitutional Convention.

Members will recall that it was only after the States had exhibited a considerable amount of tolerance that the Commonwealth Government considered reactivating whatever little interest it previously held in the convention.

Ever since the initial session in Sydney in 1973, the Prime Minister and his colleagues have publicly indicated that they had scant respect for what the convention was, and for what it originally set out to achieve. Indeed, I believe the present Attorney-General has said that he could do so much more towards implementing Australian Labor Party policy if only he were not fettered by the Constitution! I am sure we have only to remember recent events in another country with a great Constitution—the United States of America—to be grateful that constitutions can fetter Governments which seek to pursue certain lines inimical to the democratic tradition.

This then has been the attitude of the Whitlam régime to the whole philosophy of constitutional government in Australia.

When, after the States had endeavoured to have the Commonwealth come again to the convention, the Prime Minister laid down

certain conditions regarding the inclusion of specific items in the agenda, I think the States should have taken stock of the situation then.

When at two Executive Committee Meetings he made it fairly obvious that if he did not have his way he would “take his bat and go home”, the States, while forced to acquiesce for the sake of endeavouring to keep the convention viable, should have again taken stock.

But when the Prime Minister, having finally had his own way in those particular matters in which he has a devious interest, an interest in subverting and undermining the States’ constitutional authority, becomes most ardent supporter of the convention, then it is high time we called a halt. The Prime Minister’s new-found enthusiasm for the proposed plenary session in Melbourne next month is patently based on the expectation that he will be able to subsequently put by referendum, claiming convention’s full support, such matters as his plan to give local authorities an increase in status at the expense of the States.

Already the South Australian Labor Government has indicated that it would not be able to send a delegation to Melbourne in September. Even if South Australia were to change its mind or to send a token representation, I believe that enough has already been said to disclose its wariness of the Prime Minister’s doubtful interests in the convention.

Having all these things in mind, and apprehending that there are more important things in Australia to be determined by Governments between now and Christmas, I am reluctantly compelled to say that it would not be the intention of the Queensland Government to be represented in Melbourne by its delegation members already appointed by the resolution to which I referred earlier. I foreshadow that I will subsequently move in the House that the parliamentary delegation not attend the proposed session. I believe that, in view of the facts I have outlined and which I am sure are being considered by the respective State Governments, there will be other States of a similar inclination. In fact, I have discussed the situation this morning with the Premier of Western Australia, Sir Charles Court, who is also unhappy with developments and I would be surprised if he is not about to adopt a similar attitude. I believe also that the non-participation of two or more States would render whatever proceedings might be held abortive and invalid.

This Parliament agreed to participate in a Constitutional Convention. It did not agree to participate in an exercise which would result in the present Commonwealth Government being given a further opportunity to pursue its avowed policy of destruction of our Federal system.

QUESTIONS UPON NOTICE

1. SUPREME AND DISTRICT COURTS HEARINGS

Mr. Burns, pursuant to notice, asked the Minister for Justice and Attorney-General—

(1) In view of the recent publicity surrounding the business of the courts in Queensland and, in particular, attending the criminal jurisdictions of these courts, how many (a) civil and (b) criminal cases are at present listed for hearing in (i) the Northern District, (ii) the Central District and (iii) the Southern District of the Supreme Court?

(2) How many (a) civil and (b) criminal cases are at present listed for hearing in (i) the Northern District, (ii) the Central District and (iii) the Southern District of the District Court?

(3) Do these figures represent a sudden upsurge in the numbers of civil and criminal trials awaiting hearing in the courts of this State?

Answers:—

The time available has permitted information to be obtained in respect of Brisbane, Rockhampton and Townsville as follows:—

(1) (a) Civil cases at present listed for hearing in (i) Townsville in the Northern District of the Supreme Court, 39; (ii) Rockhampton in the Central District of the Supreme Court, 35; (iii) Brisbane in the Southern District of the Supreme Court (This figure includes 96 Defended Matrimonial Suits), 707. (b) Criminal Cases at present listed for hearing in (i) Townsville in the Northern District of the Supreme Court, 3; (ii) Rockhampton in the Central District of the Supreme Court, 1; (iii) Brisbane in the Southern District of the Supreme Court, 64.

(2) (a) Civil cases at present listed for hearing in (i) The District Court at Townsville, 242; (ii) The District Court at Rockhampton, 54; (iii) The District Court at Brisbane, 1,437. (b) Criminal cases at present listed for hearing in (i) The District Court at Townsville, 8; (ii) The District Court at Rockhampton, 10; (iii) The District Court at Brisbane, 320.

(3) It is considered that there has been a steady increase in the work generally but not a sudden upsurge in numbers of civil and criminal trials awaiting hearing in the Courts of this State.

2. MAGISTRATES COURTS HEARINGS

Mr. Burns, pursuant to notice, asked the Minister for Justice and Attorney-General—

(1) What is the total number of criminal charges awaiting hearing in the Brisbane Magistrates Court?

(2) How many people are involved in these charges?

(3) How many drink-driving charges are currently listed for hearing?

(4) What are the numbers of hearings set down for each month of 1975 and are any hearings listed for the 1976 year?

(5) Have any steps been taken by the Government to provide more magistrates to prevent delays?

Answers:—

(1) 290.

(2) 212.

(3) 42.

(4) 1975—September, 101 Defendants 141 charges; October, 47 Defendants, 49 charges; November, 3 Defendants, 3 charges. 1976—Nil.

(5) As at 28th February, 1974 there were 1,292 criminal and quasi-criminal cases and 319 drink-driving cases awaiting hearing. These figures are currently 290 and 42 respectively. Drink-driving cases may be heard within two weeks upon request of defendants and dates are available for criminal cases within six weeks. There is currently no delay in this jurisdiction, but the matter is under constant review.

3. ACTING DEPUTY DIRECTOR OF NATIONAL PARKS AND WILDLIFE SERVICE

Mr. Burns, pursuant to notice, asked the Minister for Lands, Forestry, National Parks and Wildlife Service—

(1) Is he aware of the protest made by the Professional Officers Association on the appointment of the Acting Deputy Director of National Parks and Wildlife Service?

(2) Is he aware that other officers have no right of appeal against acting positions in the Public Service?

(3) Why was such an appointment made in this case?

Answers:—

(1) Yes.

(2) Yes.

(3) Owing to the necessity to quickly launch the new service into operation, it was expedient to make an acting appointment.

4. MEDIBANK HOSPITAL AGREEMENT

Mr. Ahern, pursuant to notice, asked the Minister for Health—

(1) In view of a Press statement of 26 August quoting Dr. Deeble, the chief architect of nationalised health, as announcing that a major inducement for States to

enter Medibank, namely, continued local control of public hospitals, has now been abandoned and State hospitals boards are to be replaced by Commonwealth Department of Social Security appointed regional boards, what guarantees exist in our Medibank agreement to preclude what apparently is already happening in Victoria?

(2) What action will this Government take if, despite a seemingly watertight agreement, the Commonwealth Government unilaterally changes the agreement in order to reduce our control of our hospitals and in its stead institute Canberra control?

Answer:—

(1 and 2) I have read the Press report referred to by the honourable member of statements alleged to have been made by Dr. Deeble regarding the Medibank Hospital Agreements and I am advised that Dr. Deeble has denied these reported statements and has asked the Press to print such denial. The honourable member would be aware that the Queensland Medibank Hospital Agreement makes no mention whatsoever of the abolition of State hospitals boards nor of any change in the membership of our State hospitals boards—certainly no mention is made of a Commonwealth substitute body. I can assure the honourable member, as I have done so often of recent times, that the Medibank Hospital Agreement has been negotiated with the Commonwealth on the basis that existing administrative arrangements and policies in the Queensland public hospital system will continue in the future.

5. TICKICIDES

Mr. Gunn, pursuant to notice, asked the Minister for Primary Industries—

(1) As Cabinet recently approved a scheme to supply tickicides to primary producers at wholesale rates, where can they be obtained?

(2) Will all brands of tickicides be available?

(3) What is the minimum amount which a grazier can obtain at one time?

Answer:—

(1 to 3) Detailed administrative arrangements for the supply of acaricides to beef producers at lower than present costs are currently being considered and once these details are worked out they will be widely publicised.

6. DIAGNOSIS OF TUBERCULOSIS IN HUMANS

Mr. Gunn, pursuant to notice, asked the Minister for Health—

(1) Has the use of mass radiography in the diagnosis of tuberculosis in humans proved to be too expensive in Great Britain

and has it also been found that, with 70 mm film, 25 per cent of positive cases remain undetected?

(2) Is the method of diagnosis in Australia similar to that in Great Britain and, if so, how do the findings in this State compare with those in Great Britain?

Answer:—

(1 and 2) It is true that a high degree of observer error has been reported in reading large numbers of X-ray films, both full size and 70 mm films. This is overcome in Australia by mass miniature X-ray films being read independently by two observers. Bacteriological investigation of persons found to have abnormal chest X-rays was the usual method of investigation following detection of an abnormality, both here and in Great Britain. However, in Great Britain, radiography is used largely in industry and on a voluntary basis, so that the elderly and ill tend to be X-rayed less than younger and healthier individuals, while the Australian practice is concentrated on compulsory mass radiography of all adults. Detailed comparisons of results in Great Britain are not currently available. A letter to the *Lancet* on 12 April 1975, however, reports that over 40 per cent of new cases of tuberculosis in the Edinburgh area are diagnosed by mass radiography and that any reduction in mass radiography effort seems contraindicated at present. In Queensland, in 1974, 52 of 215 new cases of pulmonary disease were found by mass radiography together with 66 cases of lung cancer.

7. NOISE NUISANCE TO RESIDENTS

Mr. Aikens, pursuant to notice, asked the Minister for Local Government and Main Roads—

Does a local authority have power to make by-laws to protect innocent residents against disturbance consequent on excessive noise emanating from buildings in their area and, if not, what steps does the Government propose to take to abate this nerve-wracking and health-destroying practice?

Answer:—

Advice obtained by the Department of Local Government indicates that the power of a local authority to make by-laws in relation to noise control is limited to the making of by-laws for the purpose of exercising control over noises that amount to a nuisance. The framing of comprehensive legislation to deal with noise control generally is presently receiving consideration.

8. POLICE CHASES OF SPEEDING MOTOR VEHICLES

Mr. Aikens, pursuant to notice, asked the Minister for Justice and Attorney-General—

In view of the tragic consequences of what are known as "police chases" of speeding motor vehicles to apprehend the drivers, will he consider amendments to the relevant law to enable the police to present against a driver arrested later or issued with a summons a case that will not be thrown out by the court on technical or other flimsy legal grounds, thereby saving lives and preventing crippling injuries to the alleged offenders from crashes while being pursued by police?

Answer:—

Proof of identity of the offender is an essential element in any criminal case. Lack of evidence of the identity of the offender prevents commencement of action in respect of an offence. It is obviously a matter for concern that some offenders are so irresponsible as to drive dangerously in an attempt to avoid being apprehended by police officers. The reason in most cases is to attempt to avoid being identified by the police. Legislation would not be able to prevent such conduct.

9. SENTENCE OF E. J. DONAHUE FOR RAPE

Mr. Aikens, pursuant to notice, asked the Minister for Justice and Attorney-General—

(1) Was a 19-year-old man named Edward John Donahue convicted of rape in the northern Supreme Court and sentenced by Mr. Justice Kneipp to six years' gaol and, if so, did the evidence disclose that the victim was an old lady of 68 years and that her home had been entered illegally by Donahue for the purpose of committing his bestial crime?

(2) Did the Minister appeal to the Court of Criminal Appeal against the manifest inadequacy of the sentence and, if so, who were the members of the court and what was their judgment?

(3) Was the Press report of the judgment substantially correct when it said that the three judges regarded the sentence as somewhat light, but that, because the trial judge would know of the conditions in the area, they would not increase it?

(4) If this is so, implying as it does that the forcible entry of a woman's home to rape her is not regarded in North Queensland as seriously as it would be in other areas of the State, is it proposed to take any action to protect the people of North Queensland against this gratuitous judicial insult?

Answers:—

(1) Yes.

(2) (a) Yes. (b) His Honour the Chief Justice, His Honour Mr. Justice Matthews and His Honour Mr. Justice Dunn. (c) Dismissed the appeal unanimously.

(3) Yes.

(4) There is no such implication.

10. DAIRY INDUSTRY ASSISTANCE SCHEMES

Mr. Ahern for **Mr. Cory**, pursuant to notice, asked the Minister for Lands, Forestry, National Parks and Wildlife Service—

(1) Is he aware that the Commonwealth Government has withdrawn its financial support to the Dairy Industry Adjustment Scheme?

(2) If so, what are its reasons for again dumping the Australian farmer?

(3) Is he aware that it will be very difficult to continue this very valuable scheme for the dairy farmer now that Commonwealth financial support is finished?

(4) What type of scheme will the State itself be able to finance?

(5) Does he realise that many battling farmers were encouraged to spend money submitting an application under the various terms of the scheme, only to be told when this money had been spent that the scheme had been suspended?

(6) Is it possible to help these people as a matter of high priority if and when a new scheme can be evolved, because the scheme is not a subsidy but assistance in making the dairy industry viable, the principle of which our Government has always upheld?

Answers:—

(1) The suspension of the Dairy Adjustment Program has been drawn to the attention of Cabinet, and the Honourable the Premier will be making representations to the Honourable the Prime Minister.

(2) It is understood that the amount of \$28 million allocated to the Dairy Adjustment Program is now fully committed and that the Federal Government is not in a position to provide further funds. Discussions at officer level are expected to take place in Canberra in the near future to discuss all outstanding applications and a distribution of any uncommitted funds.

(3) The State cannot hope to match the level of assistance that was available through the program. However, the State has credit funds available to keep adjustments going, at a lesser scale, for the time being.

(4) It is proposed to continue most forms of assistance under the State's own Special Supplementary Assistance Scheme. However, it will not be possible to give interest-free terms, to refinance existing loans, or purchase uneconomic dairy farms. With the reduced funds now available, it is intended to concentrate mainly on continuing the work of conversion of farms to bulk-milk delivery and, where possible, upgrading the productivity of the converted farm. It is proposed to continue the present 5 per cent per annum interest rate on loans.

(5) The premature suspension of the program has certainly inconvenienced a number of dairy farmers. It is regrettable that the Commonwealth did not give some notice of its intentions.

(6) Whilst every consideration will be given to applications already lodged, the limited State funds will necessarily require that regard be had to the priorities previously mentioned.

11. WHITE COCKATOOS, GALAHS AND WEDGE-TAILED EAGLES

Mr. Ahern for Mr. Cory, pursuant to notice, asked the Minister for Lands, Forestry, National Parks and Wildlife Service—

(1) Are white cockatoos and galahs on the protected list under the Fauna Conservation Act?

(2) Is he aware of the rapid increase in the numbers of the birds now at large and that they are causing increasing damage to crops?

(3) Under the existing regulations, what can a farmer do to protect his livelihood?

(4) Are wedge-tailed eagles which prey on young lambs given similar protection and, if not, what protection do they get?

Answers:—

(1) Yes. All native fauna is protected.

(2) I was not aware of any rapid increase in crop damage by those birds, but I am certainly aware of the damage they can cause.

(3) If a farmer is suffering crop damage by galahs and white cockatoos, he can shoot them, authorise someone else to shoot them or allow a licensed bird-dealer to trap them. All the farmer has to do is obtain a permit from the National Parks and Wildlife Service. In urgent cases this can be arranged by telephone with a follow-up on the paper work.

(4) Wedge-tailed eagles as native birds are protected. The grazier can obtain permission to take action against these birds at lambing time in the same way as farmers obtain permits for galah and cockatoo destruction.

12. KANGAROO HARVESTING

Mr. Ahern for Mr. Cory, pursuant to notice, asked the Minister for Lands, Forestry, National Parks and Wildlife Service—

(1) Will the lifting of the kangaroo export ban by the Commonwealth mean that more tags will be available to shooters?

(2) Does he realise that, if not, legal shooting will be unable to control the kangaroo menace?

Answers:—

(1) No. Under the agreement between the Queensland and Federal Governments, a total of 600,000 tags will be issued this year. To date 470,000 tags have been issued to licensed shooters in Queensland.

(2) It is now realised that a harvest of 600,000 kangaroos this year will not be sufficient to reduce numbers below pest proportions in many areas. The matter of raising the quota is one for negotiation with the Federal authorities, and I understand my colleague the Honourable the Minister for Lands, Forestry, National Parks and Wildlife Service will be approaching Canberra in this matter shortly.

13. "CAPRICORNIAN" DELAYS

Mr. Jensen, pursuant to notice, asked the Minister for Transport—

(1) As the "Capricornian" from Rockhampton is usually about half an hour late into Bundaberg and on occasions up to 1½ hours late, as on the night of 25 August, what caused the delay?

(2) Will he have this train run to timetable or does he desire increasing loss of passengers to private bus companies in order to eliminate this service?

Answers:—

(1) The "Capricornian" was 71 minutes late in departing from Rockhampton on Monday, 25 August, as the result of a stoppage by members of the Combined Railway Unions in Rockhampton. It was further delayed between Rockhampton and Bundaberg by a points failure at Bajool and speed restrictions on sections of the track undergoing maintenance.

(2) Speed restrictions between Rockhampton and Bundaberg, and traffic congestion on the North Coast line accentuated by the haulage of coal from Central Queensland to Swanbank, have had an effect on the running of the "Capricornian" generally in recent weeks. When traffic operations return to normal and the full effects of the installation of Centralised Traffic Control are experienced later this year, an improvement in the running of this train can be expected.

14. and 15. BUNDABERG IRRIGATION
SCHEME

Mr. Jensen, pursuant to notice, asked the Minister for Water Resources—

As the Commonwealth Government has increased its original grant of \$12.5 million to \$17.5 million for the Bundaberg Irrigation Scheme, whereas the State grant has remained static at \$8.3 million since 1970, will he take this matter up with the Treasurer to ensure that further moneys will be made available in order to prevent any further delay in the completion of Phase I of the scheme?

Answer:—

In March 1974, Cabinet approved continuation of work on Phase I of the Bundaberg Scheme at a revised estimated cost of \$35,347,000. The Commonwealth contribution to date is \$17,200,000 leaving a balance of \$18,147,000 to be provided from State funds. The original estimated cost of Phase I works was \$21,100,000 prepared in 1969. The considerable increase in estimate in March 1974 resulted from considerable inflation with salaries and wages up to 65 per cent to 80 per cent and material costs 40 per cent. There have been considerable increases since March 1974, and costs will advance still further. Expenditure from State funds to 30 June 1975 was \$5,306,000. Owing to further inflation in costs, the present increased Commonwealth grant to \$17,200,000 will not be sufficient to complete the works proposed by the Commonwealth originally, and a further submission requesting provision of additional finance in subsequent years is being prepared. Expenditure on the Commonwealth section of work amounted to some \$14,700,000 at 30 June 1975. The remaining \$2,500,000 of Commonwealth finance available in the year 1975-76 will not be sufficient to complete the Monduran Dam pump station and the Gin Gin main channel to convey water to the Burnett River. The Prime Minister has advised that no additional funds other than that mentioned above will be available for Bundaberg in the financial year 1975-76. With commitments on the pump station, this has already made it necessary to effect a slight reduction in the work-force on the channel works.

Mr. Jensen, pursuant to notice, asked the Premier—

As Dr. Everingham stated in a letter to the Secretary of the Bundaberg Irrigation Committee that it will now be imperative that the Premier discard all political partisan considerations and approach the Prime Minister constructively for Federal involvement in the Bundaberg Irrigation programme, will the Premier take up with

the Prime Minister, at an early date, the question of the funding of Phase 2 of the Bundaberg Irrigation Scheme?

Answer:—

Dr. Everingham's statement in his letter to the secretary of the Bundaberg Irrigation Committee is typical of the attempts by Federal Ministers to denigrate State efforts. On 22 April 1974 I wrote to the Prime Minister requesting financial assistance to meet additional costs of Phase 1 of the Bundaberg Irrigation Project and for Phase 2 of the project. On 15 August 1975 the Prime Minister advised that it would not be possible to provide further financial assistance for this project. A submission is being prepared with a view to making a further approach to the Commonwealth Government for funds for Stage 2 Bundaberg in following years as well as for other projects now proceeding on which current Commonwealth finance will be insufficient.

16. MINING OF MINERAL SANDS, FRASER AND
STRADBROKE ISLANDS

Mr. Lindsay, pursuant to notice, asked the Minister for Mines and Energy—

(1) For what period of time do Dillingham-Murphyores have to maintain the rehabilitation programme after sand-mining operations on Fraser Island are completed?

(2) If the rehabilitation programme of Dillingham-Murphyores is as unsuccessful as that of Queensland Titanium Mines, which I recently examined, will the Queensland Government, at its expense, carry out a rehabilitation programme to ensure that the mined areas revert to a condition as near as possible to the condition of the area before mining?

(3) In view of the recent dismissal of approximately 120 men by Queensland Titanium Mines at its sand-mining operations on Stradbroke Island, the reason given by the company being the decreasing world-market price for the minerals being mined, have the people of Maryborough been misled in thinking that the operations of Dillingham-Murphyores will provide a stable opportunity for employment for people in the Maryborough district?

Answers:—

(1) Until the rehabilitation programme has been completed to the satisfaction of the Minister.

(2) I am unable to agree that the rehabilitation programmes of Queensland Titanium Mines Pty. Ltd. have been unsatisfactory. This company has always applied itself most assiduously to the task of rehabilitation. As its programmes are not yet completed, it is unreasonable to say that they are unsuccessful.

(3) Queensland Titanium Mines Pty. Ltd. does not conduct, nor has it ever conducted, mining operations on Stradbroke Island. I do not consider the people of Maryborough have been so misled.

17. CUSTODY CLAIM BY MRS. M. CARSELDINE

Mr. Dean, pursuant to notice, asked the Minister for Community and Welfare Services and Minister for Sport—

(1) With reference to a custody claim for her grandchildren by Mrs. M. Carseldine of Wynnum, did the case involve two injunctions against the Director of Children's Services and 15 appearances in court, including five appearances in the High Court of Australia?

(2) What were the costs all up in the action?

(3) Did the High Court find in favour of the applicant in her claim?

(4) Why is the director now refusing to pay arrears of fostering allowance in the sum of \$2,000, thus forcing the applicant to go to work to support her grandchildren?

Answers:—

(1) Yes.

(2) The costs payable under the orders will not be known until the solicitor for Mr. and Mrs. Carseldine taxes the bills of cost in the High Court of Australia and Supreme Court of Queensland.

(3) The High Court on appeal found that the Supreme Court of Queensland had jurisdiction and remitted the application to the Supreme Court for hearing.

(4) Whether a fostering allowance is payable under the relevant Act involves a question of law on which the director is presently awaiting legal advice. There are no arrears of fostering allowance due to Mr. and Mrs. Carseldine.

18. POOR-QUALITY CATTLE FOR BLOOD AND BONE FERTILISER

Mr. Doumany, pursuant to notice, asked the Minister for Primary Industries—

(1) Is he aware of a feature article on the beef industry in the *Australian* of 23 August 1975, in which reference is made to a proposal for Government acquisition of poor quality cattle for conversion into blood and bone fertiliser as a means of assisting cattlemen and relieving pressure on the meat market?

(2) Will he examine the economics of this proposal and inform the House as to its feasibility?

Answers:—

(1) Yes.

(2) I have had the economics of the conversion of poor-quality cattle into fertiliser and other by-products examined thoroughly. The investigation reveals that the value of an average-weight beast converted into meat-meal and tallow together with the hide would be \$17.64. Slaughtering, processing and packing costs, however, are presently estimated at \$15.09. The balance of \$2.55 is the return which a grazier could expect from an abattoir which is clearly inadequate to cover even the cost of transport let alone provide any return on the beast. I would agree, however, that a scheme to convert the present Queensland surplus of around 1,000,000 head into a storable product is commendable but clearly cannot be financed by the beef industry. According to my investigations, the cost of financing such a proposal for the entire Queensland surplus of 1,000,000 head would be some \$25,000,000 based on an in-the-paddock return to the grazier of \$10 per head. Funding of this magnitude is clearly outside the capability of the Queensland Government at this time. The other area where I foresee difficulty is in the marketing of the resultant products. The conversion of 1,000,000 head would result in some 61,000 tonnes of meat-meal, and 56,000 tonnes of tallow apart from the hides. The present world market for protein meals is saturated and we would have difficulty in disposing of the added quantities at realistic prices. Disposal of the added quantities of edible and inedible tallow would also be difficult. Consequently, the quantities involved would require storage for some years to come, adding materially to the cost of financing such a scheme.

19. LOCAL AUTHORITY RATE ARREARS

Mr. Ahern for **Mr. Neal**, pursuant to notice, asked the Premier—

As local authorities are able under the Act to levy a charge of up to 10 per cent interest on rate arrears but are also able to offer a discount of up to 15 per cent for prompt payment of rates, will he consider having the special loans scheme for primary producers in necessitous circumstances for payment of rate arrears extended for the current rate year, thus enabling landholders to receive the benefit of the discount saving and also assuring local authorities in many areas of the maximum collection of rates under the current depressed beef situation?

Answer:—

The Beef Cattle Industry Assistance Scheme, which is financed jointly by the Commonwealth and State, was designed to assist specialist beef cattle producers who would be viable under normal market conditions but who lack the finance needed

to carry on during the present trough and are unable to obtain their essential carry-on needs from normal sources. In terms of the scheme, payment of local authority rates can be effected from carry-on finance made available to the individual grazier and this includes the current year's rate levy; but there is no provision for finance to be made available for the payment of the current year's rates only.

(2) What quantity of power was supplied to this system from each of these powerhouses on each of the last seven days where such information is available?

(3) What quantity of power was supplied to the system from each of these powerhouses on each day during the last period of severe power restrictions?

Answers:—

20. ELECTRICITY SUPPLY IN SOUTH-EAST QUEENSLAND

Mr. Houston, pursuant to notice, asked the Minister for Mines and Energy—

(1) What powerhouses are in any way connected to the South-east Queensland electrical system and what is the capacity of each?

	Megawatts
Swanbank Power Station ..	904
Middle Ridge Power Station ..	56
Tennyson Power Station ..	240
Bulimba Power Station ..	180
Howard Power Station ..	37.5
Callide Power Station ..	120
Rockhampton Power Station ..	77.5
Somerset Dam—Hydro ..	3

(2)

	20-8-75	21-8-75	22-8-75	23-8-75	24-8-75	25-8-75	26-8-75
Swanbank Power Station	14,835	14,857	15,064	13,336	12,775	15,101	14,808
Middle Ridge Power Station					17	29	37
Tennyson Power Station	141	153	77	70	82	545	803
Bulimba Power Station							
Howard Power Station	263	254	252	199	111	255	265
Callide Power Station (Net transfer south) ..	24	22	20	22	19	24	23
Rockhampton Power Station (Net transfer south) ..							
Somerset Dam Hydro Station	28	28	28	28	28

kWh x 10⁸

(3)

	31-7-75	1-8-75	2-8-75	3-8-75	4-8-75
Swanbank Power Station	7,799	7,968	7,737	7,579	9,967
Middle Ridge Power Station	118	129	19		18
Tennyson Power Station	1,275	1,214	1,122	1,103	995
Bulimba Power Station					131
Howard Power Station	463	463	373	357	459
Callide Power Station (Net transfer south) ..	325	361	551	558	243
Rockhampton Power Station (Net transfer south) ..					
Somerset Dam Hydro Station	28	28	28

kWh x 10⁸

21. WHARF AT LUCINDA

Mr. Houston, pursuant to notice, asked the Minister for Tourism and Marine Services—

(1) What were the circumstances surrounding the Government's decision to construct a wharf at Lucinda?

(2) What is the estimated cost of this wharf and when will construction be completed?

Answer:—

(1 and 2) The honourable member's question would more properly be answered by my colleague the Minister for Primary Industries and I suggest that he redirect his question to that Minister.

22. HOUSING COMMISSION WORKS

Mr. Hales, pursuant to notice, asked the Minister for Works and Housing—

(1) What was the average cost of houses erected for the Queensland Housing Commission in 1972-73, 1973-74 and 1974-75?

(2) What was the average costs of allotments purchased or developed by the commission in 1972-73, 1973-74 and 1974-75?

Answer:—

(1 and 2) Considerable time and expense would be involved in a detailed dissection to provide over-all Queensland figures. Some typical cases of single-house contracts for three-bedroom houses and of

land purchases for welfare housing in or adjacent to Brisbane are—House prices—1972-73, average of 137 houses, \$9,623; 1973-74, average of 67 houses, \$11,961; and 1974-75, average of 51 houses, \$14,699. Land purchases—1972-73, \$2,400 to \$3,200; 1973-74, \$3,150 to \$5,000; and 1974-75, \$4,750 to \$5,500 (and up to \$7,500 in special circumstances). The prices in 1974-75 are generally the result of anxious vendors seeking to recover liquidity and are not typical of the general market.

23. DR. EVERINGHAM'S COMMENTS LINKING SUGAR AND TOBACCO FARMERS WITH DRUG-RUNNING

Mr. Powell, pursuant to notice, asked the Minister for Primary Industries—

(1) Has his attention been drawn to an article in the *Courier-Mail* of 26 August, wherein the Commonwealth Minister for Health in his commendable zeal to denigrate narcotic drug runners includes sugar-cane and tobacco farmers in that category?

(2) Will he make sure that the Commonwealth Government does not further cripple our primary industries by allowing Dr. Everingham to carry out his vendetta against the sugar or tobacco industries?

Answers:—

(1) Yes. It comes as no surprise that the Federal Minister for Health is totally unconcerned with the survival of our primary producers. Whilst in the article to which the question refers, Dr. Everingham has singled out the tobacco and sugar industries, I am under no illusions that producers in other rural industries, of great importance to Queensland, will receive the same scant consideration that he is currently giving to farmers and communities which depend primarily on tobacco-growing for survival. Dairy farmers, beef producers and egg producers may well be next on his list for destruction under the guise of so-called health considerations.

(2) The honourable member can rest assured that I will continue to fight such nonsensical policies as long as I am Minister for Primary Industries.

24. ISIS MILL AREA IRRIGATION

Mr. Powell, pursuant to notice, asked the Minister for Water Resources—

(1) When is it anticipated that irrigation water will be available in the Isis Mill area?

(2) What steps can be taken to obtain more money so that this very important project can be completed before there is another disastrous drought which will severely affect the economy of this State?

Answer:—

(1 and 2) At this stage I cannot estimate when water will be available in the Isis Mill area. This work is included in Phase 2, Bundaberg, and can be only undertaken with financial assistance from the Commonwealth Government. Application for assistance has already been made and a further submission is now being prepared. However, the Prime Minister has already advised that no additional financial assistance is available for the Bundaberg project in the year 1975-76.

25. POLICE FORCE RESIGNATIONS

Mr. Byrne, pursuant to notice, asked the Minister for Police—

(1) To 30 March 1975, has the Police Force lost 556 personnel by resignation since Mr. Whitrod's appointment as Police Commissioner?

(2) Did most of the officers leave because of discontent with the present administration?

(3) As the loss of personnel included 265 constables averaging 2½ years' service, 115 constables 1st class averaging over 8 years' service, 126 senior constables averaging around 16 years' service, 41 sergeants 2nd class averaging around 22 years' service, four sergeants 1st class averaging over 26 years' service, four senior sergeants averaging over 29 years' service and one inspector with 3 years' service, what effect has this serious loss of experience had upon the morale of the force in Queensland?

(4) Why has such a shameful situation developed?

Answers:—

(1) Records of the Police Department show that 565 police officers were discharged on resignation between April 1970 and March 1975.

(2) No. Some left to better themselves in private enterprise. Some perhaps were simply not suited to police work just as some people cannot adapt themselves to accept the discipline of higher religious training. Some may have been discontented but an annual loss of just over 100 out of a force of almost 4,000 over a five-year period hardly indicates widespread discontent.

(3 and 4) None. The Police Force, as at 30 June 1975, was at the approved strength level. The implication in the question that the resignation rate has accelerated since the appointment of Mr. Whitrod is not supported by the facts. Indeed the reverse is the case. The resignation rate this year is 3.55 per cent—considerably lower than 1954-55, when it was 4.60 per cent—and 1964-65, when it

was 3.63 per cent. In fact, many organisations would be proud and happy to have such a low resignation rate. For example, the present annual wastage within the nursing profession in Queensland is somewhere in the region of 20 per cent; and if the honourable member examined the resignation rate in similar career organisations he would find that there was a much higher resignation rate than the Police Force's 3.55 per cent. The second implication in the question is that a high resignation rate equates with low morale. As the figures indicate a low resignation rate in the force, then the inference to be drawn is surely that morale is high. If one uses work performance as a guide—and I submit it is a much more reliable guide than resignation rates—then the annual report of the Police Commissioner soon to be published will show that the high standard of performance in 1973-74 was exceeded in 1974-75. This is not indicative of any lowering of morale.

26. POTENTIAL DANGER IN HOLDEN STEERING KEY-LOCK FITTING

Mr. Byrne, pursuant to notice, asked the Minister for Industrial Development, Labour Relations and Consumer Affairs—

(1) Is he aware of the recent publicity given to the alleged danger of the key-lock fitting on certain Holden motor vehicles?

(2) In view of the possible danger to the public, will he investigate this matter to ascertain whether the lock could be the cause of motor accidents and injury and inform the House of his findings?

Answers:—

(1) Yes.

(2) This matter has previously been investigated by the Machinery Branch of the Division of Occupational Safety and Weights and Measures and no evidence was found that would suggest a defect existed in the steering-lock assembly. It was found that the steering lock would not enter the locked position under normal driving conditions and would only do so if the ignition were turned to the "Off" position. The practice of turning the key to the "Off" position whilst a vehicle is in motion could create an unsafe condition; however, this is purely a matter of driver habit and not defective equipment. The Chief Inspector of Machinery advises me that he considers no further action is necessary by his division.

27. USE OF SCHOOL FACILITIES BY COMMUNITY GROUPS

Mr. Byrne, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) What regulations or other matters presently hinder community groups from using school classrooms and other school buildings outside of school hours and school terms for community purposes?

(2) Will he review this matter with the prospect of enabling a greater level of use and ensuring financial input by community groups who can benefit by the use of these public structures without the necessity for further State funds for capital works and buildings to provide accommodation for their uses?

(3) Has consideration been given to the appointment of a manager at schools, who would be responsible for the furniture and fabric of the school and the effective use of the public buildings both within and outside school hours?

Answers:—

(1 and 2) My department has certain regulations to control—not to hinder—the public use of school facilities. The regulations place the authority for granting approval for the use of schools largely in the hands of school principals. Generally, it is the policy of my department that greater public use be made of school facilities and, as far as I am aware, no reasonable request has been refused. The honourable member will, I am sure, agree that there must be certain controls on the use of schools and certain factors which must be taken into consideration when an application is received. For example, a school facility may not be made available for public use if there is a suitable public hall nearby which depends on rentals to continue operating.

(3) No. There would be many higher priorities for the use of the funds available to my department than the appointment of managers to schools.

28. DRUG SQUAD AT CAIRNS FOR FAR NORTH QUEENSLAND

Mr. Tenni, pursuant to notice, asked the Minister for Police—

As the drug problem in Far North Queensland is alarmingly high, will he make a drug squad with a minimum of four trained men available to the Far North to be stationed in Cairns and, if so, when will the men be sent to Cairns?

Answer:—

As advised previously in this House, there is a Drug Squad operating on a State-wide basis from Brisbane and this squad does from time to time assist in areas where drug problems exist. As recently as 20 July 1975 during a visit to the Cairns area by eight members of the State Drug Unit from Brisbane, 13 persons were arrested in Cairns and two persons in the Port Douglas area on a total of 18 offences relating to drugs. On 21 July 1975 a further six persons were arrested for drug offences at Kuranda and another two persons were arrested in Cairns on seven charges for drug offences. The members of the Drug Unit were assisted in their investigations and raids by local police in the areas concerned. It is felt that the present method of operation of the Drug Unit from Brisbane is the most effective in that that unit retains its flexibility and the members do not become readily known to drug offenders operating from particular centres thereby assisting such offenders to avoid detection. For this reason it is not proposed at this juncture to establish a drug unit in the Far North of the State.

29. MAREEBA POLICE DISTRICT

Mr. Tenni, pursuant to notice, asked the Minister for Police—

When is the police district in Mareeba to be fully manned and what arrangements has he made for housing?

Answer:—

The date on which Mareeba is to become operative as a district headquarters station is not known at this stage. Great difficulty is being encountered in relation to the obtaining of suitable accommodation for additional police who will necessarily be transferred to that centre on Mareeba becoming a district headquarters station. This problem is aggravated by a lack of funds for the purchase of departmental houses. Until accommodation problems are resolved, Mareeba will not commence to operate as a district police headquarters station.

30. EROSION AT JUNCTION OF THOMATIS CREEK AND BARRON RIVER

Mr. Tenni, pursuant to notice, asked the Minister for Tourism and Marine Services—

In view to his answer to my question on 20 August, as I was not advised of a meeting being convened by his department through the Mulgrave Shire Council and as I take exception to this, will he ensure that when an important meeting such as this is held in a member's electorate the member is notified and invited to attend?

Answer:—

I would point out to the honourable member that the meeting to which he refers was convened by the Mulgrave Shire Council and invitations to the meeting would be a matter for that council. Both the departments within my portfolio are conscious of the need to inform the local member of proposed meetings on important matters of public interest within his electorate.

31. CHILDREN'S MEDICAL SERVICES

Mr. Hanson, pursuant to notice, asked the Minister for Health—

(1) What is the death rate of children under one year of age in (a) South-west Queensland, (b) Central and Central-west Queensland and (c) North and North-west Queensland?

(2) How many registered paediatricians in Queensland practise outside the metropolitan area?

(3) Is he aware that in 1974 the Royal Australian College of Physicians introduced a scheme whereby training will commence in the second year of residency in the specialty of the doctor's choice, thereby enabling paediatricians who graduate from this programme to be more highly trained than their predecessors?

(4) As these paediatricians will have seen nothing but paediatrics in large teaching hospitals and will have little knowledge of life outside those hospitals, will these doctors be suitable for general practice and will they be willing to move away from large hospitals where paediatricians are required?

(5) As many general practitioners would desire the training in paediatrics, has he any plan to assist them, with the possibility of their gaining diplomas in child health?

(6) As it is not desirable that children's hospitals be the only haven for paediatricians in training and as it will be a case of only the little children suffering, will he take positive action to correct this serious anomaly in medical training?

Answers:—

(1) The death rates of children under one year of age in the following statistical divisions for the year 1974 were:—

	No. per 1,000 live births
(a) South-west Queensland ..	23.3
(b) Fitzroy (corresponds to Central) ..	12.2
Central-west Queensland ..	20.8
(c) North ..	18.4
North-west Queensland ..	25.7.

(2) There are nine specialist paediatricians with Queensland addresses outside the metropolitan area. It is known that at least seven of these are in practice.

(3) I am aware of the new College of Physicians training programme, and of the college's hopes that the training will be improved.

(4) Doctors with highly specialised training are best placed in medical centres where necessary support services and facilities are readily available.

(5 and 6) I have recently given approval for the formation of a Paediatric Advisory Committee, whose terms of reference will include training in paediatrics in its various aspects.

32. INSULATION OF MILK-VENDING VEHICLES

Mr. Hanson, pursuant to notice, asked the Minister for Primary Industries—

(1) Were recent regulations issued concerning the insulation of milk-vending vehicles, the costs of standard insulation being approximately \$400?

(2) Besides this cost and as there are many likely difficulties regarding bodies fitting crate sizes, roller-door insulation, floor insulation, etc., has he had any representations concerning this matter?

(3) As the regulations, obviously considered without reference to the trade, are likely to place severe imposts on vendors and consequently increased prices to the public, will he take the necessary initiatives to meet vendor representatives in order to iron out the difficulties?

Answers:—

(1) Yes. The purpose of this requirement is to ensure the maintenance of milk quality during vending. This has become of increasing importance with the growing practice of afternoon milk delivery.

(2) I have had two representations in writing on this matter. I would point out, however, that the insulated compartment is designed to fit on top of standard type trucks in a similar way to the uninsulated canopies previously used. In certain circumstances, also, the existing equipment can be insulated at a cost of approximately \$200.

(3) I understand a meeting is being arranged between representatives of the Queensland Amalgamated Milk Vendors Association and the Director of Dairying of my department.

33. SHORTAGE OF DOCTORS

Mr. Ahern for **Mr. Katter**, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) In view of the acute shortage of general practitioners throughout Queensland, as evidenced by many country centres being left without a doctor and the impossibility of securing a doctor in the city outside of surgery hours, will the Government directly or indirectly pressure the universities into switching more resources into the medical schools which are at present unable to graduate more doctors because of a shortage of facilities at the university?

(2) Does the Government supply funds to the universities?

(3) Can the Government appoint people to the bodies controlling the University of Queensland and the James Cook University and retire them?

(4) Has the Commonwealth Government any of these powers and, if so, why have they failed to respond to the most basic need, which is being better met in undeveloped countries than it is at the present moment in Australia?

Answers:—

(1) I am informed that the Australian Universities Commission requested the University of Queensland to set quotas in all courses—the quota in first-year medicine this year being 245. I understand a slightly higher number of students than this has been admitted to the course this year. A medical school is planned at the James Cook University of North Queensland and it should help to alleviate any shortage of doctors.

(2) A special grant of \$1,500,000 has been made available by the State Government to the University of Queensland for the sandstone facing of the Michie Building and adjoining cloisters. The money will be spent over a period of some years. No recurrent or ordinary capital funds are now provided to the university by the State.

(3) Under the legislation governing the University of Queensland and the James Cook University of North Queensland, the Governor in Council may appoint certain members of each university's controlling body. Each Act contains a section providing for the disqualification from office of members of the Queensland University Senate or James Cook University Council under certain conditions.

(4) The Federal Government has no power to appoint members to the controlling bodies of the State's three universities.

34. GREAT AUSTRALIAN BUILDING SOCIETY

Mr. K. J. Hooper, pursuant to notice, asked the Minister for Works and Housing—

(1) Has the Great Australian Building Society changed its auditors of its 1973-74 financial accounts, against the advice of the Registrar of Permanent Building Societies, to a firm known as J. J. O'Shea & Co.?

(2) Are the persons who will perform the audit directors of Nursing Centres of Australia and staff employed by nursing centres who have borrowed money from the building society under various names such as Mt. Gravatt Nursing Home, Jindalee Nursing Home, Coonoona Nursing Home and Golden Years Nursing Home and various other companies?

Answers:—

(1) The Registrar of Building Societies is not aware that the Great Australian Permanent Building Society has changed its auditors to the firm of Messrs. J. J. O'Shea & Co.

(2) Records at the office of the Commissioner for Corporate Affairs reveal that the sole member of the firm of Messrs. J. J. O'Shea & Co. is Mr. Joseph Justin O'Shea. Mr. Joseph Justin O'Shea is not listed as a director of Nursing Centres of Australia Limited on the company file. The remaining part of the question was answered by letter dated 15 July 1975 to the Leader of the Opposition, who obviously does not have sufficient confidence in his spokesman on housing to even bother to supply him with the information.

35. ACCIDENT INVOLVING POLICE VEHICLE, INDOOROOPIILLY INTERSECTION

Mr. K. J. Hooper, pursuant to notice, asked the Minister for Police—

(1) Further to his answers to my questions on 16 and 24 April concerning a collision between police vehicle OHV-968 and a private vehicle on 13 April, as over four months have elapsed since the accident, has the investigation been finalised and, if so, what was the result?

(2) As it was due to the failure of the police vehicle to yield right of way to the private car that the owner of the car was required to pay an amount of \$114 in repairs and stands to lose his no-claim bonus through no fault of his own, will he in the circumstances consider the payment of an ex gratia payment to the car owner?

Answers:—

(1) Preliminary investigations in this matter have been finalised and consideration is presently being given to the pre-ferment of departmental charges against the police officers concerned.

(2) The relevant file will in due course be forwarded to the Solicitor-General for consideration as to whether this is a suitable case in which to make an ex gratia payment to the owner of the private motor vehicle, and if so, to negotiate a settlement.

36. BILOELA STATE PRIMARY AND HIGH SCHOOLS

Mr. Hartwig, pursuant to notice, asked the Minister for Works and Housing—

(1) As increases are anticipated in the enrolment at the Biloea State School next year and will create an urgent need for extra classrooms at the primary school, when will work already approved by the Education Department be completed?

(2) As certain building extensions were approved last March by the Education Department for the Biloea High School and as these works are urgently needed, when will these additions be constructed?

Answers:—

(1) Arrangements are already in train for the provision of two additional teaching spaces at Biloea State School to cater for anticipated increased enrolment for the 1976 school year.

(2) This matter is under investigation. Action will be taken to provide the necessary additional classroom accommodation for anticipated increased enrolments for the commencement of the 1976 school year.

37. COAL EXPORT LICENCES

Mr. Hartwig, pursuant to notice, asked the Deputy Premier and Treasurer—

(1) As the Commonwealth A.L.P. Government has refused to grant coal export licences to Norwich Park and Nebo fields, what is Queensland losing in revenue by the refusal of the licences?

(2) How many job opportunities are being denied to Queenslanders by Mr. Connor's negative coal-export policies?

(3) What amount is Queensland losing in freight and royalty revenues?

Answer:—

(1 to 3) If the projects presently being considered for the Norwich Park extension of the Central Queensland Coal Associates leases and the Nebo area were to proceed to the capacities presently envisaged, the State would receive additional rail profit and royalties in respect of some 20 to 30 million additional tonnes of coal per annum. The rate at which these projects could be developed would, of course, depend on export demand as well as the granting of export licences. While railway agreements would have to be

negotiated with the companies in each case, a very conservative estimate of the total amount which would flow to Consolidated Revenue from the combination of royalty and rail profit on a total tonnage of 20 million per annum would be \$65 million. This would, of course, represent a very significant improvement in the State's budgetary situation. I would not attempt to estimate the number of job opportunities which would flow from these developments, but they would run into several thousands. The projects would entail work on the development of the mines themselves, the railway facilities, the townships, port facilities and the running of these operations when completed. There would also be a flow-on of demand into areas of production for the supply of equipment and materials and, all in all, the projects would make a very significant inroad into the unemployment figures of Queensland, with effects also extending into other States.

38. CALLIDE DAM

Mr. Hartwig, pursuant to notice, asked the Minister for Water Resources—

(1) Regarding Stage 2 of the Callide Dam and reticulation of waters for irrigation purposes, how far has it progressed?

(2) How many employees are engaged at present?

(3) What amount of moneys will be allocated this financial year?

(4) What will be the maximum number of employees engaged, provided sufficient funds are made available?

Answers:—

(1) Investigation and design work of Stage II works is well advanced. Acquisition of land for construction of channelling is proceeding. Installation of the rising main is in progress and work has commenced on the valve house at the dam.

(2) Number of men currently employed is 14.

(3) This is a budgetary matter and no definite figure can be provided at this stage.

(4) With a sufficient allocation it is expected that up to 30 or 40 men will be engaged, as well as associated mechanical equipment, during this financial year.

39. MUTUAL HOME LOAN FUNDS

Mrs. Kyburz, pursuant to notice, asked the Minister for Justice and Attorney-General—

(1) Is he aware of moves in New South Wales whereby Mutual Home Loans Funds are in future likely to come under strict supervision?

(2) Because of the fund's specialised nature, as a result of the control provisions of the Companies Act, is it now not possible to introduce suitable legislation?

(3) As it is imperative that the fears of the investing public should be allayed, will he be prepared to study the draft proposals of the New South Wales Act and to give the Registrar of Co-operative Societies certain supervisory powers in this matter?

(4) As Mutual Home Loan Funds are linked to a management company which issues options in the fund, which action has resulted in substantial cash flow to the management company as opposed to the fund, will he look at the matter of forfeitures and see that in future the fund itself, rather than the management company, is benefited and in so doing see that the public good is best served?

Answers:—

(1) It is understood that draft legislation is being considered for introduction into the New South Wales Parliament in respect of Mutual Home Loans Funds. However, specific details are not as yet available.

(2) The Companies Acts of New South Wales and Queensland are substantially similar in their provisions. It is hoped that complete uniformity will shortly be achieved. If legislation, as contemplated above, is introduced in New South Wales, there would appear to be no reason why similar legislation could not be introduced in Queensland in respect of Mutual Home Loan Funds.

(3) Yes—when draft legislation is available consideration will be given to the proper authority to administer such legislation if introduced in Queensland.

(4) Yes.

40. GRANTS TO MACKAY CITY COUNCIL AND PIONEER SHIRE COUNCIL

Mr. Casey, pursuant to notice, asked the Deputy Premier and Treasurer—

What have been the non-repayable grants made to the Mackay City Council and the Pioneer Shire Council by the Commonwealth and Queensland Governments for each of the last three years, (a) for unemployment relief, (b) by the Grants Commission, (c) under the Regional Employment Development Scheme, (d) for special community facilities or services and (e) as no-strings-attached grants?

Answer:—

The non-repayable grants made to Mackay City Council and the Pioneer Shire Council by the Commonwealth and Queensland Governments for the financial years 1972-73, 1973-74 and 1974-75

were—(a) Unemployment relief (Commonwealth) — Mackay — \$231,000, \$48,000, nil; Pioneer—\$116,000, \$22,000, \$108,000. (b) Grants Commission (Commonwealth)—Mackay—nil, nil, \$64,000; Pioneer—nil, nil, \$107,000. (c) Regional Employment Development Scheme (Commonwealth)—Unknown. (d) Community facilities and services (State)—Mackay—\$246,110, \$106,323, \$120,932; Pioneer—\$100,809, \$46,805, \$123,873. (e) Unconditional grants (State)—Mackay—nil, nil, \$35,000; Pioneer—nil, nil, \$40,000.

41. PEANUT PRODUCTION

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

(1) Is he aware that there has been a substantial fall in Queensland's peanut crop in recent years and that the Queensland Peanut Marketing Board, the Australian marketing authority, has had to import peanuts to meet the shortfalls of consumer demand?

(2) What are the reasons for the decline in Queensland production?

(3) What amounts of peanuts have been imported by the Queensland Peanut Marketing Board for 1973, 1974, and 1975 to date, and what is the estimate of shortfall, if any, for the 1976 crop?

(4) What countries has the board imported peanuts from during the same years and what percentage of these total imports has come from South Africa, a country against which most nations have economic sanctions?

(5) Is he aware that the United States of America, a country with which we have good relations, has a substantial surplus of peanuts and, if so, will he take action to see that the Queensland Peanut Marketing Board imports peanuts from that nation rather than from South Africa?

Answers:—

(1 and 2) I am aware that there has been a decline in Queensland's peanut crop over recent years. The reasons have been both economic and agronomic. Increased prices for coarse grains, oilseeds and navy beans have enabled peanut growers to diversify their operations and practise effective and needed crop rotations. The situation has been compounded by adverse seasonal conditions, such as last summer's unusually very hot conditions and 1974's disastrous floods.

(3 and 4) It is not the function of the Peanut Marketing Board to import peanuts and the board has never imported commercial peanuts into Australia. In the event of a shortfall in domestic production, Australian processors and merchants make their own arrangements to obtain supplies. I would expect that processors would make

their own commercial judgments as to the source of supply based on ruling market prices and availability.

(5) I am aware of the large United States peanut surplus, but an Australian processor's decision to purchase from that or any other source is a matter outside the jurisdiction of the Peanut Marketing Board and the Queensland Government.

42. INSURANCE COVER FOR DAMAGE FROM TIDAL SURGE

Mr. Casey, pursuant to notice, asked the Deputy Premier and Treasurer—

In view of his statement that storm and tempest insurance premiums for North Queensland are under review and that it would appear that northerners are in for a further slug because they are prepared to develop the North, will he ensure that insurance companies also provide cover for damage from tidal surge, which most companies, including the S.G.I.O., will not now do?

Answer:—

The Government has no powers which enable it to force insurance companies to underwrite any particular type of risk. Tidal surges or tidal waves associated with cyclones are regarded by insurers as events that involve a risk of catastrophic damage that is too great to be carried by private insurance. This is a world-wide practice. Only those property owners who were close to the sea would seek the cover and they alone could not afford the premiums necessary.

43. REFRIGERATION REPAIR AND MAINTENANCE COMPANY

Mr. Wright, pursuant to notice, asked the Minister for Industrial Development, Labour Relations and Consumer Affairs—

(1) How many complaints have been received by the Consumer Affairs Bureau concerning the firm known as Refrigeration Repair & Maintenance Company, operating at 24 Juliette Street, Annerley?

(2) In how many instances have these complaints been resolved to the satisfaction of the consumers involved?

(3) Who are the principals of this firm and how long has it been operating?

(4) What action can be taken by the bureau or any other Government instrumentality to prevent other unsuspecting consumers from being caught by this firm?

Answers:—

(1 and 2) As I previously have said in answer to a similar question, except in special circumstances in which it is considered that the naming of a trader in this House is warranted, it is not my intention

to provide details of complaints received by the Consumer Affairs Bureau against any organisation or firm. The fact that one or even a number of complaints may have been received by the bureau against a particular enterprise does not necessarily indicate that it is operating in an unethical or unlawful manner, and it is clear that in certain circumstances the supplying of details concerning complaints received by the bureau could condemn a trader without justification.

(3) The recording of details concerning the members of firms is not a matter which comes within my administration.

(4) A report appeared in *The Courier-Mail* of 16 August concerning charges against two persons in connection with the activities of the Refrigeration Repair and Maintenance Company. I would suggest to the honourable member that he peruse that report and direct any further inquiries to the appropriate Minister.

44. CAMP HILL STATE HIGH SCHOOL

Mr. Wright, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) Is he aware of the growing concern amongst staff members at the Camp Hill High School regarding the work-load being carried by teachers because of the shortage of teachers caused through sickness, leave and insufficient teachers appointed to the school?

(2) What is (a) the present staff complement and (b) the student population of the school?

(3) How many teachers have been absent in the last month and what were the reasons for the absences?

(4) Will he investigate this matter immediately and take action to have sufficient relief teachers appointed to alleviate the present unsatisfactory situation?

Answers:—

(1) Staff members of the Camp Hill State High School are not undertaking excessive work-loads. Whilst absences have caused staff to take extra classes, work-loads have remained within the accepted limits.

(2) (a) The present teaching staff complement is 57. (b) The student population is 919.

(3) Absences during the month of July were—(a) 28 teachers absent on sick leave for a total of 42 days; and (b) 2 teachers absent on special leave for a total of four days.

(4) The school has an effective staff strength of teachers in general subject areas (excluding manual arts and home economics) of 42, as compared with the

entitlement of a school of this size of 41 teachers. Three teachers commenced long service leave on 25 August 1975. Replacements are being provided by the appointment of four overseas recruits who are expected to arrive during the first week of September.

45. LIQUOR LICENCE TRANSFERS

Mr. Wright, pursuant to notice, asked the Minister for Justice and Attorney-General—

(1) Has the Licensing Commission a policy regarding cut-price hotels or liquor supermarkets and, if so, what is it?

(2) Have any applicants ever been refused the transfer of a licence because it was known by the commission that the hotel was planned to be used as a cut-price liquor supermarket?

(3) How many applications for transfer of licences to companies have been refused in the last three years and what were the general reasons for the refusals?

(4) Is it an advantage for a company desirous of obtaining the transfer of a licence to be already involved in the hotel trade?

(5) What right of appeal has an applicant against the commission's decision not to allow the transfer of a licence?

(6) Who hears the appeals and what qualifications has the person or have the persons involved?

(7) To whom do licensees or dissatisfied applicants for licences lodge complaints against the Licensing Commission or the commissioner?

(8) When an application is lodged for the transfer of licences for which it is known that the applicant intends to set up a cut-price hotel, what consideration is given by the commission to the effect which such a hotel may have on existing hotels in the area?

Answers:—

(1) No.

(2) No.

(3) Nil.

(4) All applications for transfers of licences are considered on their merits.

(5) An appeal may be made to the Licensing Court of Queensland.

(6) His Honour Judge Broad who is a judge of the District Courts.

(7) Appeals against any determination of the commission may be lodged with the Licensing Court Registrar and a copy of the appeal must be served on the Executive Officer of the Licensing Commission within the time prescribed.

(8) This is not a matter for consideration by the Licensing Commission at the time of hearing of an application for transfer. The commission may, upon being satisfied that the proposed transferee is a fit and proper person to hold the licence desired to be transferred, transfer such licence to such person.

46. TWO-PLY TYRES ON NEW MOTOR VEHICLES

Dr. Lockwood, pursuant to notice, asked the Minister for Transport—

(1) Is he aware of the practice of delivering Valiant sedans fitted with two-ply tyres?

(2) Is this practice still continuing?

(3) Are two-ply tyres safe for such a motor vehicle, considering its weight and maximum speed?

(4) Is there a minimum standard of tyre required by law, particularly for new vehicles and, if not, is such legislation proposed?

Answers:—

(1 and 2) Yes. I understand that this does at times occur. I am advised that the tyres are marked "Four-ply rating".

(3) The most common form of load classification for passenger tyres is the ply-rating system. This is an index of strength which indicates the load-carrying capacity of the tyre. It does not necessarily indicate the actual number of plies used.

(4) Yes. Australian Design Rule No. 23 specifies standards of strength, construction and standard pressure-load relationships for tyres of particular size designations. Australian Design Rule No. 24 specifies requirements for tyre selection appropriate to vehicle load capacity, rim size and speed characteristics. Both design rules have been called up in division 6 of the Schedule to Part 13 of the Queensland Traffic Regulations.

47. WEST MORETON COALFIELD

Mr. Marginson, pursuant to notice, asked the Minister for Mines and Energy—

(1) Has the Government accepted the statements in the joint S.E.C.—Coal Board Report that the West Moreton coalfield will have to adjust to a lower level of production, etc., and does the Government foresee a winding-down of mining in that area?

(2) What plans does the Government have to guarantee the employment of existing employees of underground mines, thus avoiding the problems of retrenchments?

Answer:—

Answers to (1) and (2) are contained in a joint report from the State Electricity Commission and the Queensland Coal Board. A copy of this report was supplied to the honourable member for Wolston on 17 July 1975.

48. PROSECUTION OF USED CAR DEALERS

Mr. Marginson, pursuant to notice, asked the Minister for Industrial Development, Labour Relations and Consumer Affairs—

(1) How many used-car dealers were prosecuted in the years ended 30 June 1974 and 1975 (a) for false pretences by turning back the mileage readings on the speedometers of used cars and (b) under the Consumer Affairs Act for turning back the mileage readings on the speedometers of used cars?

(2) What was the nature and severity of the penalties in each of these types of prosecutions?

Answers:—

(1) Inquiries regarding prosecutions for false pretences should be directed to another Minister. However, in respect to prosecutions of traders for winding back odometers fitted to motor vehicles, I would advise the honourable member that no such prosecutions were instituted during the year ended 30 June 1974, but during the year ended 30 June 1975, seven traders were prosecuted.

(2) Details of the penalties were as follows:—

Trader	Total of fine and costs \$
(a)	154.25
(b)	54.25
(c)	54.75
(d)	45.75
(e)	44.25
(f)	104.25
(g)	44.25

49. APPOINTMENT OF MR. B. RINGELSTEIN, WOLSTON PARK PSYCHIATRIC HOSPITAL

Mr. Marginson, pursuant to notice, asked the Minister for Health—

(1) Has his attention been drawn to an article in the *Telegraph* of 21 August regarding the appointment of Mr. B. Ringelstein as deputy principal nurse at the Wolston Park Psychiatric Hospital?

(2) Has he received a protest from the Queensland State Service Union with respect to the appointment?

(3) How many applications were received for appointment to the position from (a) within the service and (b) outside the service?

(4) By the appointment of a person from outside the service, was no person within the service capable of carrying out the duties?

(5) Have officers within the hospital service no right of appeal against the appointment and was this taken into account when the position was advertised and the appointment made?

Answers:—

(1) Yes.

(2) Yes.

(3) Twenty-eight applications were received for this position, 22 from within the service and six from outside the service.

(4) The appointee is considered to be the most efficient applicant for the position.

(5) There is no appeal under the Public Service Act against the appointment referred to by the honourable member.

50. PARKHURST INDUSTRIAL ESTATE

Mr. Yewdale, pursuant to notice, asked the Minister for Industrial Development, Labour Relations and Consumer Affairs—

(1) How many applications are presently held by his department in regard to land usage on the industrial estate at Parkhurst, north of Rockhampton?

(2) If any applications are pending, are any accompanied by requests for financial assistance from his department?

(3) What amount of land was still available on the estate at 30 June 1975?

Answers:—

(1) One.

(2) No; although the application in question does include a request for the provision of a Government factory building for rental.

(3) 168.9 hectares.

51. SMALL DEBTS COURT HEARINGS

Mr. Yewdale, pursuant to notice, asked the Minister for Justice and Attorney-General—

(1) Since the inception of the Small Debts Court, how many applications have been made for hearings (a) throughout Queensland and (b) from Rockhampton?

(2) What will be the formula adopted in regard to conducting the court, i.e., the place of hearing, the number of cases, etc.?

Answers:—

(1) (a) Arrangements have been made for a return to be furnished by each registrar at the end of the current quarter showing the number of actions for small debts filed. (b) Twenty-nine, from 1 July 1975 to 26 August 1975.

(2) All hearings will be conducted in accordance with the appropriate provisions of the Magistrates Courts Act and The Magistrates Courts Rules.

52. CONSIGNMENT OF PARCELS AND GOODS FROM NORTH ROCKHAMPTON RAILWAY STATION

Mr. Yewdale, pursuant to notice, asked the Minister for Transport—

What volumes of parcels and other goods were consigned to and from the North Rockhampton Railway Station for 1972-73, 1973-74 and 1975-75?

Answer:—

The volume of parcels traffic is not recorded, but earnings from parcels despatched from North Rockhampton were—1972-73, \$563; 1973-74, \$1,126; and 1974-75, \$1,702. Details of goods traffic received at and despatched from North Rockhampton were as follows:—

—	Outwards	Inwards
	tonnes	tonnes
1972-73 ..	2,161	2,046
1973-74 ..	2,825	3,350
1974-75 ..	1,934	2,487

53. COMMONWEALTH R.E.D. SCHEME

Mr. Akers, pursuant to notice, asked the Minister for Local Government and Main Roads—

Is he aware that costs incurred by local authorities and other organisations in Queensland in preparing applications to the Commonwealth Government under the R.E.D. Scheme will now be wasted as a result of the Commonwealth Government abruptly withdrawing this source of finance which it dangled in front of the community and, if so, how much expenditure is involved?

Answer:—

The determination of policy in relation to projects to be financed from the R.E.D. Scheme is a matter for the Commonwealth Department of Labour and Immigration. I have no knowledge of what that policy might be in the circumstances mentioned by the honourable member. My department has no information as to the amount of expenditure of this nature incurred by local authorities.

54. LAND ACQUIRED FOR EDUCATION PURPOSES, PINE RIVERS ELECTORATE

Mr. Akers, pursuant to notice, asked the Minister for Education and Cultural Activities—

What is the real property description and postal address of all land, other than that already in use, which has been acquired in the Pine Rivers Electorate for use as (a) pre-school sites, (b) primary-school sites, (c) secondary-school sites and (d) tertiary-education sites?

Answer:—

Records of this nature are not maintained in statistical form. A search will be required and has in fact been put in hand. The information will be provided to the honourable member as soon as it can be compiled.

55. CAIRNS RAILWAY STATION PARCELS OFFICE AND CLOAKROOM

Mr. Jones, pursuant to notice, asked the Minister for Transport—

(1) What is the reason for the eight-month delay in the calling of tenders for renovations to the parcels office and cloakroom at the Cairns Railway Station?

(2) As the need for these facilities is recognised, will he undertake to accelerate the printing and calling of tenders for this work as soon as possible and, in view of the industrial unrest ensuing, make an urgent announcement on a commencement date?

Answer:—

(1 and 2) Approval was given in June of this year for the provision of additional space in the parcels office at Cairns. The preparation of working drawings has been proceeding in conjunction with the carrying out of design work for other projects including those involving the more urgent requirement of providing accommodation for railway employees. The drawings are expected to be completed to permit of the calling of tenders at the end of October next.

56. PRIMARY SCHOOL SITE, BAYVIEW HEIGHTS, CAIRNS

Mr. Jones, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) Relative to the securing of tenure for the new primary-school site at Bayview Heights, Cairns, has the acquisition of the land been finalised and, if so, what is its area and location?

(2) What is the real priority of this project relative to the date of forward planning, when will construction commence and what is the anticipated date on which new enrolments will be accepted?

Answers:—

(1) The acquisition of land for the erection of a primary school in the Bayview Heights area has not yet been finalised. Alternative sites of approximately 6 ha are being considered north and south of Gordon Creek. It is anticipated that a selection will be made in the near future.

(2) The project has a high priority, and it is expected that the school will be ready for occupancy at the commencement of the 1977 school year.

57. MOTOR VEHICLE REGISTRATION DELAYS

Mr. Jones, pursuant to notice, asked the Minister for Local Government and Main Roads—

(1) Has the Management Services Committee appointed to investigate aspects of motor vehicle registration given consideration to the present operation for the issue of registration number plates, wind-screen labels and registration certificates and to the minimising of delays in provincial and country areas?

(2) If so, what steps are to be taken to overcome the present cumbersome system for the motorist applied outside the metropolitan area and/or the methods which will be undertaken to modify procedures to achieve earlier issue of plates, labels and certificates of registration to locations such as Cairns, where delays of from three to four months now occur?

Answer:—

(1 and 2) The decentralisation of the registration system is being planned now in the current management services task for implementation in 1976. Cairns, Townsville and northern areas will be considered closely in the system redesign. I have personally directed that high priority be given to the matters raised by the honourable member.

58. GRIFFITH UNIVERSITY AND MOUNT GRAVATT TEACHERS COLLEGE

Mr. Houston, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) Has his attention been drawn to the statement from the Mt. Gravatt-Griffith Co-ordinating Committee concerning discussions which members of the

university and Mt. Gravatt Teachers College had with officers of the State Department of Education in relation to the career prospects of those who gained joint qualifications at this university and college?

(2) Will he comment on the statement that the members of the co-ordinating committee were informed that the shortage of secondary school teachers in Queensland is completely or very nearly over, and consequently the employment prospects of those who have just qualified as secondary school teachers may not be as good as it has been in recent years?

(3) What plan has the department produced to ensure that trained teachers can be gainfully employed or that teachers are not trained in subjects where there is no possibility of employment?

(4) Is any preference given to Queensland-trained teachers over teachers trained in other States or overseas?

Answers:—

(1) No. To the best of my knowledge and that of the co-ordinating committee, no such statement has been made. Reference is made to this matter in the confidential minutes of the co-ordinating committee.

(2) As a result of careful planning over many years and because of the predicted flattening out of secondary school population in the last few years of this decade, the demand for additional secondary school teachers will be reduced in the near future, and consequently the number to be trained for placement in departmental schools will be reduced.

(3) The Department of Education maintains close liaison with the Board of Advanced Education regarding likely needs for additional teachers in future years. The board is responsible for the number of available places in colleges of advanced education. Universities are also kept informed of likely teacher needs at the secondary level.

(4) This position has not arisen to date but should it do so in the future, I can assure the honourable member that preference will always be given to properly qualified Queensland teachers.

QUESTIONS WITHOUT NOTICE

REMOVAL OF BROADCASTING SPEAKER UNIT FROM PRESS ROOM

Mr. HOUSTON: I ask the Premier: Is he aware that during the debate in this Chamber yesterday on the election of a senator, the broadcasting speaker unit in the Press room was ripped off the wall? Will he explain why this unit was removed, especially in that fashion?

Mr. BJELKE-PETERSEN: Something of this nature was reported to me last night. It is a matter for the Speaker, and I suggest that the honourable member refer the matter to him.

Mr. HOUSTON: I ask the Premier: As he has greater access to the Speaker than Opposition members in matters such as this, will he please refer this matter to the Speaker on behalf of the House?

Mr. BJELKE-PETERSEN: Yes.

SUPPLY

VOTE OF CREDIT—\$750,000,000

Mr. SPEAKER read a message from His Excellency the Governor recommending that the following provision be made on account of the services for the year ending 30 June 1976—

“From the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account), the sum of \$330,000,000;

“From the Trust and Special Funds, the sum of \$340,000,000; and

“From the moneys standing to the credit of the Loan Fund Account, the sum of \$80,000,000.”

COMMITTEE

(The Chairman of Committees, Mr. W. D. Hewitt, Chatsworth, in the chair)

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (12.12 p.m.): I move—

“That there be granted to Her Majesty, on account, for the service of the year 1975-76, a further sum not exceeding \$750,000,000 toward defraying the expense of the various departments and services of the State.”

As is customary, it is necessary in the opening days of this session to introduce a Bill to provide further Supply until such time as the Budget has been presented, debated and approved by Parliament.

In the last Appropriation Act, passed by the House in November of last year, Supply for 1975-76 to the extent of \$428,000,000 was granted—\$190,000,000 for Consolidated Revenue Fund, \$220,000,000 for the Trust and Special Funds, and \$18,000,000 for the Loan Fund. The purpose of the Bill now before the Committee is to provide a further sum of \$750,000,000, of which \$330,000,000 is required for Consolidated Revenue Fund, \$340,000,000 for the Trust and Special Funds, and \$80,000,000 for the Loan Fund.

The total Supply which will now be available for 1975-76 pending the approval of the Budget is \$1,178 million—\$520,000,000

for Consolidated Revenue Fund, \$560,000,000 for the Trust and Special Funds, and \$98,000,000 for the Loan Fund. In total, this represents an increase of \$298,000,000 on the Supply available for the corresponding period last year. This increase is necessary to cover the heavy impact of award increases granted in the past 12 months, an escalation in costs generally, and an expansion of services, particularly in the education, health and social welfare sectors.

The most topical subject of discussion so far as State finances are concerned—and in very many other quarters as well—is the recent Commonwealth Budget, and it would be appropriate for me, at the time of introducing the State's first financial measure in the current session, to comment on it.

I will not traverse the whole subject of what that Budget is likely to do to the Australian economy generally. There have been many commentaries on that aspect from the experts since it was brought down, and I note that, in the main, the feeling is that it is not going to go any distance at all towards solving the economic ills of the nation. How can it, when the main trouble with the economy is lack of business confidence in the Commonwealth Government's handling of the economy, and the Budget does nothing except offer a small drop in the rate of company tax to restore that confidence? That is the only offer made in the Budget.

I would rather concentrate this afternoon on the Budget's effect on the finances of this State, where we are trying to prepare a budget of our own which, within the very limited scope left to the State by the Commonwealth, will have the least unfavourable impact on the economy at large.

The Commonwealth Budget made provision for the first annual Financial Assistance Grant under the new arrangements nominated by the Commonwealth and forced on the States at the last Premiers' Conference. The shortcomings of that arrangement have already received considerable publicity. It will be enough for me now to say that what the States received was entirely inadequate for them to meet the effect of cost escalations that the Commonwealth-inspired inflation has had on State Budgets. In the Queensland Budget alone we will have to provide in 1975-76, \$251,000,000 for increased wage levels over those current at the time of the last Budget.

The States had submitted detailed information to the Commonwealth to demonstrate a need for \$800,000,000 in excess of what the States would receive if the previous Financial Assistance Grant formula had continued. The Commonwealth's answer was a mere additional \$220,000,000, which left the States in a position where they have now to look to greatly increased State taxes and charges if they are to continue their existing State services.

Queensland sought an increase in the amount of \$2,000,000 which was being added annually to its grant to bring it into closer relativity with the other States, and the answer to that request was to abolish the \$2,000,000 addition altogether.

We sought the addition to the special \$2,000,000 so that Queensland could be brought up gradually to a position where we would no longer be reliant on the Grants Commission for treatment equal to that received by the other States. The Commonwealth suggested in reply that it would be willing to enter into negotiations for the withdrawal of the State from the Grants Commission on the determination of an appropriate addition to the State's Financial Assistance Grant to compensate for the loss of its Grants Commission grant. We are obviously not going to accept that sort of invitation while the Commonwealth Government continues with its present tight-fisted attitude towards the States.

We feel that the Grants Commission, as an independent body, can be better relied upon to give the State the amount it needs to put it on an equal basis with other States. Furthermore, continuation under the present system gives the Commonwealth less opportunity of forcing the State to give up more of its responsibilities.

Honourable members are undoubtedly aware that the Commonwealth Government, amongst other things, is attempting to obtain control over the country railway systems of the States. This is the basis on which South Australia recently ceased to be a claimant State. Let me warn honourable members, particularly those members who represent areas away from Brisbane and who may be tempted to believe we should sell our railway, of the pit-falls in making that sort of arrangement.

The Commonwealth has openly declared its policy that business undertakings should pay their own way. As it has done in South Australia, the Commonwealth would reduce the State's Financial Assistance Grant by the amount of loss previously experienced in the running of the country railways system and which it was purportedly saving the State by taking the railways off its hands. But it would then, following the declared policies, proceed to make a double recovery from Queenslanders by putting up fares and freights to the point where the railways pay. That is exactly what the Prime Minister said at the recent Prime Minister-Premier conference. The Queensland Government has deliberately borne considerable railway losses to assist country people; but the man on the land knows he could not expect any money from the Prime Minister in that direction.

Honourable members will be aware that the States also sought from the Commonwealth an arrangement which would have had the effect of escalating the Financial

Assistance Grants to them at the same rate as income tax collections grew. The Commonwealth argued that it could not agree to this because it would have to revise the income tax scale from time to time.

What has it done with its first such revision? It has made a great song and dance about relieving taxpayers of \$205,000,000 of tax; but this is taken against what it would otherwise have collected after the inflationary effects on the tax scale.

Its total income tax receipts from individuals is still estimated to increase from \$7,714 million in 1974-75 to \$10,340 million in 1975-76, even after allowing for the adjustment of the tax scale and the reduction in pay-as-you-earn deductions in 1975-76, which will be offset by smaller refunds in the following year. This is an increase of not less than \$2,626 million, or 34 per cent, and makes the estimated formula additions to the State's grants of \$581,900,000, or 24.6 per cent of the basic Financial Assistance Grants for 1974-75, look a very poor arrangement for the States indeed.

The Prime Minister contended that the additional \$220,000,000 to the States would be sufficient to extinguish the need for the States to ask for any further special additions to the grants in the years to come except in "truly abnormal and unpredictable circumstances". However, even with the \$220,000,000 included, the increase for the States still does not match the percentage increase in income tax on individuals this year after providing for the concession and the reduced pay-as-you-earn deductions.

The loan and capital grant moneys which the States and semi-governmentals are to receive under Loan Council programmes are equally disappointing, particularly so in relation to the semi-governmental programmes which have risen by only 40.5 per cent over the last two years compared with an estimated inflation rate of 70 per cent in construction costs over the same period. Quite clearly this obviously means a lesser level of works in both the State and semi-governmental areas.

The Commonwealth has made it quite clear to the States that it expects them to increase their own taxes to make up the amount of the shortfall between the increased cost of their needs and the additional amount which the Commonwealth is prepared to provide from the increasing tax pool.

The Prime Minister has suggested that he would not be concerned if the States commenced collecting taxes on retail transactions, and some States have commenced to raise much needed revenue in this manner. For many years the States have collected a tax on liquor through the licensing system. Now certain of the States have extended their

licensing systems to cover tobacco and motor spirit, on the assumption that the Commonwealth was already getting as much as it could expect out of these commodities and that a reasonable State charge would not be unwarranted.

But what has the Commonwealth now done? It has again increased its own levies on liquor, tobacco and motor spirit to an extent where the States, on reviewing their own taxes, have to think very seriously about the capacity of industry and the public to bear additional State tax burdens. The moves taken by the Commonwealth certainly narrow the scope for the States to raise revenues through these avenues.

We also now have the Commonwealth entering the field of mining royalties. Whatever it may call the tax it is levying on coal exports, it is in fact a charge levied in relation to the availability of valuable minerals and, therefore, it is in the nature of a royalty charge. The State's royalty, which is now based on a percentage of the value of coal on rail, will suffer immediately because the Commonwealth charge reduces the free-on-rail value. On royalties alone, the Commonwealth's new excise means a reduction of over \$5,000,000 a year in our State mining royalties, and this, of course, means a further strain on the State Budget.

Moving on to the area of specific purpose payments to the States, the Labor Government, in its initial years of office, held out promises of increases in payments to the States and, through the States, to local authorities, at a dramatic rate. The States and local authorities have had to expand their own administrative structures to deal with these additional expenditures and, of course, we were led to believe that they would be continuing efforts. To qualify for large sums of money, all we had to do was to go along with the Commonwealth Government's often ill-conceived plans. Council after council did that.

Now that the Commonwealth has got the economy into such a mess, and has decided to cut expenditures, we find that a lot of the effort which went into developing programmes for expenditure of these additional moneys—and which cost councils considerable amounts—will be for nought. In addition we will have the disruptive effect of having to cut back in areas which have only recently been expanded. The result, unavoidably, will be an addition to the ranks of the unemployed as contractors who have been looking to these programmes for work, now find them quickly petering out. Let me look at some of the particular areas affected in this way.

Under its welfare housing programme the Commonwealth had made available quite acceptable sums for the construction of new homes and the purchase of existing homes for allotment on a means-test basis to low-income earners. In view of the very high cost of building and very high interest rates which

have developed under the Labor regime, this low-interest money was particularly helpful in the provision of homes for people who would not otherwise have been able to afford them. We argued that more of the money should be made available for home purchase, but went along with the arrangement because of its other obvious benefits.

The welfare housing scheme has also been useful in recent months in providing work for builders who have been hit by the slump in the economy. Queensland, in the previous year, had built up its expenditure on welfare housing at the open invitation of the Commonwealth to take whatever amount of funds the State could use within the constraints set by the availability of resources in the building industry and the needs of eligible families.

The policy of the Commonwealth has now turned around completely and its welfare housing allocation to Queensland has been reduced from \$43,800,000 in 1974-75 to \$31,000,000 this financial year. Admittedly we were told that \$6,000,000 made available to us in June last would be taken into account in determining the figure for this financial year; but we were not told that the Commonwealth would use this \$6,000,000 as an excuse to reduce our 1975-76 allocation \$12,000,000 below the 1974-75 figure; nor were we told that there would be no provision for increased building costs and normal expansion of the programme.

The result of this drastic action on the part of the Commonwealth is very clear indeed. The building industry has already slowed down with major private building ceasing and with the private housing industry in the doldrums. We now have a Commonwealth Budget which indicates that there will be no more Commonwealth-financed capital programmes this year and that the welfare housing programme will be heavily cut.

As far as the welfare housing programme is concerned, Queensland in 1975-76 will receive only 8.5 per cent of the total amount to be made available to all States, compared with 11.4 per cent last year and compared with our population percentage of no less than 15.22 per cent. Despite the build-up of welfare housing expenditure last year, the number of unsatisfied applications with the Queensland Housing Commission for homes under the scheme increased from 7,666 at 30 June 1974 to 8,193 at 30 June 1975.

The drastic reduction in the availability of welfare housing money has also forced the State to withdraw funds, previously indicated to housing societies as being available to them this year, to provide welfare housing purchases. Confidently expecting that we would receive at least the same funds as in the previous year, we gave housing societies the go-ahead with interim allocations of

\$12,000,000 which was conservatively less than the figure allocated to them for the previous year. The cut-back in the Commonwealth allocations has now forced us to tell societies not to proceed on these interim allocations and we are having to take action which will cut their total allocations back to \$8,800,000.

Looking at the field of tertiary and technical education, the Commonwealth had set up independent commissions to look at the requirements of the States in these areas. These independent commissions had seen fit to recommend significant increases in the rate of expenditure for the coming triennium, which was to commence in the 1976 academic year. These commissions were set up—not by the States, but by the Commonwealth—to advise the Commonwealth on this matter. They recommended that certain things should commence at the beginning of the 1976 academic year. Now, for economic reasons, the Commonwealth has decided to delay the introduction of the new triennium and merely extend the previous programme for another year. The effect of this is particularly noticeable in the area of capital expenditure where the Commonwealth has provided for expenditure of \$131,200,000 on universities and colleges of advanced education for all States in 1975-76 compared with \$175,900,000 in the previous year—in effect, representing only a continuation of works already in hand. The Commonwealth has ignored the recommendation of its independent commissions and the educational needs of our society to satisfy its frantic search for a remedy to the ills which it has brought upon itself and the economy.

The States, in June 1973, accepted the proposal of the Commonwealth to take over financial responsibility for tertiary education because they considered that, from their own limited financial resources, they would find it difficult to keep up with the rapid growth of needs in this area. At the time the amount which the States would have had to spend under the then approved programmes were offset against the States' Financial Assistance Grants and Loan Council capital works programmes. So in effect the Commonwealth was financing its new excursion into total tertiary education funding, at least partly, from reduced allocations to the States. The Commonwealth is now retreating from the position it stated at that time and is refusing to meet the financial obligations which it took upon itself.

A similar situation has arisen with programmes in support of the States in their desire to improve the standards of the primary and secondary schools. Here the Commonwealth has decided to ignore the recommendations of its own expert committee, which proposed further increases in programmes from 1976, and has again reduced its provision for capital works in Queensland

in 1975-76. The funds the Commonwealth is making available for its portion of the capital works on schools in Queensland will now be \$6,200,000 short of the \$28,000,000 advanced in 1974-75.

The State Government has never been a supporter of the Regional Employment Development scheme because the method of administering the scheme, the setting of priorities and the obtaining of value for money left much to be desired. There was available a better alternative method of administering an unemployment relief scheme and this was the arrangement previously employed whereby the States administered the scheme for the Commonwealth. However, as the alternative was not accepted by the Commonwealth, the State went along with the R.E.D. scheme, recognising the desirability of keeping in reasonably productive work those who would otherwise be unemployed. To do so is obviously better from the point of view of the morale of the persons concerned, the welfare of their families and the community benefit resulting from the work they do.

However, although unemployment registrations are continuing to mount, the Commonwealth has decided that it will cut out any new approvals of work under the R.E.D. scheme and will phase out the special employment grants to the States. This will not only stop the take-up of any of the existing unemployed, those coming into the unemployment market as businesses reduce their scales of operation and those affected as the Commonwealth reduces its scheme for capital works and housing, but it will throw back into the unemployment pool those presently engaged under these schemes. Workers generally, but particularly those in the building industries, are in for a torrid time indeed because of yet another unwise change in Federal Labor policies.

Another area where funds have been severely restricted just when the States and local authorities had been encouraged to build up their activities, is in respect of the various programmes administered by the Commonwealth Minister for Urban and Regional Development. The larger local authorities have, for instance, geared themselves up for the works under the Backlog Sewerage Program, for which the Commonwealth provided a programme of \$119,700,000 in 1974-75, of which \$117,700,000 was disbursed.

Regardless of the fact that costs have risen and will no doubt continue to rise substantially from 1974-75 through the current financial year, the total Australian programme has been reduced to \$113,000,000 for 1975-76. In this case Queensland has been a little more fortunate than some of the other States, with an increase in its programme from \$12,040,000 to \$13,200,000. However,

when cost increases are taken into account, it is clear that the new year's allocation will not provide the same level of physical work as that achieved out of the previous year's figure.

Under the same Minister's National Estate Program, the total amount programmed for all States will fall from \$7,700,000 in 1974-75 to \$5,000,000 in 1975-76 but details of the dissection among the States are not yet available.

A further drastic reduction has occurred in the allocation of Commonwealth funds for the acquisition of land for nature conservation purposes. In this case, the Commonwealth made provision for advances of \$9,000,000 to all States in 1974-75, but the State was not informed of the terms of the agreements required in this respect and in fact no State received any part of this amount during the year. Nevertheless, we proceeded with negotiations with owners and with discussions with the Commonwealth department. We are ready to proceed with a number of acquisitions, but find now that the amount provided in the 1975-76 Commonwealth Budget has been cut right back to \$1,800,000. This virtually puts an end to this programme for the time being.

Again, in respect of the Urban Transport Program, the Commonwealth has advised us that no further approvals will be given this year and serious doubts have been cast on the whole question of the continuation of the programme in the future. This leaves us in a situation where we have Commonwealth approval for only about 19 per cent of the required work, with no assurance that the Commonwealth will continue to provide its share of the balance of the costs. The State will therefore have to give very deep consideration to whether it can and will continue spending on the programme.

The current approvals do not provide for one full workable electrification corridor so that, without additional commitments, expenditure under the existing approvals will be completely ineffective. Further, if the State is not able to enter into early commitments for the replacement of the old railway coaches and buses presently in use, our existing transport services will be seriously depleted within a matter of two to three years.

Mr. Burns: What about the lines you pulled up?

Sir GORDON CHALK: I heard the interjection of the Leader of the Opposition regarding the number of miles of railway line that I pulled up whilst I was Minister for Transport. That is true. The Government pulled up 500 miles of the most unproductive lines in Queensland and replaced them with some 500 miles of lines for the development

of this State's coal resources. Today those lines are producing a profit to the State and a return to the community.

Mr. Burns: But not one for the average citizen in the city. What new lines have you put down there?

Sir GORDON CHALK: The railways that have been built are profitable. This benefits the whole of Queensland because it is the return from them that has enabled the people of the Brisbane area to enjoy the very low fares that they now pay to go to work.

Honourable Members interjected.

The CHAIRMAN: Order!

Mr. Aikens: You rehabilitated the Mt. Isa line, too.

Sir GORDON CHALK: That is true.

The CHAIRMAN: Order! When I call for order, I expect my wishes to be respected.

Sir GORDON CHALK: What I have outlined are only some of the areas in which the Commonwealth has cut its programmes of assistance to the States, and they reflect the general picture of the stop-go policies which have been applied to the country's economy since the present Government came to power. The transfer of employment back to the private sector is a desirable objective, and that appears to be the theory behind the Federal Treasurer's Budget policies. However, it does seem to be very poor theory indeed. To be successful, the private sector has to be encouraged to take on additional employees, otherwise the cuts in Government expenditure will merely mean a swelling of the already large pool of unemployment. There is no evidence that the Budget will provide the type of stimulus which the private sector needs to put it back into a healthy condition. The lack of incentives provided for the private sector, accompanied by continually rising costs, high interest rates and the fear of vindictive legislation once an industry becomes profitable, are the real obstacles—the real burdens that the Federal Labor Government has inflicted on industry.

From the point of view of the State Governments and local authorities, these sudden jumps and cuts in Government expenditure make it extremely difficult to plan from one year to the next. They result in wasted effort and expenditure when the plans made in one year are unable to be carried through into the next.

The Commonwealth should have made earlier efforts to study the effects of its programmes on the economy instead of rushing in and worrying about the consequences later. The programmes then could

have been phased in over a period, with an increasing measure of activity as the years progressed and as the productive resources of the country permitted, without the disruption to the economy and to other levels of government which they have now caused. It is unfortunate for all sectors of the community that they have learned their lesson so late.

I have endeavoured to give an indication of the effect that the Commonwealth Budget is having on the economy of Queensland, and the effect that it must have on the Budget of this State. All I can hope, as Treasurer, is that ultimately we will be able to overcome some of these problems and show, in the State Budget, that we are doing everything possible to continue the great development that has taken place in Queensland through the years but which unfortunately is being retarded by men such as the Federal Minister Mr. Connor. He is the person who will not permit the further development of the mining industry in Central Queensland.

In answer to a question this morning from the honourable member for Callide I indicated that the development of Norwich Park and Nebo mines was being delayed because export permits had not been issued. The coal is there and we have Japanese orders which, if filled, will provide revenue for the State which will build up to approximately \$65,000,000 a year. That does not take into account the additional money that will flow into this State through the export of that coal. Every ton of coal exported from Queensland brings capital into this country. Wherever coal-mining is carried out, it provides employment and the expansion of building activities; it pays the butcher and the baker. I believe we can overcome our problems and, as I said, with the passing of the Appropriation Bill and the presentation of the State Budget, this Government will continue to demonstrate that it has the ability and the know-how to grapple successfully with the problems that are ahead of us. I commend the motion to the Committee.

Mr. BURNS (Lytton—Leader of the Opposition) (12.52 p.m.): The Opposition supports this move to authorise carry-over finance for Government operations. However, I intend to use this occasion to illustrate the duplicity of this Government in some matters. I believe it is time that we began to cultivate the concept of a new federalism in Australia.

Mr. Moore: What was that word?

Mr. BURNS: A new federalism. No-one, least of all Queenslanders, benefits from the senseless cat-and-dog confrontation prevailing today between our State Government and Canberra. The Federal A.L.P. conference

in Terrigal earlier this year made it clear that the A.L.P. supports Commonwealth-State co-operation. It is time everyone in political command began talking co-operation; it is time they ceased knocking and it is time they projected confidence instead of propagating fear, division and uncertainty. Nothing is to be gained from union bashing and company bullying.

Our nation is divided; I do not dispute that. In this Parliament yesterday we heard Liberal members talking of war in politics and expressing a desire to brush aside all the accepted rules that the nation has laid down. The victims of this type of infectious Commonwealth-State conflict must be the Australian people, whom our Parliaments are elected to serve. Admittedly, there will always be some disagreement but there can be no justification for hatred and prejudice of the type that tears at the heart of our country.

I believe we must review Federal-State relationships. I do not suggest an Australia run high-handedly from Canberra; but an Australia directed from Brisbane or Kingaroy is equally inconceivable. We should accept the reality that we live in a federation of States and we should be proposing and discussing plans for the concept of a new federalism that recognises and respects the domains of the tiers of government—national, State and local authority. Instead of engaging in wasteful aggression based on party political extremes, we should be co-operating for the beneficial development of our resources.

Within hours of the announcement of the recent Federal Budget the Premier leaped from his bed threatening legal challenges to protect his wealthy international mining friends—some of whom this year hope to realise profits in excess of \$100,000,000—against the Australian Government's new export levy of \$6 a tonne on coal. I remind the Committee that today it is clear that no firm commitment has been made by Malcolm Fraser or Phillip Lynch as spokesman for the Federal Opposition on financial matters, that the Liberal-Country Party would abolish that levy. If honourable members opposite want to check the accuracy of that comment they can find it on page 9 of today's "Australian Financial Review". The Premier leaped from his bed because he was concerned about a legal challenge to export levies, but he acted at a snail's pace in relation to Medibank.

What of Queensland's hospitals that care for the injured? They are losing \$10,000,000 this year—\$10,000,000 that is available from Canberra—because the Premier of this State has failed to sign the Medibank agreement endorsed by the Queensland Cabinet on 26 June.

One finds the Transport Minister suddenly blaming Canberra for urban transport deficiencies in Brisbane. He failed to mention that rail electrification, scrapped by his Government in 1958, and the cross-river rail link, deemed necessary but ignored since 1947, are proceeding today only because the Australian A.L.P. Government—which he condemns—is providing two-thirds of the finance. I believe that that is pointless provocation.

I turn now to the R.E.D. scheme and unemployment and give further examples. In 1972, when the McMahon Liberal-Country Party Government was under electoral threat, the Premier pointed to high unemployment in the then Labor-governed States of South Australia, Western Australia and Tasmania and declared that unemployment was a State issue. Now, in 1975, when there is a Labor Government in Canberra and unemployment has soared in Queensland, the same Premier cynically discovers that it is a Commonwealth responsibility.

In the pursuit of its malicious vendetta against the Australian A.L.P. Government, the State administration is a portrayal of inconsistency. When the national Government commenced the R.E.D. scheme, the Premier and other Government members lost no opportunity to discredit the scheme and to belittle its successes.

Earlier this year, when Liberal Federal parliamentarians met with the then Lord Mayor, Alderman Jones, to discuss distribution of \$11,000,000 unemployment aid to Brisbane, they were slammed by the Premier. The headline was "Slam for Libs by Joh", and the Premier commented—

"If those Liberals want to be associated with the scheme they can."

But what is the true story of the R.E.D. scheme? To mid-June, grants to Queensland local authorities totalled \$32,200,000. The major part of the finance had been provided towards 1,066 projects and employment had been created for 10,919 Queenslanders. I heard an honourable member refer to bludgers. These are people who have been put back into work; they are the people who want to work. I wonder whether the more than 10,000 people restored to work and the retailers who benefit from their spending capacity endorse the National Party's bigoted objection.

The Premier complains of direct Australian A.L.P. Government assistance to local authorities through R.E.D. grants. But in 1972, during the dying days of the McMahon Liberal-Country Party Government, the same Premier told a meeting of Commonwealth and State Ministers—

"This matter is one I raised originally some years ago. I pressed the point of view that the Commonwealth should enter the field of financial assistance to local authorities."

That was the Premier of this State talking, the man who is opposed to direct grants from the Federal Government to local authorities today.

To emphasise the political manipulation of this issue, I will now compare the level of R.E.D. aid to various shires in the period to 30 June this year with the amounts provided by the piously critical State Government. I shall take first Caboolture, in the electorate of Murrumba. Under the R.E.D. scheme, it received \$611,588 towards 16 projects and 232 jobs; in grants from the State Government's special unemployment relief fund, nil.

Sir Gordon Chalk: Nil—quite so.

Mr. BURNS: The Treasurer manipulated the funds. In a document issued at the beginning of the year, he stated clearly that he intended to manipulate the funds.

I refer next to Atherton, which is also in a National Party electorate: \$219,633 from R.E.D.; from the State Government, nil. Bowen, in the electorate of the Deputy Leader of the National Party in this Parliament: R.E.D., \$289,077; State Government, nil. Proserpine, which is in the same electorate: R.E.D., \$102,375; State Government, nil. With contrasts such as those, I would be giving the cold shoulder to "cold-water" Camm if I lived in Whitsunday. Cairns city: R.E.D., \$685,378; State Government, nothing.

Let me turn now to western areas represented by the National Party. Murweh Shire: \$207,460 from R.E.D.; nothing from the State Government. Paroo Shire: \$373,424 from R.E.D.; nothing from the State Government. Do western members returning home from Brisbane tell their constituents who have found work through the R.E.D. scheme that the National Party finds the scheme politically distasteful and that they should not accept the money?

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

Mr. BURNS: Before lunch I was referring to the hypocritical attitude of the Government towards the R.E.D. scheme. At the beginning of the year the Government was opposed to it, yet right through the operation of the scheme Government members were prepared to accept the money at the same time as they were attacking it as a socialist plot. Now that the R.E.D. scheme is going to be phased out, they are apparently in favour of it and suggest that it should be continued. Before lunch I was making the point that a number of areas had received all of their funds for the relief of unemployment from the Federal Government through the R.E.D. scheme, whereas the State had completely neglected those areas. The Treasurer made it quite clear earlier in the year when he said, "Our formula will be able to stand up to any

scrutiny as a fair and equitable distribution of available funds, with any blame for imbalance resting with the R.E.D. scheme." Talk about imbalance! That is what I was demonstrating and I will draw attention to further imbalance.

The Cardwell Shire received \$394,000 under the R.E.D. scheme but nothing from the State Government. The Murgon Shire: \$190,000 from R.E.D.; nothing from the State Government. The Nanango Shire: \$194,000 from R.E.D.; and nothing from the State Government. The Widgee Shire: \$344,000 from R.E.D.; nothing from the State Government. I could go on and on. The Ipswich figures are interesting—\$1,600,000 from R.E.D. but not a cent from the State Government.

The Deputy Premier and Treasurer went on to say—

"In making the distributions account was taken of proposals under the R.E.D. scheme that have not yet been approved and should these funds not be forthcoming then once again it will be the fault of the R.E.D. scheme."

In other words, he was saying, "It doesn't matter if we don't get the money and the workers are unable to obtain work; we'll be able to blame the Commonwealth Government for political purposes. We are not concerned about the hundreds of people out of work in the various electorates or the unemployment that members are complaining about. We are not worried about them; there will be a bit of political advantage in it."

I will give a good example of how co-operation works in the electorate of Fassifern. As an alternative to Commonwealth grants under the Regional Organisation Assistance Programme, the State Government sent the Boonah Shire Council a cheque for the generous sum of \$52.67. That is the Government that can squander \$4,000 a week on an aircraft for the Premier. "The Fassifern Guardian" reported—

"A Queensland Treasury cheque for \$52.67 was received at the July 15 Boonah Shire Council meeting with advice that the State Government was making this finance available from its own resources as an alternative to Commonwealth grants under the Regional Organisation Assistance Programme which the State had rejected."

A miserly \$52.67! The Government talks about being interested in doing something; instead it uses politics for its own purposes.

Now let me turn to our continuing problems. I will refer to the Premiers' Conference. It was mentioned this morning by the Treasurer. I want to speak about the annual five-year farce when meetings are held to draw up a formula for the ensuing five years. It is a wrangle that is always unsuccessful. It is time we sat down and tried to find

some new answers to the problems that affect every Commonwealth Government and every State Government. Shortly I will refer to some of the statements of the Premier and the Treasurer about the previous Liberal-Country Party Governments.

Sir Gordon Chalk: And Mr. Dunstan.

Mr. BURNS: And Mr. Dunstan. This is what I have been saying all the way through. This is a continuing common problem. We have lived with it for quite some time, and we ought to be trying to do something about it. There is no value in scoring a political point on it, because next year, too, we will have to live with it, no matter what party is in office in the Federal and State spheres. For the next five years we will be arguing and wrangling under the current plan whether it is Gorton, McMahon, Chalk, Dunstan or anyone else. The same problem faces us year in and year out in all States. The only idea the Opposition can gather of what happens at the Premiers' Conference, other than the report of the debates that is printed later on, is the material that appears in the newspapers. "The Australian Financial Review" made this point—

"The joint submission by State Governments to the Commonwealth Government for next week's Premiers' Conference, which will discuss a new five-year financial agreement, is a disappointing document.

"The submission released yesterday is the product of a dispirited committee. It is long on exasperation but short on persuasive argument."

It then pointed out that not only is the States' case poorly argued, but the case itself suffers from lack of depth and presentation. That was the argument put forward by a responsible financial newspaper about the case presented by all of the States.

While the papers may have been available to "The Australian Financial Review", they were not available to us to read. If we take note of the criticism of the joint-State proposal at that time, we must be concerned if that is to be the type of argument put forward on behalf of the State Governments in the future. Up to 79 per cent of the people of the nation, in Gallup Poll after Gallup Poll, have suggested that State Premiers and Treasurers are more interested in playing politics than in solving the problems facing the people, and that they are not worried about national problems. The argument has been carried on for years, without anything being achieved other than an occasional political headline.

The Deputy Premier referred to the 1975 Federal Budget. We have been told by Government members daily that it is an anti-rural Budget. I shall deal with the 1972 Federal Budget produced by members of the Country

and Liberal Parties. I refer to the August 1972 edition of "Queensland Country Life", which said—

"The Federal Budget once again side-stepped the major problem facing this country—inflation."

That is the National Party's publication. It never mentions a Labor man except in anger.

The editorial continues—

"The cut in rural aid is to be deplored. Other countries have seen fit to increase their support to primary industry and the time may not be far distant when Australia will regret not having followed this course."

Government Members interjected.

Mr. BURNS: That was a comment made about your Government in August 1972.

The TEMPORARY CHAIRMAN (Mr. Row): Order! I ask the Leader of the Opposition to kindly address his remarks to the Chair.

Mr. BURNS: I am sorry, Mr. Row.

The editorial went on—

"It is also interesting to note that while aid to rural industry will drop \$64 million, the cost of running Government departments is expected to increase by \$62 million. This surely must add fuel to inflation.

"A wiser course would have been to prune Government spending and use the proceeds to give a substantial reduction in sales tax."

That was in 1972, under a Budget produced by the National and Country Parties.

Let me now examine postal charges. An honourable member spent 10 minutes of our time yesterday discussing postal charges. The Brisbane "Telegraph" of 18 August 1971 carried a front page headline, "New P.M.G. burdens condemned". I shall read some of this article because it concerns the Federal Liberal-Country Party Government. It says—

"Increased postal and telephone charges announced in the 1971-72 Budget, would force businesses either to implement restraints, cut down on service, or increase prices, the president of the Brisbane Chamber of Commerce said."

Later, he said—

"The increased income tax would dampen incentive.

"Increased petrol charges would increase transport costs, already very high."

As I say, there have been continuing complaints about these problems—year after year. In this case it was a Liberal-Country Party Budget.

To continue—one month before the Federal Labor Government came to power, "The Australian" carried a headline in these terms: "Queensland unemployed at a 10-year high". That was November 1972. The number of people out of work was the highest for more than a decade but according to this Government it is all Labor's fault. Another headline read, "The Billys must think we are goats". This was a reference to Billy Snedden and Billy McMahon.

Government Members interjected.

The TEMPORARY CHAIRMAN (Mr. Row): Order! If honourable members want to interject, I ask them to do so in a proper manner. There is far too much cross-firing in the Chamber.

Mr. BURNS: The article read—

"If you are a student on a pension, have three children, don't smoke, have no car or TV, earn no income, dislike letter writing, own a sheep, and wouldn't reach for the phone if your War Service home was on fire . . . then you will have been leaping with glee over last week's Federal Budget."

The arguments against the present Budget can be levelled against the last Liberal-Country Party Federal Budget. The same argument has been going on for years and years. The Deputy Premier has referred to the Federal Government's provision for Queensland, but if we examine the budgetary provisions we see that the criticisms of 1972-73 were almost the same as in the last Budget.

It is time we did something about the continuing problem we are faced with as a nation. We should not act as a divided group of parliamentarians fighting for our own little bit of the cake. It is about time that we sat down to determine what we can do for the good of the people of our nation. I believe that something can be done, but I do not believe that we can achieve anything with the typical political stunting that we witness here every day of the week. I am sure that many people outside get a little sick and tired of some of the political infighting. I am sure that they are concerned that this nation of ours—and we live in a very good country—should be placed in the position where, for our own political purposes, we argue, fight and bring on situations that only create difficulties for the people—not for us.

There is much talk about centralism. I remind the Treasurer of his statement in 1969. The newspaper headline was, "Chalk Wants Free Money". He said, "The Federal Government's increasing tendency towards centralism should be curbed." That was in 1969, when the coalition parties were in power in Canberra. I have to listen to that

sort of talk every day of the week here. Postal charges were increased when the Liberal-Country Party Government was in power in Canberra. Income tax and petrol tax increases also were foisted on us during that time.

My point is that the nation faces a number of recurring problems that will not be solved until we stop our divisive, destructive obsession to continually blame someone else. Our problem might be solved if we sit down and develop a new federalism—a new concept of sharing power and responsibility. I believe some taxing rights ought to come back to the States, because then we will have some responsibilities. We should not be advocating, as the Treasurer did today, that all the financial spending ought to be extended to the Commonwealth Government—"Let them put up the taxes and let them cop the blame." If there were some taxation responsibility on us and we decided to spend the money, we would then have to justify that decision and be prepared to go to the people and say, "We put the taxes up because we want to do these things."

However, in the current political climate, whenever we cannot get enough money to do something we say it is the Commonwealth's fault—"Because we cannot get enough money for roads, it is the Commonwealth's fault. Because we cannot get enough money for urban transport, it is the Commonwealth's fault." Surely it is time we considered a concept ensuring that blame is sheeted home to us when we do not face up to our responsibilities.

I am not suggesting an end to political argument; but anyone who wonders why people today laugh at politicians and denigrate them should consider some of the statements being made by persons in responsible positions. On the one hand the Premier says that a tough Budget would be unreal and should not be introduced. At the same time, however, Mr. Anthony served a warning that if a Liberal-National Party Government returned to power it would produce a tough Budget. Both are spokesmen for the same party, one at national level and one at State level. Those statements appeared in the Press within a few days of each other. They then wonder why people laugh at politicians and say, "You can't trust them." They cannot trust each other when they do things like that. It does not bring any credit upon us; nor does it bring any credit upon the Governments of the country that are supposed to be doing something to ensure that the nation and the States are run in a responsible manner.

It is no wonder that people, when they are faced with these continual arguments, speak as they do. On the one hand the Premier says, "I want you to reduce public

spending" and, on the other, his Ministers say that they want so many millions extra for roads, transport or something else. They cannot have it both ways. Everybody knows there is a certain amount of cake. On the one hand, if they want to keep spending, they cannot argue that we ought to cut back public spending; on the other, if they want a reduction in public spending, they cannot attack the Federal Government for reducing it.

(Time expired.)

Mr. DOUMANY (Kurilpa) (2.28 p.m.): We have just listened to a harangue of the type we have come to expect from the Leader of the Opposition, laced with a minimum of fact. What a contrast it was to the lucid, well supported, competent speech from the Treasurer, a man who knows what he is talking about, a man who is streets ahead of the member for Lytton. It is quite significant that some of the smarter set from the Opposition benches were not in the Chamber to hear the Treasurer's speech. They would have been embarrassed. Those who were here did not really want to interject. They do not know enough about the matters presently under debate to make one solid contribution.

Mr. Lamont. They get it out of the home economics section of the "Women's Weekly".

Mr. DOUMANY: I couldn't agree more.

I notice the extreme interest of the Leader of the Opposition. He is now leaving the Chamber. He always runs away when the whips are flailing about him. He did not really tell us why all that R.E.D. money has been expended.

A Government Member: He doesn't know.

Mr. DOUMANY: He doesn't really know. He doesn't want to know, because the economy in this country has been made so sick and ailing by the wasteful incompetent policies of the Federal Labor Government. The R.E.D. scheme has been the sticking plaster over the self-inflicted wounds. It seems ludicrous that the Leader of the Opposition should be harping on the R.E.D. scheme and how much the Commonwealth has contributed to it. It should have contributed every cent to it, because who created the problems? Who contributed to the problems? Who exacerbated the problems that the R.E.D. scheme was intended to overcome? Certainly not the State Governments!

Let us deal with the real problem. The real problem in Australia over the past 2½ years has been an ever-heightening level of inflation. That is a very simple word but it does not seem to convey much to the members of the Opposition, whose forte obviously is not arithmetic. If they had only consulted the correct issue of "The Australian Financial

Review", which was the one published on Wednesday, 20 August, the day after the announcement of the Federal Budget—

Mr. Burns: What about today's edition?

Mr. DOUMANY: Let me deal with this one and refer to some of the graphs. One of the graphs on page 4 deals with the percentage growth in Gross Domestic Product. Certainly the new Government in late 1972 inherited a little carry-over; but in 1974-75, when we felt the full consequences and repercussions of the incompetence of the Whitlam Government, we had virtually a 2 per cent diminution in the Gross Domestic Product—in the productivity of this nation. That cannot be refuted.

Another graph on the same page deals with the rate of inflation, which rises like a mountain peak. In 1972-73 it was running at somewhere round 5 to 6 per cent whereas in 1974-75 it rose to round the 17 per cent mark at least. This graph really deals with what we call the inflection phase and sure enough the A.L.P. Government in Canberra is the cause of the inflection.

We do not want any more of the irrational nonsense that issues from the Leader of the Opposition. He tries to divert our attention from the real issues that are forcing the Queensland Treasurer today to move for this appropriation because with inflation, expenditure is running so far ahead of programming. The Leader of the Opposition runs away from the real issue, which is that Australia, and Queensland with it, has suffered a 2 per cent reduction in the Gross Domestic Product.

The TEMPORARY CHAIRMAN (Mr. Row): Order! There is too much audible conversation in the Chamber. I ask that the honourable member for Kurilpa be given the courtesy of being heard in reasonable silence.

Mr. DOUMANY: Thank you, Mr. Row.

We have had a 2 per cent reduction in the Gross Domestic Product and, at the same time, the rate of inflation has accelerated to almost 20 per cent. We must realise that the rates we get from the official statisticians in Canberra are well masked because the basis excludes some important items.

Even though the Leader of the Opposition is supporting the motion for this appropriation, how can he continue with this sort of argument and digression from the realities that are confronting this nation? Certainly he gave us a little home-spun wisdom. I was very pleased to hear it because it slightly redeemed him. He told us that we cannot take out of a cake more than we put into it, or something to that effect. Unfortunately, that is a philosophy that has been lost sight of by the A.L.P. men in Canberra who have been running our economic policies for

the past 2½ years. We certainly cannot take out of the cake more than we put into it before we baked it. We are now trying to take out three or four times what we put into it. It is little wonder that this nation is suffering, and even the Queensland Treasurer (one of the most competent State Treasurers and probably the best of all Australian Treasurers, including the new Federal Treasurer and all the other Federal Treasurers that there have been in the last 2½ years) with all his experience, skill and sense of responsibility, has found it necessary to ask Parliament for an additional appropriation today.

We have heard a lot from the Leader of the Opposition about unemployment. He told us that this Government does not care about unemployment.

Mr. Houston: If he hadn't made a speech, you wouldn't have anything to say.

The TEMPORARY CHAIRMAN (Mr. Row): Order! I have made several requests for reasonable silence in the Chamber. If my request is not complied with, I shall deal with offenders under Standing Order 123A.

Mr. DOUMANY: Thank you once more, Mr. Row. In response to the unruly behaviour of Opposition members, let me say that I am quite happy for them to roar as much as they like, because the more they roar the clearer their incompetence becomes.

Let us look at the cause of unemployment. Unemployment is caused in this country at present, and will be exacerbated in the near future, by the enormous pressures and assaults on the private sector by a Federal Government that wants, as far as possible, to promote the growth of the public sector by bleeding the private sector and thus advancing the progress of socialism in this nation. That is the clear objective of the present Federal Government.

Let us look at a couple more headlines. "The Australian Financial Review" of Monday, 25th August, contains the headline, "Industry slump worsens." It also contains a bar chart. I do not know whether Opposition members can understand a bar chart. Those who can would see from the chart that the indices for July, the month just passed, compared with those of June, the previous month, show a marked decline in output by the vast majority of the big industrial products groups. I stress that that is shown in figures month to month, not for a period of 12 months. When there is a continual decline in output of raw products such as steel, bricks and timber, and any others that one cares to name, together with the disaster that has befallen the beef industry and the enormous problems thrust on agriculture by a hostile Government in

Canberra, how can unemployment be stopped? Until the private sector has confidence, and until its output, its productivity, is improved by investment in new plant and equipment and better techniques, unemployment will surely increase till it reaches crisis proportions. It is sheer irresponsibility for the Leader of the Opposition to put to the Committee the nonsensical arguments and digressions that he used in his most recent contribution.

Let us look at some of the acts of discrimination against this State. In the recent Federal Budget one stands out more than any other. I refer to the coal export levy that was so cleverly designed and imposed on coal of high quality from the open-cut mines in this State. On the Treasurer's estimate, that levy raises \$108,000,000 from Queensland. It is most significant that that amount almost recovers for the Federal Treasurer the amount that was so gratuitously given Australia-wide to industry by way of the measly 2½ per cent cut in company tax. In other words, the Queensland coal industry has been asked to pay for the 2½ per cent reduction in company income tax. That is the sort of arithmetic we see being done in Canberra. That is the sort of discrimination against a State in which the A.L.P. was decimated last December and against which a vengeful Federal Treasurer is now directing his wrath.

The TEMPORARY CHAIRMAN (Mr. Row): Order! I remind honourable members that they must not cross the Chamber without proper deference to the Chair.

Mr. DOUMANY: I want to refer to Medibank. I am again amazed at the nonsense we have heard from the Leader of the Opposition and his colleagues today. We are told that we have lost \$10,000,000-odd. I really do not know what business principles are understood by the Opposition. Certainly I do not know whether the Leader of the Opposition has heard of the principle of interim payments, or payments in advance. These payments are made in many circumstances. They are made to the pools of organisations such as the Wheat Board and the Sugar Board, and they are made under many business contracts. Since 1 July there has been nothing whatsoever to prevent Mr. Hayden advancing to Queensland an interim payment each month subject to the ultimate resolution of agreements that had to be signed. If that had been done, an adjustment could have been made to the final payment. That is common business practice. It is done in all respectable transactions. Yet the Federal Treasurer, the fraternal colleague of members of the Opposition, chose to put the knife into his home State by ignoring this simple device and, for cheap political gain, has used the ploy of deliberate frustration in the signing of the agreement between Queensland and the Commonwealth to delay

the introduction of Medibank in Queensland. Honourable members opposite cannot deny that this is a cheap trick. I would have understood the Federal Treasurer's attitude a little better if he had been a Western Australian or a Tasmanian and had adopted a parochial attitude, but he comes from very, very close to this place.

I would like to end my speech by referring to the matter of trust, which the Leader of the Opposition raised. It would be greatly appreciated by all on this side if we could trust the party honourable members opposite represent; but we know from bitter experience over decades that it cannot be trusted. The latest demonstration of that was on a giant scale in the May 1974 Federal election, when the Prime Minister told the people of Australia that there was no recession, there was no serious unemployment, that inflation was a myth invented by the Opposition in Canberra and that all these were but a mild sickness in the economy. That is an indication of how much we can trust Mr. Whitlam. I am afraid the characteristics I see in Mr. Whitlam and his Cabinet in Canberra, particularly "The Strangler", the frustration of the development of our private sector, which has been bled white and has killed the confidence of investors in private enterprise in this nation, leading to the enormous decline in available jobs and the exacerbation of unemployment, can be seen also in the members of the Opposition here because they belong to a tightly disciplined party, the membership of which has a common philosophy.

I support the Treasurer's introduction of the Appropriation Bill and trust that the continuance of his good management and responsible approach to the handling of the resources and the finances of this State will ensure that we will weather the turbulent times and financial storms ahead as a result of the Federal A.L.P. Government's incompetence and lack of responsibility.

Mr. KATTER (Flinders) (2.46 p.m.): I again compliment the Treasurer on the excellent way in which he has conducted the financial affairs of the State. The Government is very fortunate indeed to have a man with his ability and principles in charge of the Treasury portfolio.

Having said that, I wish to review the economic situation that now exists in Queensland, which is, of course, typical of the economic situation throughout Australia.

In 1972, as a result of a change of Government, there was a switch from what might be termed an individualist Government to a socialist Government, and that necessitated certain changes in financial management. That is principally what Governments are about—diverting the flow of money from certain sectors of the economy to other sectors. Therefore, to judge the A.L.P. Gov-

ernment in Canberra, one must look at where it took money from and where that money went to—where it increased spending.

There were three areas in which public spending was greatly increased by the Labor Government in Canberra—first, the universities; second, Aborigines; third, under the general heading of the arts. That, of course, is what the socialist Government believes in—a massive re-allocation of Australia's resources.

There was a 45 per cent increase in taxation in the first 18 months of Labor's term in office, and that money came from everyone who was earning money or paying wages. In effect, the wage earner in Australia was paying 45 per cent more in taxes, and that money was being taken out of the pockets of men who worked hard in dangerous jobs, out in the sun and in the dust, and was being used to finance the training of people at universities for six or seven years.

Some of the people trained at universities are extremely valuable and are in very short supply in Australia. I have in mind particularly those at the Medical School at the University of Queensland. It is rather unfortunate, therefore, that the size of that medical school has not increased in the last 10 years—certainly not under the Federal Labor Government. The money was spent not on the medical school, from which only about 80 or 90 students graduate each year, but on the humanities school at the University of Queensland. I did a course at the humanities school at the university, and it was extremely valuable to me; but I should find it very difficult to justify that spending in the context of the happiness and the improvement of society in general. As I said, that money was spent on the humanities section of the university, and it was the first massive reallocation of the resources of this country. It was taken from the pockets of the workers and given to the pampered and the elite of a modern society—the new "educrats".

Mr. Moore: What was that word?

Mr. KATTER: I will repeat it—"educrats". I have just invented it.

The second section that I mentioned was Aborigines, and that certainly was a section of the community on which money needed to be spent. Let us look at where the money went. It did not go to those people who are living in abject circumstances; it did not go to those who are probably among the most miserable people on the face of the earth; it did not go to those people living in the centre of Australia or in the Gulf of Carpentaria. It did not go to the native Aborigines but to the smooth, smart-Alec, turned-on class down here—those with their Afro hair-dos and radical politics. That's where the money went. If any honourable member doubts it, let him ask the Aborigines

themselves where the money was being spent. One can still go to the mission stations in the Gulf or in the Territory and see the Aborigines living under the same appalling conditions as they were living under 50 years ago.

The third area is the arts. Personally I thought that more money needed to be spent in that area because, like industry, the arts in Australia are still in the embryonic stage and need money. But was the money spent on the promotion of genuine people in the entertainment sector of the economy? Was money spent on genuine intellectuals in the economy? No. It was thrown away on rubbish. It was spent on ridiculous, way-out, Leftist, socialist-type artists. We saw \$100,000 go to Germaine Greer; \$1,000,000 was spent on "Blue Poles", a painting which probably in five or 10 years will be regarded as a piece of rubbish and a monument to the stupidity and near-sightedness of those responsible for its purchase.

Did any of the money for sport and recreation go to, say, Rugby League? At the week-end 10,000 or 20,000 people turn out to watch a Rugby League match. But, it was not spent on Rugby League. That's too popular. It went to obscure pastimes like ludo and archery.

Mr. Wright: Oh!

Mr. KATTER: Let the honourable member look at the figures. "The Bulletin" examined the details about six months ago and indicated where the money had been spent. Can the honourable member single out one sum spent on sport that amounted to a valuable contribution to sport and recreation in Australia?

Opposition Members interjected.

The TEMPORARY CHAIRMAN (Mr. Row): Order! If honourable members want to interject, I ask that they do so one at a time.

Mr. K. J. Hooper: Seeing your speech is at variance with that of the honourable member for Kurilpa, does that indicate a split among the Arabs in this Chamber?

Mr. KATTER: Another racist remark! I would expect it from the honourable member. He has an inferiority complex which we must learn to live with. Looking at him, I can understand why.

The third sector of the economy on which massive amounts of money were spent was the arts. Again it was not spent on genuine achievement. I must pay tribute here to the South Australian Government. I saw the film, "Sunday Too Far Away", which was a reasonably good film; but honourable members should see the movies that were made by the Australian Films Commission. They would be the greatest load of rubbish! It

has not produced a single commercially viable film yet it has spent over \$20,000,000 so far. This is socialism! This is how the Commonwealth Government reallocated the resources of the nation!

Not only did the Commonwealth Government make a mess of deciding how and where to spend its money, but it could not add up. The honourable member for Archerfield cannot read, but his Federal colleagues cannot add up. They suddenly found they were spending more money than they were taking in. So they said, "We must do something about this." So they raced around the country borrowing. Not only did they race around Australia but they raced around most countries in the world trying to borrow money, as we found out recently. The Commonwealth Government had one massive deficit financed by borrowing. What a Government does when it has a deficit and it borrows large sums of money is to churn out paper currency in large quantities at its printing office.

Mr. Houston: Do you believe in deficits?

Mr. KATTER: Sometimes deficits are necessary and important. In this case, of course, the Commonwealth Government had no alternative. None of the Federal Ministers seem to have read a book on economics in their lives. What they do not seem to understand is that when a Government is producing paper currency without producing goods at the same time that inevitably brings about inflation. And inflation is what we have in Australia. We moved from 4 per cent inflation to 20 per cent inflation, because the Government was borrowing huge sums of money, churning out paper money and throwing it irresponsibly to the community. That produced the inflation we have today.

Suddenly the Labor Government realised and said "With 20 per cent inflation we are in a very serious situation. We have a higher inflation rate than any other western nation." The only nations with higher rates of inflation were Italy, Finland and Iceland. What a nice group to be bracketed with! In a panic-stricken fit Canberra called in the S.R.D.'s to restrain credit; but it did not restrain its own credit. On the contrary, it moved from a \$2,000 million deficit to a \$2,500 million deficit, and we are told that this year it will be more like a \$4,000 million deficit. We were the people who suffered most—the people working trying to produce the goods were hit, not the Federal Government and its mad socialists and academics who were running round the countryside in confusion.

Upon completion of a building construction project, the builders try to borrow more money to start the next job. They approach banks for money but when credit is tight, the banks refuse. They then go back to the works site to their tens of thousands of workmen and say, "We're sorry but we

can't get a loan to go on with the next building, you'll have no job next week." Suddenly we had the most massive unemployment seen in this nation since the great depression. It is absolutely disgusting. It is a terrible reflection on the people in Canberra. It will be remembered for the next decade if not for the next two or three decades. God help them when they go to the polls!

I started in a general vein, but I point out that two vast sectors of the Australian economy exert a tremendous influence on the economy—mining and primary industry—if either of them slackens we will soon be in very serious trouble. Spokesmen for the Federal Government have said that it is not responsible for the collapse of the beef industry. Yet the Federal Government several times revalued the Australian dollar. The net result is that the price of our beef is now between 7 per cent and 30 per cent higher than that of our competitors.

Mr. Houston: You are giving yourself a good margin.

Mr. KATTER: That is so, because it depends upon the country concerned. Some countries upvalued their currency while other countries devalued it. That explains the wide margin.

Factor one was that suddenly our beef became far more expensive. Naturally if a buyer has a choice of two shops and one charges 20 per cent more than the other, he will patronise the shop offering the lower price. Overseas countries are not shopping with us any longer. They are shopping with the E.E.C. and South American countries. They are not buying our beef. The people in the country will never forget that, when our Premier tried to use resource diplomacy to re-open our two big beef markets in Japan and the United Kingdom, he was white-anted or stabbed in the back by the Canberra Government. Presumably it felt it necessary to stab him in the back because he was doing its work. It is the job of the Federal Treasurer and the Minister for Agriculture in Canberra to secure overseas markets. It should not be left to the Premier of one of the small States to race around trying to implement resource diplomacy to save his industries.

Mr. Houston. He did interfere.

Mr. KATTER: If the honourable member believes that trying to save one of the biggest industries in this State is interfering, I can only say that our Premier deserves the highest praise for it. I compliment him for his "interference". That was resources diplomacy.

Let me contrast the actions of the Federal Minister for Agriculture (Senator Wriedt) with those of John McEwen when he was

Federal Minister for Primary Industry during the sugar crisis. McEwen called a meeting of world sugar producers and consumers and said, "I want you to sign a world prices agreement. We will not sell sugar below a certain price." Japan, one of the largest consuming nations, said, "We won't sign it." John McEwen that night made a polite telephone call to Mr. Sato and said, "You will sign it or you will not get anything we produce in Australia. You will not get raw materials to feed your furnaces." Not unnaturally, Mr. Sato rang his delegation next morning and instructed them to sign the document. Japan signed it. That is what resources diplomacy is all about.

Let us contrast that with the weak-kneed, snivelling efforts of this disaster Wriedt, who presently holds the portfolio in Canberra. Wriedt has not called any international meeting. He has point-blank refused help to all who have asked him for it, saying that it is impossible to give any help. Then, when the Premier of one of the States attempted to make a small effort at resources diplomacy, he stabbed him in the back. That has been Wriedt's effort so far. If when this nation's history is written it includes a section on primary industries, Wriedt's name must have a very black mark against it.

I move now to mining. I come from a family that has lived for four generations in a mining area. We have seen the rise and fall of companies. We have some knowledge of the history of mining in Australia. It is unfortunate that Australians do not finance their own mining ventures. Since this nation began in 1770, they never have. Anyone wanting to finance an Australian mining operation must go overseas for the money. However, "The Strangler", as he was referred to previously by my very able colleague, said, "We will not have money from overseas." The basis on which he proceeded was that he would not allow any foreign money to enter Australia for use in the mining sector. Of course, that stopped any expansion in it. For the last 15 years an average of two new mining towns a year have grown up. In the last three years only one new mining town has opened up, and the plans for that commenced long before the present crowd assumed power in Canberra. In his brilliant nationalistic manner Mr. Connor said, "We will stop money from overseas." He certainly stopped it, but in the meantime he threw Australia to the tender mercy of unemployment running at about 5 per cent.

That is what the Labor Government has done to two specific, very important sectors of the Australian economy—mining and primary industry. That fits the picture of the Federal Labor Government's disastrous economic policy. We gave them an annual Gross National Product growth of about 7 per cent, 0.7 per cent unemployment and 4 per cent inflation. When they are

thrown out—they will probably be left with fewer members than the Opposition has here—they will be handing us back an economy in a very sad state. It will be an economy with probably a zero growth rate this year, a 5 per cent unemployment rate, which is the highest in the world—

Mr. Jensen: Don't exaggerate.

Mr. KATTER: I am exaggerating. I apologise. It is 4½ per cent and rising. It is not 5 per cent.

Mr. Jensen: Britain has more inflation than we have.

Mr. KATTER: That is true. It is more advanced in socialism than we are. I am glad the honourable member for Bundaberg raised that.

Mr. Jensen: America has the highest unemployment rate.

Mr. KATTER: A 5 per cent unemployment rate in a nation that could proudly say it has the lowest unemployment rate in the world—and did for the 20 years before Labor came to power—is a terrible thing. But now we have 5 per cent unemployment.

The final problem is inflation. I represent an electorate which is composed mainly of old people. Charters Towers is a retirement centre. The people there have saved for all of their lives and got their nest eggs together for their retirement. Those nest eggs are now worth nothing. Everything they worked for during their entire lives is worth nothing because inflation is galloping at 17½ per cent. That is the reason. It will continue to strangle the Australian economy until at the next election Labor in Canberra is reduced to a sorry remnant of a once great Labor Movement just as we have in this Chamber.

Mr. HOUSTON (Bulimba) (3.6 p.m.): **Mr. Row**—

Mr. Lamont: The economist.

Mr. HOUSTON: I thank the honourable member for South Brisbane. I know he thinks well of me on most occasions.

I am pleased to see so many honourable members in the Chamber, but I regret that the honourable member for Kurilpa is not here because I would like to suggest to him that he try to understand what this appropriation is all about before he speaks on such matters.

Mr. Moore: You tell us.

Mr. HOUSTON: I will, when the honourable member for Windsor stops flapping his ears and we have less noise.

It has been customary over the years for the Government of the day to introduce two Appropriation Bills during each session.

The Bill being introduced by the Deputy Premier and Treasurer today is no different from those that have been brought in over many years. The first point I would like to make, especially for the benefit of the honourable member for Kurilpa, is that the Bill is not being introduced today because of inflation or because of the Federal Government; it is standard procedure in this Parliament to do so.

Let me now correct a couple of other statements made by the honourable member for Kurilpa.

Mr. Moore: We are waiting with bated breath.

Mr. HOUSTON: As usual, the honourable member for Windsor likes to hear me speak. When he goes back to his electorate, he uses my ideas and speeches in telling his constituents what he thinks. As a matter of fact I appreciate his coming to me for so much advice.

The honourable member for Kurilpa referred to "The Australian Financial Review". Let me also refer to that publication, but I shall refer to an article in today's issue, not one that was published some time ago. It ties in with some of the statements made by the new honourable member for Flinders, who also has come into this Parliament as a financial wizard.

Among other things the honourable member for Kurilpa referred to the coal levy and increased telephone charges. It is a pity that one National Party member and one Liberal Party member did not know their Federal colleagues' thinking or what they had said to reporters. The article in today's "Australian Financial Review" reads—

"The \$6 a tonne levy on coking coal exports imposed in the Budget was described yesterday as a 'retrograde tax and a bad principle' by the Leader of the National Country Party."

When the Liberal Party spokesman (Mr. Lynch) was asked about it, he did not object at all. In fact, when he was analysing the finance proposals of the Federal Leader of the Opposition he admitted that the \$6 a tonne would not be removed if the Liberal Party happened to gain power at the next election. So that any talk of lifting the levy by the next Government, if it happens to be an anti-Labor Government, is so much nonsense.

The Liberal Party spokesman on finance also said that the postal charges would not be decreased. So much for the statements of Government members. I wish that, before speaking here, they would take note of what their Federal colleagues have said on financial matters.

Mr. Ahern: You know why—because the country is broke.

Mr. HOUSTON: If the country is broke, I am surprised that the Queensland Government is asking for so much money from the Australian Government.

Let us get down to what this is all about. Firstly, this is a State Appropriation Bill that is being introduced. I was not surprised that the Treasurer used this opportunity to speak on the Federal Budget. Since the Labor Party has been in office in Canberra, he has done so repeatedly in his speeches on Appropriation Bills and Budgets.

Mr. Porter: You are surely not saying that they are not connected?

Mr. HOUSTON: I am not criticising the Treasurer for doing that, but it is quite remarkable that he did not do that to any great extent during the discussion of Appropriation Bills—

Mr. Moore: Of course he did.

Mr. HOUSTON: The honourable member should wait till I finish what I am saying.

Mr. Moore: You were going to say, "Before the Labor Party was in office."

Mr. HOUSTON: I was not going to say that at all. I was going to refer to last year.

Mr. Lamont: You mean you have two written speeches?

Mr. HOUSTON: I do not need a written speech to enable me to keep pace with the honourable member for Windsor.

The Treasurer's speech twelve months ago on the Appropriation Bill and the Budget was just prior to a State election that he knew was coming. Of course, he then used different tactics altogether. On that occasion he said that the economy of Queensland was strong and buoyant, and it was all due to the State Government, not the previous Federal Liberal-Country Party Government. He has changed his mind in the last 12 months.

There is a State Budget to be brought down shortly, and from statements that have been made by the Premier it is obvious that State taxation of the Queensland public will increase. I do not think I would be wrong if I said that the people of Queensland can look forward to increased taxation in the next State Budget. My point is that surely this debate would have been a good opportunity for the State Treasurer to tell the people of Queensland the internal financial position of this State.

We hear a great deal from Government spokesmen about inflation and the way in which the Federal Government should cut down its spending and development. Yet, on the other hand, this State Government almost every day calls on the Federal Government for more money. It is a "give me" State Government. It does not worry about

expenditure as long as it is able to get the money from the Federal Government. Government members criticise the rate of taxation, and the Federal Government for getting the money in, but they are certainly not behind the door when it comes to putting their hands out and asking for more. But when the Federal Government says, "There is no more money available in that field", they condemn the Federal Government and say that it is at fault.

An example of that attitude was seen just the other day when the Minister for Transport, when starting a bulldozer or doing some such thing at the beginning of the work on the new bridge over the Brisbane River, had the audacity to say that work was threatened by withdrawal of Commonwealth finance. That bridge was on the drawing board, and was an election promise, prior to the change of Government in Canberra. The policy of the Liberal-Country Party Federal Government was not to give money to the States, but to lend it. Consider, for instance, the rehabilitation of the Mt. Isa rail line. The State is still paying for it. Look, too, at the Gladstone Power House. The finance used for that project was also a loan. But the present Federal Government is giving to the States money to carry out their projects, without strings attached.

I might also point out that, irrespective of what the Treasurer says, it was the present Government that abolished the scheme for the electrification of Brisbane suburban railways. The Minister for Transport said, "We did it so that we could dieselise the whole railway system." That was no reason to kill the project entirely, even to the selling of buildings that were required for electrification. Now the Government wants railway electrification—I want it, too—but it delayed making it an election promise until it thought that the people supported the Labor view on it. It was made a promise in the time of the former Federal Government, and when that Government had not promised even one cent for the work. It is nonsense to blame the Federal Government for these things.

The honourable member for Flinders said in his speech that he blamed the Federal Government for failing to train sufficient doctors. He said that the Labor Government cut down on finance for universities.

Mr. KATTER: I rise to a point of order. I did not say that. I said that there had been no increase in spending on medical schools at the universities. There is a great difference between saying that and blaming the Government for a shortage of doctors.

Mr. HOUSTON: The honourable member was not here when the cut-back in medical training at the university occurred and, coming from the bush, he would not, I imagine, know very much about it. The

fact is that it is some years since the Queensland University cut down on the number of doctors being trained. That was done because of lack of training facilities. This all happened when the previous Federal Government and the present National-Liberal State Government were in power. Honourable members on this side challenged that cut-back and we were told that the university had to bring in a quota system because of the lack of training facilities in the State. That is why there is a shortage of doctors today. The provision and development of training facilities in hospitals at that time was the responsibility of the State Government, so any criticism in that regard has to be laid at its feet.

Mr. Katter: We have sevenfold spending on education, and none of it went to increased medical facilities.

Mr. HOUSTON: I am telling the honourable member that the training facilities at the university are sufficient. I am sure the honourable member for Toowong will agree with me that the main problem is the lack of training facilities at hospitals. The university authorities are anxious to turn out more doctors.

Mr. Katter: I suggest you have a discussion with Professor Saint.

Mr. HOUSTON: Perhaps I will speak to Professor Saint and get the answers from him. But that is the situation.

As to the State's financial position—I am disappointed that the Treasurer did not see fit to give us some preview of the State Budget. One would think from listening to Government members that the whole of this State's finances comes from the Federal Government. On a percentage basis, in 1971-72 47 per cent of the money allocated in the State Budget came from Federal sources; in 1972-73, it was about 46 per cent; in 1973-74, it was 47 per cent; and last year it was estimated to be 46 per cent. As we know, over the years there has been an increase in the amount of Federal money allocated to this State. Most of it has been made available through special grants. One was the R.E.D. scheme, but as grants under that scheme were made direct to local authorities I imagine it will not be shown in the Budget. But the fact is that this State will finish up receiving approximately the same amount of money from the Commonwealth as it has in previous years. There has been a consistent relationship in the percentage of State and Federal contributions to the State budget.

Mr. Tenni: What about inflation?

Mr. Doumany: He's not worried about it.

Mr. HOUSTON: After all, inflation affects many facets of the State's income. One source of the State's income is the T.A.B.

I can remember the days when a person was quite content to have a shilling bet on the horses. Today the minimum is a five shillings bet. My point is that if honourable members look at the income from the T.A.B., from consumption of liquor and from other sources, they will find that the next State Budget anticipates an increase in revenue in all these avenues. Honourable members will also find that the revenue from land tax has increased because of recent revaluations, so I think it is true to say that there has been a consistent relationship in the percentages of State and Commonwealth contributions towards the State Budget over many years. I venture to say that all State Treasurers when framing their Budgets have been able to take this relationship into account. Although from time to time the income under the State Budget increases as a result of the imposition of new forms of taxation, when one looks at the final result one finds that the relative percentages of State and Federal contributions to the State Budget are maintained.

When the Treasurer introduces the State Budget next month, honourable members will see that the Australian Government has been far more generous to the State Government than were former Federal Governments. I remember being in this Chamber when the Queensland Treasurer was very critical of the Federal Treasurer of the day—I think it was Mr. McMahon—after having attended a meeting of the Loan Council. It should be remembered that the operation of the State is affected not only by the amount of money that the Government receives but also by how that money is spent. One can give two people the same amount of money. One will go shopping and come home with quite a number of articles for the money expended; the other will waste the money and then say that, because insufficient money was available to him, he has not been able to buy essentials.

In my opinion, the National-Liberal Government has been the most wasteful Government that Queensland has known. It has wasted money right, left and centre; it has thrown public money round as if it were its own private money. If honourable members want an example, let them look at the new aeroplane for the Premier. Almost \$1,000,000 of State money is to be spent over the next couple of years in financing a glorified taxi to take the Premier from Brisbane to Kingaroy, in his electorate. About \$4,000 a week is to be spent on a Premier who loves flying. The Premier had his own private aeroplane. Because he did not fancy flying in a single-engine aeroplane any more, and because it was not comparable with the one available to John Gorton, the Premier wanted a new aeroplane. He talked Cabinet into buying a cheap model, to begin with, and used the figures to show that it was not costing very much. Then he bought another one, and finally he bought this new one that can be matched in this State only by the

one owned by Thiess Holdings. As I said, the aeroplane is used virtually only as a taxi; the Premier can go everywhere else by commercial aeroplane.

Parliament House was altered to provide accommodation for additional Cabinet Ministers and their staff. There are now so many Cabinet Ministers that they almost outnumber Government back-benchers; in fact, quite often one sees more Cabinet Ministers sitting in this Chamber than back-bench members. More Cabinet Ministers were appointed to provide additional money for the boys who had been loyal supporters of the Premier. Of course, the appointments had the added advantage of providing more Press officers and Press secretaries to disseminate Government propaganda. Today, hundreds of thousands of dollars of public money are being wasted on the propaganda exercise being carried out by the State Government.

Government Members interjected.

The TEMPORARY CHAIRMAN (Mr. Row): Order! I remind honourable members that, although I will allow reasonable interjections, I would like a little less noise in the Chamber.

Mr. HOUSTON: I agree with you, Mr. Row. I would not mind if the interjections were intelligent. Of course, one can only expect noise from people of their calibre.

Because of the fiasco within the Government parties and within Cabinet over Medibank, Queensland is losing \$1,000,000 a week. The Government was unable to understand what the real situation was. Although some members of Cabinet saw the problems, wanted the money and were agreeable to going into the hospital side of the Medibank scheme, the Premier and his colleagues—the selected men who back him to the hilt, at it were—created a situation in which, even today, the State is not receiving money that should be available to it.

So when honourable members opposite talk about obtaining more money, let them think about how the Government is spending the money that it has. In the term of this Government we have had many changes in the administration and operation of the Queensland Police Force. Hundreds of thousands of dollars have been wasted in changing plans and ideas.

Mr. Doumany: Do you want fewer police?

Mr. HOUSTON: No; I want more police. I want more efficient administration of the Police Force. But the Police Force has been changed consistently. The Government is now talking about bringing in village policemen. I support that idea. Not so many years ago Ministers of this Government said that village policemen were out of date and we did not want them, and suburban police station after suburban police

station was closed down. Today the Government is talking once again about having that type of system. This constant waste of money has been going on over the years.

Roads have not been maintained as they should have been. That, too, has called for the expenditure of extra money.

(Time expired.)

Mr. GIBBS (Albert) (3.26 p.m.): I was amazed that the Leader of the Opposition should try to criticise this Government and the Treasurer of Queensland, one of the best Treasurers the State has ever had, and that he should try to lean on the R.E.D. scheme in order to criticise what has been done in Queensland. As a member of the Gold Coast City Council, I know all about the R.E.D. scheme. What is the R.E.D. scheme? Let us face it, it is a flash name for the dole.

Mr. Casey: Your council applied for the money, didn't it?

Mr. GIBBS: We put on a special research officer to apply for as much money as possible from the Federal Government. We got as much as we could out of the scheme to enable us to employ those on the Gold Coast and in the Albert Shire who had been put out of work by the Federal Government's socialist policies. Its policies have created the greatest unemployment since the 1930's, and that is why we applied for the R.E.D. scheme money. As far as we were concerned, it was unemployment money.

Through the State Treasurer the Gold Coast City Council recently received \$300,000 as a grant. There were no strings attached to that money. It helped to keep in employment the existing group of people who work for the Gold Coast City Council. The Albert Shire, too, received its share, so that it could continue to employ people in that area.

The money we received from the State Government could be spent on priority jobs. Money received under the R.E.D. scheme could be spent only on work that had no priority at all. That was the type of employment the Federal Government picked out. The jobs had to have a 60 per cent labour content. There was nothing wrong with that, but that did not take into account the bread-and-butter works that the people really required. A Federal Minister stated in the Press, "We will not make the same mistakes as the McMahon Government. We will allow the local authorities to spend unemployment money on kerbing and channelling and bread-and-butter works." But what was the direction when we got the money? "You can't spend it on kerbing and channelling." What a joke! The people were told one thing and the recipients of the money were told something else. That is typical of what Federal Ministers are saying now to save face.

The Federal Minister for Transport, Mr. Charlie Jones, said at a meeting in Brisbane how much money he had given to Queensland for roads. Having said how much he had handed over to the State Treasurer to spend on roads in Queensland, he said that the State Treasurer would have no more problems. However, a quick calculation indicated that what was made available was \$12,000,000 short of the previous year's programme, let alone an increase. Quite a few careless statements are made by Federal Ministers. What did he say when I questioned him? He said, "We can't give you money for work all over the place. Mr. Tom Uren, the Minister for Urban and Regional Development, has given you a lot of money for sewerage. We can't look after you all the way." I said to Mr. Jones, "Sewerage is a type of transport. It is up a pipe, not up a road", and I asked him would he answer my question. He did not answer the question, of course, but kept on talking about other things.

The Gold Coast City Council received a so-called grant of \$750,000. When I attended school I was taught that a grant was a gift. But in small print, at the bottom, were the words, "Repayable at bond rate of interest." Those were virtually the worst possible terms of repayment and, when the total was computed, it doubled the price per pedestal for the ratepayers.

Mr. Jensen: You should have read the small print.

Mr. GIBBS: We did, and that showed us what sort of people we were dealing with. We refused to take the money; we could not afford it. This is the way in which these men in Canberra have been embarrassing our Treasurer; they have made statements that are not really true. After many hassles we have now received sewerage money from the Federal Government with some subsidy attached, but it is not nearly as good as the Queensland Government's scheme under which a 40 per cent subsidy was paid to local authorities. We want a deal like that, not great promises and half promises that are splashed in the Press, but never fulfilled. The Federal Government is strong on promises but poor on performance.

The R.E.D. scheme certainly created employment. That is what a Government like the one in Canberra must provide in order to keep the people from marching on Canberra; it must keep them in the streets working with picks and shovels. It will not even allow them to use a tractor. I saw men in the street today digging holes with crowbars and shovels. They are not allowed to use a post-hole digger because that upsets the requirement of 60 per cent labour content. The men are embarrassed because they are merely occupying their time.

Mr. Tenni: I've got a swimming pool three-parts finished under the R.E.D. scheme and they won't give me more money to finish it. It will have to be turned into a duck pond.

Mr. GIBBS: That is another example of the supposedly wonderful scheme which the Leader of the Opposition referred to.

When R.E.D. scheme money is used, councils have to supply overseers and engineers. That costs them a lot of money and upsets their whole budgetary procedure. This wonderful R.E.D. scheme money that Opposition members refer to is nothing more than unemployment money. It is the same as the money paid in the 1930's, again under a Labor Government.

In respect of airports in Queensland that are not paying their way, the Federal Minister for Transport wants to close them or have the councils take them over. On the other hand, there is the great rip-off in the levy on coal exports which, in the long term, will affect the whole economy of Queensland and decentralisation of work opportunity.

The new Lord Mayor of Brisbane has taken advantage of the strike situation to criticise the Queensland Government about the electricity problems created by the Communist unions which Opposition members support. With the retirement of Lord Mayor Clem Jones, Alderman Walsh, who is now Lord Mayor, has stooped to the level of the present A.L.P. Opposition in Queensland. That is a shame for Brisbane. He will have to go.

We have the great Australian Assistance Plan, yet the price of postage stamps is to increase to 18c. In the light of all these things, Opposition members are asking the Queensland Treasurer not to be concerned about the escalation of costs!

Inflation alone is destroying the whole fabric of our society. Small businesses are facing bankruptcy. Everything done by the present Federal Government has been aimed at destroying the private sector. The introduction of Medibank has probably been the reason why it has had to rip \$6 a tonne off exported coal. It is incorrect that the Medibank contract was not ready to sign. It was ready to sign, all right, but Mr. Hayden is trying to rip as much money off Queensland as he can. He will find out all about it at the next election when he faces the people of Queensland. In actual fact, he has "dudded" the people of Queensland. Now he is Treasurer, he has the responsibility of saving money instead of instituting socialistic schemes.

Finally, I say that the Federal Government has destroyed incentive in the private sector in Australia generally and in Queensland in particular. I predict that under the Federal Labor Government the economy will get into greater and greater difficulties.

The sooner a Federal election is held, the better. A change of Government will bring restoration of incentive in the business world in Queensland and Australia.

Mr. W. D. HEWITT (Chatsworth) (3.36 p.m.): The Leader of the Opposition ushered in his speech this morning with the clarion call for a new federalism. I am bound to say that, if he advocated today a return to a genuine federalism, whether he appends to it the adjective "new" or "old", we would all agree with him wholeheartedly. We would say, "What have we been brawling about for the last few years? Let us get down to common terms."

The honourable member went further by saying that we should respect the three tiers of government. If there has been one thing that the non-Labor side of politics has been saying, it is precisely that—"Let us respect the three tiers of government. Let us understand the division of powers that exists and make sure there is no intrusion from one to the other." If the honourable member really believes we should respect the three tiers of government, maybe without knowing it he has today ushered in a new era of politics, and hopefully he will be the grand campaigner in his own party and we will see a return to federalism.

One of the first things for the Leader of the Opposition to do would be to give his Federal Leader, the Prime Minister, a lesson in history. The Prime Minister prides himself on being a very keen student of history. It is unfortunate that his studies take him into ancient history. On his regular peregrinations overseas he explores the ruins of the Incas, and, if he has not yet been to Pompeii, he soon will be there. He has a fascination for ancient history.

However, if that honourable gentleman would only look to contemporary history—if he would look at the history of post-war federations—he would learn some interesting lessons. He would find that in every great federation of the world in post-war years there has been a deliberate movement of power back to the States. That movement was probably pioneered by the Eisenhower administration. Under the Presidency of General Eisenhower, a commission was set up whose charter was to examine the powers then vested in Washington and to determine how some of them could be returned to the States, because experience in the United States after many, many years of experimentation showed that centralised authority was inefficient, top-heavy, dreadfully expensive and did not lead to national unity. The Canadian Provinces repeated the experiment, with the result that the great national divisions in Canada were very substantially mitigated when power flowed back to the Provinces. That observation is true even of a small federation such as Switzerland. So I would say to the Leader of the Opposition

that, if he is sincere about a new federalism and a proper, healthy respect for the three-tier form of government that we have in Australia, he will find himself at one with us. But his greatest task is to advise the historian in Canberra that he has to update his historical reading a little and look at the history of overseas federation.

We give the Prime Minister credit for at least acknowledging that he is an avowed centralist. I can say only that, in declaring himself to be an avowed centralist, he swims against world trends. What he is doing today in Australia by way of experimentation was tried overseas 20, 30 and 40 years ago and found wanting. At present, overseas, power is being returned to the States.

I always like to remind people of the situation in devastated Germany in 1945. Out of all the wreck and mess a form of government had to be determined, and the German elder statesmen, to their infinite credit, opted for a federal system because, from the agony of war, they realised that there was a greater threat of take-over and a greater threat of control if authority was centralised. The Germans, with this unique and awful experience behind them, opted for a federal system.

What is desperately needed in this nation is a genuine return to the concepts of federalism. I always identify these in three ways. Firstly, I believe it is important for the States to exercise those rights that are presently vested in them. I always become a little sad when Ministers talk about projects which are defined as uniquely State responsibilities and lament that they cannot proceed because federal funds are not forthcoming. That seems to be somewhat inconsistent with the fact that, when we are talking about areas of unique State authority, we should be prepared to go it alone a little more often.

A major credit to the Government was the proposal for the cross-river bridge which is ultimately to join Roma Street and South Brisbane railway stations. To the credit of my colleague the Minister for Transport the Government decided to go it alone on that project before it knew that Federal funds were forthcoming. The Federal funds were ultimately promised, but the important thing is that the State, in its own right, made the commitment. I think that sort of thing should happen more often.

The second concept is that we have to respect the spirit of section 51 of the Australian Constitution a little better. That section defines in very real terms the division of power. That section tells the Commonwealth those areas of authority that it can exercise. It was always understood that the residual powers—those powers that are not mentioned—were to be vested in and remain with the States. Our great problems have

occurred because successive Commonwealth Governments have moved into those residual areas of power. In a great number of areas of administration we now have the crazy situation where there is costly and unnecessary duplication. There is no need at all for the Commonwealth to move into so many of these areas, and, as I say, costly and unnecessary duplication has been the consequence.

The third remedy that I propose is a radical consideration of the application of section 96 of the Australian Constitution. Section 96 was never intended to be functional for more than about the first 10 or 15 years of our federation. That section lays down that the Commonwealth may make funds available to a State under such terms and conditions as the Parliament itself will decide. It was always intended that it was to help the young States over the hump in the early days.

But what has happened is that the Commonwealth has used section 96, firstly, to determine its priorities, and, secondly, to inflict those priorities upon the States. So that it has spent section 96 grants according to its priorities and, in addition, has said to the States, "We will participate in this particular scheme on the understanding that you will make like funds available or that you will make \$1 available for \$2," or \$2 for \$1, or whatever the formula may be. The effect of that has been that, even when we have been spending our own money, we have been disciplined by section 96. I believe that the exercise of section 96 has done as much to harness and hamper State development as has any other factor involved.

The significant problems that face this nation today are inflation and unemployment. It is quite remarkable that a Federal Labor Government, which was dedicated to mopping up pools of unemployment and totally dedicated to maintaining full employment, should inflict upon Australia the worst unemployment that it has suffered in 30 years. It is a strange and cruel irony.

But what are the root causes of the inflationary pressures inflicted on us? There is no shortage of answers and theories, and a very eminent economist, Mr. Colin Clark, poses what is probably part of the answer. I remind the Committee that some 40 years ago Colin Clark was a distinguished adviser to the then State Labor Government in Queensland. He argued then, as he still does, that the root cause of inflation is excessive Government spending. In a recent article in "Quadrant", he said—

"Inflation is caused by Government spending. The fact that inflation is now world-wide tells us nothing more than that almost every Government in the world is over-spending. This includes some governments, such as those of India, and many of the Latin American Republics, where Government spending is not inordinate in relation to the national product, but who

choose to cover a large part of that spending by borrowing (in effect by printing) money. Other countries, which do at any rate cover the greater part of their government expenditure by taxation, have gone far beyond the safe limit of 25 per cent of net national income."

His reference to 25 per cent of net national income sustains a point of view that he has nurtured for over 30 years.

By way of anecdote, in this same article Colin Clark refers to a discussion that he had with the late Ned Hanlon, a former Premier of Queensland, in the immediate post-war years. Again his comments are worthy of repetition. He writes—

"At that time I was a State official in Queensland. My Premier was Ned Hanlon, one of the old school of self-educated Labor leaders—and on the whole they made a better job of it than whoever is educating Labor leaders now. I was discussing with him some proposed post-war welfare expenditures, when he suddenly said, 'All this means increased taxation. Look how many civilisations in the past were ruined by excessive taxation.'"

They were prophetic words. They struck a responsive chord in Colin Clark, and he did an enormous amount of research. From it all Clark records—

"All the evidence which I could find from other countries in the 1920's and 1930's led to the same conclusion, that about 25 per cent of net national income was the limit beyond which taxation began to generate inflationary pressures."

He is saying that once taxation exceeds 25 per cent of gross national product, inflationary pressures are being generated. That is a conclusion at which he arrived in 1946, and it is a conclusion from which he has never departed. It is one that he is now projecting once again. He is expressing the opinion that 25 per cent of gross national product is the upper limit of taxation that can safely be sustained.

When we consider Colin Clark's comments and the crippling rates of taxation now inflicted upon us, we can find in simplified form some of the reasons why we face today's national problems. When taxation is related to personal income, it is seen that people on the top level, who are nevertheless fellow Australians who work hard, are, by dint of their own enterprise, paying 65 cents in the dollar taxation. What, I ask every member, is the response to such a level of taxation? The response is, "I'll play golf on Wednesday afternoon, and I'll have extended week-ends. I won't enlarge my enterprise. I will arrive at a certain level of income, and there I will stop." When that attitude is multiplied by thousands and thousands, a situation of degeneration is reached. We are stultifying our society and we are destroying any initiative and enterprise that might still

remain. When we look at the levels of tax imposed upon us, and at Clark's basic proposition, we can find some of the reasons why this country is in trouble. We desperately need to return to a fair and equitable taxation structure where everybody pays according to his means and where no person is ground into the dust and reaches the stage where he does not give a damn and is determined not to do anything at all.

I would conclude my comments by referring to the Federal Government's emphasis on social service. The Labor Government has always claimed to be oriented towards the welfare State, and we should not have been surprised when it placed so much emphasis upon social service and social security. I think it would be wrong to condemn its total social service programme out of hand, because there are some features of it which are completely proper and correct.

I would think any person who is motivated by humanitarian and Christian principles would agree that the downtrodden, the down and out and the disadvantaged are entitled to some succour from the community. Two weeks ago I was quite appalled when I listened to an interview one Friday morning on the "Blair Edmonds Show". Blair Edmonds interviewed a young university graduate—whose discipline I do not know—who was living on the dole of \$36 a week. He stated quite emphatically that until work came along that suited him and used the talents that he had developed he would not take a job. He was totally reconciled to living on the dole for another two, four or five years if need be. I was tempted to brand him out of hand as a bludger, and I would not hesitate to do so, but as I listened I formed the opinion that he was not immoral, he was totally amoral. He could see nothing wrong with this point of view at all.

Mr. Lamont: He is a product of the Labor Government.

Mr. W. D. HEWITT: He is a product of the times, as my colleague says, but I would have thought that any person with any shred of decency and dignity at all would, if he were on his uppers, be prepared in the short term to shovel the "proverbial" if need be until he got a job more to his liking. I would not under any circumstances support a social service programme that sustains bludgers and keeps people alive when they totally refuse to take a job. I believe that when we have a nation that is drifting in that direction we are in very real danger.

The Treasurer touched upon the many problems that confront this State today. They are enormous problems, and one sympathises with him in trying to frame the State Budget under those circumstances. The Budget, when presented, will need great sympathy and understanding from each and every one of

his colleagues. But we look forward to its presentation; we know that under the prevailing economic circumstances it will be the best that he can possibly produce.

Mr. CASEY (Mackay) (3.54 p.m.): I was rather surprised today to hear the Treasurer using words we have been used to hearing in recent times from the Premier. He began with a tirade of criticism of another Government and throughout his introduction spoke in the same vein about that other Government's Budget. I realise that the State Budget is always very dependent on what is contained in the Commonwealth Budget, but never before have I heard the Treasurer speak at such length in criticism of that Budget. At this time we usually hear from him a summary of the State's accounts over the previous year and the problems he ran into with them. That summary was generally a good guide to what would be contained in the Budget to be introduced within a month or so. I was surprised today to hear him jump on the Premier's band wagon.

The Treasurer did make one admission that I was glad to hear at long last—that in actual fact North Queensland and Central Queensland are carrying this State on their back. He said in reply to an interjection that the financial returns from coal-mining development and from mining developments in other parts of the State—Weipa, Goonyella, Greenvale, to mention only a few—are in fact keeping the State going and have been responsible for its recent progress. I remember the Treasurer admitting in this Chamber a few years ago—it was in reply to an interjection by me during his Budget speech—that of all the primary industries of this State, the sugar industry contributed more, both directly and indirectly, to the finances of the Government than any other.

The financial problems of the State Government, as honourable members will see when the Budget is brought down next month, arise principally from the big losses incurred each year on the Queensland railway system. Despite increases in profit on the haulage of coal in Central Queensland, the great profitability of lines in the sugar areas and increased profits on haulages from Mount Isa Mines, the Budget deficit of the Railway Department in Queensland is increasing from year to year. It has now reached mammoth proportions, and positive action from the State Government is required to prevent it from increasing further. It is not a Federal responsibility; it is not something for which the Federal Government can be blamed. It is part of the internal operations of the State of Queensland; therefore, it is the responsibility of the State Government.

I have been critical for some time of the amount of discussion on Federal matters that takes place in this Chamber. There is also too much discussion on what occurs in other States of the Commonwealth, and too much time is taken up in criticising or justifying happenings in the Commonwealth

Parliament. If, for example, members of local authorities—the other tier of Government—spent most of their time at council meetings in criticising the State Government, members of this Assembly would be the first to tell them to get on with the task of looking after their own areas of responsibility and leave to members of State Parliament the areas of responsibility that they were elected to cover.

As I said earlier, today honourable members had confirmation from the Treasurer, the man who knows the finances of the State better than any other man in this Chamber, that the Northern and Central Queensland areas are carrying the State financially. I would be the first to admit that the Federal Treasurer also is balancing his Budget this year by obtaining additional finance from Central and Northern Queensland by means of the export tax that he has placed on coal—a rake-off that this year will amount to \$120,000,000.

My criticism of the appropriation now being made is that it is about time both the State and Federal Governments began putting something back into the areas from which they are taking such large sums of money. It is about time they undertook development in these areas instead of just talking about it. In the State election campaign last year a promise was made that, immediately after the election, the Government would set up a Department of Northern Development in Queensland. In fact, I think the Premier announced after the election that Mr. Camm would become Minister for Northern Development in Queensland. But what happened? Mr. Camm's portfolio is only Mines and Energy—no mention of Northern Development. No offices of northern development have been opened in Townsville or other areas of the State of Queensland.

Mr. Moore: What are you suggesting—Parkinson's law?

Mr. CASEY: I am simply drawing attention to the fact that certain things have been said at election time, and certain promises have been made, by this Government, but nothing has been done about them. I do not care whether it has to be done by the setting up of a special department in the northern areas or by any other means. What I am saying is that it is about time the State Government started putting back into the areas from which it is getting money something for the benefit and satisfaction of the people providing the money. In saying that I am merely repeating the criticism of the Federal Government that I have heard so often from my parliamentary colleagues in the Liberal and National Parties. By reason of its export income Queensland is carrying the rest of Australia. For that reason we expect and demand of our Federal Government better attention and fairer deals in the distribution of the financial cake.

I am applying exactly the same thesis to the State of Queensland. What is good for the goose is good for the gander. If that argument is to be applied to the Commonwealth Government, it should be applied to the State Government. If the State Government thinks that things are wrong in this nation, it is its responsibility to set an example. That is its responsibility in its own sphere with what it has available to it.

The south-east corner of Queensland is bleeding the rest of the State. In the North we are still waiting for new schemes to be introduced by the Government. We need only look at yesterday's and today's newspapers. I will not go into the ramifications of the shortage of power in the south-east corner of the State, but because of a power crisis down here we suddenly find that there is to be a shut-down of industry throughout the State. This is happening in a State where the Government claims on every possible occasion that Queensland is the most decentralised State in Australia. Perhaps we are in terms of population, with people in some areas battling for a quid as best they can, under all sorts of hardships and poor conditions. I know full well that some of the new members of the National Party, realising the problems in their electorates, would know what I am talking about.

Because we have this power problem in the south-east corner of the State, industry throughout the whole State is going to be brought virtually to a standstill. It is time the Government looked at the decentralisation of its power resources in line with where the energy sources are. It is time it introduced schemes that will help to encourage industries, even smaller industries to back up the major enterprises that have been constructed by private capital in Northern and Central Queensland. In this way the Government could assist in developing the potential of those areas and bring about industrial decentralisation.

To prove we do not have that now, I need go no further than draw attention to the report of the Department of Commercial and Industrial Development. That report clearly sets out that land for industrial development in and around Brisbane is at a premium. As fast as an industrial estate is opened up, the department is swamped with applications by companies which are prepared to build factories there. That brings to Brisbane all the added complications of urban development and expansion and the fringe problems of the city that we see in some of the electorates in the south-east corner.

Exactly the opposite applies in country areas. For instance, an industrial estate was provided in Maryborough. All that one finds there is sucker growth. Suckers are growing on the land that was cleared

six or seven years ago. Up till now not one factory has been built on that industrial estate. I could point to a number of similar cases in other parts of the State. In Brisbane, the industrial estates opened up are hundreds of acres in area—one is 500 to 600 acres. In Mackay, Townsville and other places estates are limited to 50 or 60 acres, and even then it is a struggle to get any industrial development on them.

The State has been decentralised; it is the most decentralised State in Australia. However, the Government must look coldly and clearly at ways of decentralising industrial development far more rapidly. I compliment the Minister for Industrial Development, Labour Relations and Consumer Affairs on the interest he has displayed in the development that has taken place in many areas of the State. But we must examine comparative growth rates to appreciate what is happening. Comparative growth rates show clearly that in development of industry every encouragement is given in the south-east corner of the State rather than elsewhere. As an indication, I need go no further than draw honourable members' attention to the special contract freight rates offered by the Railway Department.

It has been said that the railway contract rates are designed to keep commodity prices down in all areas of the State, but when the position in the country areas of the State is analysed it is seen that these rates merely help to promote industrial growth in Brisbane. Railway contract rates are no more than a subsidy to manufacturing industries in South-east Queensland. If the figures I have seen are correct, the Railway Department lost \$80,000,000 last financial year. If one-quarter of that sum were spent in trying to encourage industry to decentralise, it would be a step in the right direction. It would certainly help the Treasurer to overcome some of the growth problems in his budgetary considerations relative to the south-east corner.

We are all expecting that the Treasurer, when he introduces his Budget in about a month's time, will lower road taxes throughout Queensland. He has indicated that he intends to do so. However, I caution him to look very closely at what he is doing. Any such reduction will mean a greater number of semi-trailers and road-freight trains on our already inadequate roads. Without doubt, two recent fatalities on our roads were due solely to the low standard of the road or the fact that, through lack of finance, it had not been maintained.

A ghastly tragedy occurred recently in my area in which a whole family was wiped out. In this instance a truck hit a pothole 20 ft. long, 8 ft. wide and 8 ins. deep. It careered across the road into a utility, killing a man, his wife and four children.

That was on the Bruce Highway, the main arterial road linking the population centres of Queensland.

Lower road tax will mean a greater number of heavy vehicles on our roads. Many honourable members representing the south-east area do not travel on this road. If they visit North Queensland they usually fly in and out, as do Federal members. I counsel the Treasurer and the Minister for Local Government and Main Roads to drive on our roads a little more often. I have seen the growth in traffic which has taken place over the years. Because of the increasing volume of traffic, the inadequacies of our roads and the number of heavy transports, a person virtually takes his life in his hands when he travels long distances in Queensland and the position will get worse.

During this debate we have heard criticism of the R.E.D. schemes in Queensland. I believe the attention of this Committee should be strongly and clearly drawn to the fact that most of the R.E.D. schemes being criticised were suggested by the local authorities themselves. They devised the schemes—

Mr. Goleby: Under a set of rules.

Mr. CASEY: Perhaps so, but if they were not prepared to accept the rules of the scheme as laid down, they did not have to take part. Anyone wanting to play football must follow what the referee wants him to do. If he does not like that game, he should play another one.

Government Members interjected.

Mr. CASEY: Hopscotch would be more appropriate for some of the members who are interjecting.

There was a set of rules; but the local authorities had the opportunity of applying for money under that set of rules, and they did so. Because criticism was later directed at them, they are all crying. I point out that any inefficiency in the spending of R.E.D. moneys was in the supervision and allocation of work by the local authorities themselves, and that is where the blame must be laid.

The concept of the scheme was a good one. Rather than pay money to the bludgers, as you yourself have called them, Mr. Hewitt, who just want to sit around and do nothing, the Government decided it would be better to employ them on something useful and thus add to the country's productivity.

I could raise many matters relating to my electorate, but I realise that this is not the appropriate debate. However, I want to clarify a point I have made about the problems that have been caused by some of our major new developments. My area has experienced some of them. I pay tribute to the work done by the Treasurer in encouraging some of the major developments we have seen in Queensland. They have resulted

from the efforts of private enterprise, but I pay tribute to the negotiations conducted by the Treasurer that preceded many of the agreements. I do not think sufficient tribute has been paid to him for his work.

As I have said before in the Chamber, I do not agree entirely with all the clauses in those agreements, but I do compliment the Treasurer on the excellent work he has done. However, it is about time he concentrated on some of the problems caused by these developments in growth areas such as Mackay. We desperately need a re-routed railway access to the Mackay Harbour. Work on the Rocleigh Bridge, a major crossing of the Pioneer River in Mackay, has been delayed for far too long—many, many years—and keeps being put back further. It is time finance for it and other work in these areas was provided. The Government should be returning money to the areas that are producing a major portion of the revenues of the State. Only in that way would they receive their just and well-deserved entitlements.

(Time expired.)

Mr. PORTER (Toowong) (4.13 p.m.): Earlier in the debate it was very exhilarating to hear the new and younger members speaking, because so many of them feel so very strongly on vital matters. They are able and knowledgeable, and they speak intelligently. They certainly speak with eloquence.

It was something of a let-down then to hear the ill-fated erstwhile Leader of the Opposition, the honourable member for Bulimba, speak. He suggested that this Government should be judged because it had wasted a great deal of money and was continuing to waste money. Let me remind the honourable member that we were judged—only nine months ago. We were judged by the people of Queensland and so was Labor. Of course, the judgment was the most affirmative decision for this side of politics in the history of any State in Australia. We received somewhere near 66 per cent of the votes and the A.L.P., somewhere near 33 per cent—a two-to-one victory. So, if any member of the Opposition suggests that we should be judged on what we do, let him bear in mind that we have been judged and the Opposition has been judged. The electorate has spoken.

The honourable member for Flinders was absolutely right when he said that the A.L.P., through its manipulations of the finances in Canberra, has made it practically impossible for the self-employed man on the land to continue satisfactorily. Of course, the A.L.P.

has created a climate of despair for rural producers, as it has for every other self-employed producer. The A.L.P. is totally opposed to industry, to thrift, to effort, to self-help and to independence. All of those are dirty words in the A.L.P. lexicon today.

The Labor Party does not want any industry at all to belong to anybody but itself. It is very good at fulminating against big business and multi-national or vested interests. Of course all it wants is big Government and seemingly there is nothing much wrong with big Government as long as it is Labor that is operating it. I would imagine that the real problem is bigness itself, which tends very easily to get ossified and crystallised and finds itself completely unable to show any initiative, flexibility or capacity.

In its relentless pursuit of centralised power, the Government in Canberra has turned what only three years ago was a healthy, stable and sound economy into something that is now diseased, cancerous and sick. It is sick at every level of economic activity. This is a financial and economic sickness that is putting us on a collision course with the forces of hyperinflation.

Anybody who imagines that the Federal Budget, which is the cause of so much of our agony and will be the cause of much more, will stop us moving from the inflationary situation that we have into a condition where hyperinflation is waiting to envelop us, needs to re-learn his economics. It is generating unemployment on a level that this country has never known before. If anybody wants to compare this situation with the depression of the 1930's, let him bear this in mind: in the depression of the 1930's we had unemployment but we most certainly did not have inflation. We are now moving into a situation where we will have massive unemployment plus hyperinflation. This is a catastrophe of such dimensions that it is appalling to even think about it, to even look at the edges of it. I say to everybody, "Batten down your hatches now if you can, while you can."

The Treasurer was very right to draw attention to the omnipotent ever-present role of the Federal Government when he introduced this Appropriation Bill. There is literally nothing that we can successfully do in a financial sense without referring to the Federal presence. I am one who, for years, has been saying in this place and in many other places that there have been enormous dangers in this steady aggregation of financial power in Canberra. I have been saying it in Address-in-Reply speeches, appropriation

speeches, Budget speeches and the rest. The Deputy Premier and Treasurer, in introducing this Bill, would have been very remiss had he not drawn the Committee's attention to the situation.

I am one of those who find it most reprehensible that people on my side of politics, in the years when they were in office, not only permitted this to happen but also in some cases connived at its happening. I find it very difficult to square that sort of activity with the Liberal philosophic ethic as I see it. However, it did happen.

Of course, since 1972 it has gone on like a tornado, a cyclone or a hurricane obliterating everything that stands in its path. There is no prospect of our financing this State's needs by acceptable means while Canberra puts the financial screws on and twists them ever tighter against us. We are forced into areas where we would not want to go. The old saying that, in the situation of inflation and growing power in the central governing body, it is the Federal Government that gets the affluence and the State Governments that get the effluence is of course totally and absolutely true.

The Budget that has just been brought down in Canberra is a classic illustration of this because, while pretending to be a reform Budget and while pretending to achieve certain things people want, it in fact will do precisely the reverse. It is a "robbing Peter to pay Paul" job. It takes money out of one pocket and puts it into the other. It is, I suppose in show business terms, prestidigitation, legerdemain, the art of deceiving, or what the Americans would call, with probably a little more literal accuracy, sucker-syrup. It is the thimble-and-pea trick. We have in fact a Budget that makes things worse for the average family man, and squeezes the States harder than before.

Mr. Hayden has touted at great length his new-style Budget, which he pretends is an enormous social reform. One might be pardoned for imagining that there is some truth in the rumour going around that he will introduce yet another form of income tax return that will have only four lines—"What do you earn? What are your proper deductions? What is the difference? Send it in." That is what it is coming to.

I believe that the States, and the people in them, quite properly resent the fact that, in order to pay their budgetary way, they are being driven to desperate measures.

Mr. Moore: We don't like it, either.

Mr. PORTER: Of course we do not like it. Nobody does. But the fact is that we have to pay our way. I therefore see the debate on this Bill as a pleasant opportunity for letting the people know how we feel about what Canberra is doing to us, and reminding them that we are not the arbiters of the financial health of the Australian community. That is the function of the Labor Party in Canberra, and it must carry the blame.

Mr. LAMONT (South Brisbane) (4.22 p.m.): I rise to support the Treasurer in his very proper introduction of this Appropriation Bill. I remind the Committee that he was the only Treasurer last year who, in spite of the ramshackle economic policies of the Federal Government and the atmosphere that it had created, was able to bring down a balanced Budget. If I remember rightly, Queensland even finished the financial year with a surplus. That was indeed a tribute to the Treasurer's judgment and his ability to study the economic situation and do the very best for Queensland. This is the man who initially saved the Greenvale project, and who is still fighting to save the jobs of some 3,000 men and women at Greenvale. He is the one who has created the flow-on benefits for the port of Townsville. I cannot understand how Opposition members can doubt that the introduction of this Appropriation Bill is a most responsible and justifiable action by the Treasurer.

The Leader of the Opposition came roaring in like Samson prepared to attack and slay the Philistine policies of the Government. Unfortunately, like the Biblical hero, he chose the same weapon. I must say to him that not much can be done these days with the jawbone of an ass.

Let us consider the R.E.D. scheme that he was so fond of referring to in the first rash moments of his speech. Before 1973 there was no need for welfare employment, anyway. Indeed, there has not been a need for it in this country since the days of the bread lines of the 1930's. I wonder whether the introduction of the R.E.D. scheme by the Federal Labor Government is a har-binger of more trials to come that will remind us of the 1930's.

Let us look at the steps introduced by the Federal Labor Government that led to the creation of the R.E.D. scheme. In the first place, the Federal Government created

unemployment. I shall justify that statement later. It created unemployment primarily by trying to transfer industry from the private sector to the public sector, and in this process many enterprises in the private sector went to the wall. It then sought to salvage its unemployment statistics—perhaps I should say “falsify” them—by putting people to work on jobs that did not create production but which simply falsified unemployment statistics.

In this way men went into non-productive work. No doubt this did help their families. No doubt some communities gained something from R.E.D. projects. But I resent the reminiscing by the Leader of the Opposition about a photograph of Clem Jones, the then Lord Mayor of Brisbane, and several Federal members putting their heads together to establish priorities for R.E.D. scheme work, because in the Senate two days later, it was revealed that the Federal Government had already worked out its priorities for this State. The entire farcical exercise of Mr. Jones meeting with those Federal members was just window-dressing for the public of Queensland. Nothing was spent in South Brisbane under the R.E.D. scheme although my Federal colleague Mr. Cameron and I had been shouting for some time about the problems associated with Norman Creek. South Brisbane received not a penny, not a project, nor did the entire area of Griffith as far as I can recollect, yet the Leader of the Opposition was prepared to tell the House of the benefits of the R.E.D. scheme.

Was the R.E.D. scheme so good? If it was so good, why has Mr. Hayden cut it out of the 1975 Budget? If it were such a wonderful scheme as the Leader of the Opposition would have us believe why was it reduced to rubble by Mr. Hayden in his recent Federal Budget. The fact is that the R.E.D. scheme was inflationary like so many other policies of the Federal Labor Government. In any case, although the R.E.D. scheme provided income for some people, I will say here and now that every self-respecting man and woman in this State would rather add to the economy by working in socially productive labour than take from the economy without contributing anything to it and that is what the R.E.D. scheme amounted to.

I refer members of this Committee to something that I read recently in the “New Statesman”, a British Left-wing journal.

Although it is Left Wing I doubt that members of the Opposition would have read it as it is a rather erudite and intellectual journal. The editor of the “New Statesman” said, roughly—

“A government is not just responsible for its policies but for the effects of those policies and it is not only responsible for that but also for the atmosphere which it creates and the effects of that atmosphere.”

It is the atmosphere that the Labor Government has created which is more reprehensible than the very policies it has introduced. Today in Australia there is a penalty for thrift, a penalty for prudence and penalty for enterprise and there is an encouragement of irresponsibility and an encouragement of sloth.

Until November last year, when the electors of South Brisbane so very wisely made the choice that they did, I was a school-teacher, and I know that many of our brightest young people—not the drop-outs, mind you, but some of the brighter ones—do not go on to university or gainful employment but decide that two or three of them can afford to get together with a couple of girl friends of the same age and set up house. The net income of such a four-mouth household living on the dole could be as great as that of a man with three dependent children. That is the sort of atmosphere that the Federal Government has created. Unemployed surfies and their girl friends can live just as well as an employed married man with two dependent children—and receive as much in terms of net income.

Mr. Moore interjected.

Mr. LAMONT: All this goes hand in hand with the attack on private enterprise, and I would stress that that is the way it should be termed. The Labor Party attacks capitalism. Labor lives in the past when it sees capitalism with a capital “C” as being some sort of economic Darwinism—the survival of the fittest. We know very well that it is not that at all, and that in their inexorable hunt for the great monopolies and the “tall poppies” of industry Labor adherents trample down the very small, struggling saplings of our economy and frustrate the efforts of others. The irony of it all is that what they really sweep away are the small businessmen—the struggling saplings—and those in the middle sector of the economy whereas it is in fact the very tall poppies, which their philosophies would have them aim at,

that survive. The "tall poppies" have the advantage of the strength of many years of establishment.

So we find that under Labor there are some winners and some losers. Of course, the winners are the slothful and those who do not practise thrift and are wasteful, but the losers are not the wealthy and that is the unfortunate thing about it. Let us take this year's Federal Budget. The losers there—if we can make out anything from the Budget—will be the taxpayers without dependants and the two-income families. The losers will not be the wealthy but people in the \$4,000 to \$9,000 a year bracket. The other day Mr. Fraser instanced people on \$7,000, \$8,000 and \$9,000 a year. That is not wealth; that is practically an average income these days. The losers under the 1975 Budget will be people with two dependent children under the age of 16 who will claim rebates equivalent to 10 per cent of their income.

Mr. Hayden's income tax reforms are not reforms at all; they are simply a hidden way of giving with the one hand and taking with the other. And if the left hand ever found out what the right hand was doing, it would shake so much that he would have to sit on it!

Taxation is a disincentive. Through articles in journals in the last 2 or 3 years the Labor Party and prominent socialist economists have been trying to tell us, Mr. Hewitt, that tax increases are not necessarily a disincentive to industry. That is absolute nonsense. I remember reading not so long ago an article by an economist from the London School of Economics—that wonderful institution of the Left—in which he tried to say that most workers these days can set their own net income, and that if a worker finds that he is being too heavily taxed as he rises to a higher income, he will adjust his amount of industry to the net income he needs; therefore, although his industry will not be discouraged altogether, he will work only as hard as he chooses to.

Mr. Aikens: How many ordinary people could correctly fill out their last income tax return?

Mr. LAMONT: Probably the honourable member has a point. Life is getting very complicated, and the sharks in Canberra bite at us in so many different ways.

Let me get back to the point I was making. Those people who set their own net income might be the few who can say, "I will choose to work overtime for my employer, and my employer will pay me for that overtime." It might be the Wickham Terrace specialist and other professionals in high-income brackets who will come into the category of those who might say, "Well, I am getting into a high tax bracket; I will take Wednesday off and go to the golf course." But the majority of people are not Wickham Terrace specialists; they are not people who are working for others and are paid for their overtime. The majority of people are in the middle group; they do not get paid for working longer hours and they do not adjust their own net income. That is the great fallacy of the socialist economists when they talk about tax increases not being a disincentive to enterprise.

The average person is, for example, the school-teacher who is offered extra employment teaching night classes at the Q.I.T. and who says, "Why? I will only have to give 50 per cent of it back to Mr. Hayden." The average person is the small shopkeeper who says, "Will I stay open after 6 o'clock at night? Why should I? I may sell a couple of bottles of milk and a few pounds of butter, but more than 50 per cent of the extra that I earn will go back to Mr. Hayden." So the valuable work that these people might put into the community with their overtime is taken out of the private-enterprise sector through the disincentive of the higher tax bracket that they would be moving into, not because they would be in a high wage bracket, but because inflation has taken the middle wage bracket into an area of higher tax.

Taxation increase is a disincentive. Mr. Hayden has ignored the Mathews Committee; he has ignored tax indexation; he has ignored the concept of tax cuts. The rebate system is not a tax cut. You, Mr. Hewitt, spoke earlier in the debate about inflation, how taxation is directly linked to the wage demands of the workers, and how this leads to what Mr. Snedden rightly called cost-push inflation.

I remind honourable members that it has been suggested that a cut in expenditure would lead to vast unemployment and that the people on this side of the Chamber are quite prepared to fight inflation by introducing further unemployment. That is not true. I draw the attention of honourable members

to a very good example given by Milton Friedman. He said, "Unemployment and inflation are not alternatives. It is just like a man who has appendicitis and who goes to the hospital and has his appendix removed. A by-product of the cutting away of that diseased appendix is that he will spend a couple of weeks in hospital. Fighting inflation by cutting Government expenditure is like cutting out a bad appendix. It will lead to a by-product—a temporary by-product—of increased unemployment. But that is not an alternative; it is simply a by-product that will be suffered in the short term with the long-term idea of improving the health—whether it is the health of the individual or the health of the economy."

So one does not say, "I have appendicitis. I can go away and ignore it or, alternatively, I can stay in hospital." One says, "Alternatively, I can have it cut out; a by-product is that I will stay in hospital for a while." That is the choice. Similarly, one does not say, "Unemployment and inflation are alternatives."; one says, "To fight inflation, we may put up with the short-term penalty of unemployment for a time." But that is a by-product, not an alternative—and it is a short-term by-product at that. We know that the reason the Labor Government does not want to fight inflation is that inflation feeds the Government's coffers for its increased expenditure.

I have here a little booklet I managed to get from the Chinese Embassy in Canberra when I was down there earlier this week. The heading of the booklet is "How Inflation assists Socialism". It is a booklet that Chairman Mao's Communist Party puts out to the people in China to assure them that, although there is inflation in that country, nevertheless, it is a good thing because theirs is a socialist nation and inflation cannot hurt socialism. That is dead right. That is what Mr. Hayden has been working on, and that is what Mr. Whitlam has been counting on. Inflation does not hurt socialism but, by God, it hurts the free-enterprise way of life! That is the way of life that the people in this country want, and they proved that in an election in this State within the last 12 months.

I am amazed at the gall of Mr. Connor, who was prepared to accept a \$4,000 million loan to be paid off in 20 years. Imagine the inflationary effect that would have had if he had pulled it off! He said that he

would still be prepared to pull it off. Imagine the effect of money from the Arab States coming into this country in that quantity to be paid off over such a long period of time! He is the same man who said that there is danger in taking money from multi-nationals. The utter hypocrisy of it is obvious to us all.

I would like to tell to the Committee the true story behind the Arab loan. An Arab potentate was spoiling his young son. The young son said, "For Christmas I want a 'cowboy outfit.'" So the Arab chief tried to buy the Canberra Government. That was the true story behind the loan offer from the Arab States.

As a direct result of Federal Labor policies, too many people in this country want to dip into the kitty but they do not want to replenish it. Too many people want to take, but so few want to give. That is why we have inflation; that is why we have unemployment; that is why we have the situation which is developing today where so many people are living off the welfare State and so few are inclined to involve themselves in enterprise. The key word is "enterprise".

The unfortunate thing is: when Mr. Hayden finds that he has to make these cuts, where does he make them? He makes them in his hand-outs to the States. He says, "Well, if there is to be unemployment, let it be first of all in the private sector because they are the ones who will go to the wall. But if we are then going to have unemployment in the public sector, I am blown if it is going to be Commonwealth public servants; we will hand it on to the States. The State public servants will have to bear the brunt of it all." That will make it look as though it is our Treasurer and our Cabinet who are creating the unemployment among public servants. But we know that that is not true. We know that in fact it is Mr. Hayden who, when he has to decide who to toss out of a job, first of all forces out those employed in private industry and then those employed by the State. The Commonwealth public servant is the last one to go because he is in the only place where the Federal Labor Government has a policy that can be accepted by the people on the receiving end.

I fully endorse the introduction of this Appropriation Bill by the Treasurer, and I urge that it be accepted.

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (4.39 p.m.), in reply: On this occasion the debate has gone a little longer than has been the usual practice. Possibly that is because of the number of new members in the Chamber. It also shows the interest in the debate, and I have appreciated the comments that have been made in certain quarters. However, we saw, for the first time, the Leader of the Opposition in the role of a speaker on matters of finance. We have seen him in other roles in the past, but on this occasion he attempted to apply himself to the financial affairs of Queensland. And he fell into one real trap.

He said, "We must get together and sit down to try to help one another." That was a straight-out admission from him that the country is in a terrible mess under a Federal Government of his political persuasions. He indicated that the Federal Government could not find a solution and that the States should come together and try to apply themselves to overcoming the problems that have confronted them and the Commonwealth since 1972.

The next point he raised—in rather a minor way—again indicated his total lack of knowledge of the subject he was discussing. He tried to ridicule the small sum that was forwarded to the Boonah Shire Council. We admit that we sent a cheque for, in fact, \$152.67, to the Boonah Shire Council. But what was the Commonwealth's proposal? The Commonwealth, in its desire to establish regionalisation throughout Queensland, designated a number of regions. It then indicated that it would give to the State of Queensland the sum of \$20,000, from which \$2,000 was to be paid into each region, to be distributed to local authorities nominated by the particular region. We saw some of the R.E.D. money distributed, and we thanked the Commonwealth for its offer of \$20,000. The State provided an equivalent amount. Knowing the number of shires in a particular region, we forwarded to each shire council the amount that it would have received under a system of equal distribution. Each shire benefited, even to the extent of receiving such a small amount. It was some contribution towards the work that the shire was doing as part of the region in general, and we make no apology for what we did.

The Leader of the Opposition referred also to the States' case, as it was written up

in a southern newspaper. That report was written prior to the presentation to the Commonwealth of the case prepared by all States. In other words, it was a report based on hearsay. When the full case prepared by the Under-Treasurers and others was finally drafted in concise form, it was presented to the Commonwealth. But it received the usual treatment, and we derived very little benefit from the time spent.

I shall now deal with half-a-dozen of the points raised by the Leader of the Opposition. He referred to the need for a new federal concept. I agree with the contention of the honourable member for Chatsworth that if there could be a new approach to federalism we would be prepared to accept it. The Leader of the Opposition said that Labor's concept of a new form of federalism is based on co-operation. I, as a Minister, have been attending meetings in Canberra for 18 years, and I can say that no matter which political parties are involved, there have always been some arguments between those responsible for administration in Canberra and those who represent the States.

There has been a degree of co-operation, but the co-operative federalism that is now manifesting itself in Canberra is seen as co-operation by the States and local authorities on the lines determined by the Federal Labor Government. In other words, unless the States agree to the financial restrictions placed on them by the Federal Treasury, there will not be the co-operation mentioned by the Leader of the Opposition.

He referred also to the electrification of our railways, and claimed that it was proceeding now only because of the policies of the Labor Government. I make it quite clear that that is not so. The programmes were determined in the period prior to the Labor Government's election to office in Canberra. Most of them were ready to proceed as funds became available. We have now been encouraged to proceed—and rightly so. I believe we should. However, the latest indication from the Federal Minister for Transport is that we have no assurance of the availability of further funds for the continuance of this work. The only difference now is that, having started the scheme, we face difficult problems because no new approvals have been given by the Federal Government and no additional finance will be available.

Some considerable time was spent by the Leader of the Opposition on the R.E.D. scheme. He claimed it put 10,000 men back into employment. No-one denies that. The Federal Treasurer clearly indicated in his Budget, however, that the scheme must finish at the end of October; so the 10,000 men who were put into employment will find that they are again confronted by the situation that faced them prior to the implementation of the scheme. There is no indication of greater job opportunities than there were prior to the introduction of the R.E.D. scheme. There is no indication that the scheme has increased productivity in our community or led to new job opportunities. Rather the money has been allocated to work chosen by the Federal Government as a stopgap. A lot of that work will be brought to a halt because of insufficient money. Many councils and other organisations put forward schemes involving considerable expenditure, and they were encouraged to commence part of their projects. It is true that the Federal Government will provide funds for the completion of that portion of the work for which approval was given and on which costs have increased as the result of inflation. In most cases the amount by which the project's cost has increased through inflation will be provided; but that is where the project must come to an end. Consequently, a number of local authorities and other public bodies will find themselves in very difficult circumstances within a short time.

The R.E.D. scheme and the State Government's schemes were compared by the Leader of the Opposition in an attempt to indicate that we had chosen a basis that denied some local authorities available finance. We make no apology whatever for the famous document that found its way into the hands of the Leader of the Opposition. In the distribution of Commonwealth funds among all the local authorities in Queensland, we endeavoured to set as a fair basis the unemployment figures as at 1 February 1975. What we said was this—

"In addition to the \$5.6 million made available for special unemployment projects, there has been some \$14.1 million approved or recommended under the Commonwealth's R.E.D. Scheme. This gives a total of \$19.7 million for special unemployment works throughout the State.

The distribution of the \$14.1 million R.E.D.'s money took no account of the

relative unemployment positions of shires and towns nor did it recognise the overall capital programmes approved by those authorities. We therefore find distortions and inconsistencies in the distribution of the R.E.D.'s funds."

Not one honourable member, regardless of his political party, would be prepared to claim there were not inconsistencies and distortion in the distribution of R.E.D. funds.

Money was made available for projects in various areas. For argument's sake, in Toowoomba, the Scouts Association received \$19,000 or \$20,000, while other small Scout associations building their own Scout huts got nothing. A number of school committees provide school buildings, such as assembly halls, and some of them received as much as \$150,000, whereas others received nothing at all. The State had a scheme under which all localities were treated equally; but that was not so under the R.E.D. scheme. It paid no regard whatever to unemployment numbers.

To reduce the level of the distortions and inconsistencies we allocated the sum of \$5,600,000—which was made available direct to us—in such a way as to distribute it throughout the State roughly in proportion to the level of unemployment in the respective areas. We believe that that was fair and just.

This step has been criticised by the Leader of the Opposition. He proceeded to list some of the areas in which we had not provided any money. It is true that where there had been a distribution of funds up to the amount that would have been available out of the \$19,000,000 for unemployment, there was no additional distribution. He named a number of places which he said received no State money, but he did not tell us, for argument's sake, that the Beaudesert Shire, in which 150 people were registered as unemployed, received no R.E.D. money but was provided by the State with \$37,000, and that the Landsborough Shire, in which 224 people were registered as unemployed, received no R.E.D. money but was provided by the State with \$55,000. I could also cite some of the far-distant areas. The Leader of the Opposition made quite a song and dance about Atherton. He did not tell us that the Croydon and Etheridge Shires did not receive any R.E.D. money, whereas the State Government provided \$8,000 to each of them; nor did he say that no R.E.D. money was made available to

the Ayr Shire, in which 448 people were registered as unemployed, but that the State provided \$109,000. To the Labor corner of Mt. Perry the State provided additional funds, as it did to many other areas. The Torres area, for example, did not receive anything under the R.E.D. scheme; we provided \$32,000. The Cook Shire received nothing; we provided \$22,000. Even for the township of Gladstone there was no money available under the R.E.D. scheme; but we found \$57,000. We also found \$14,000 for Callide, \$19,000 for Banana and \$8,000 for Miriam Vale. For the Kilkivan Shire we found \$8,000, and for the Kingaroy area we found \$32,000. I could go on and on showing the fairness of this Government in its distributions.

Much was said about assistance to the West. Let us see what the R.E.D. scheme did for that area at the time of this distribution. There was nothing given in Aramac; nothing in Barcaldine; nothing in Barcoo; nothing in Blackall; nothing in Ilfracombe; nothing in Isisford; and nothing in Jericho. The State Government gave from \$8,000 to \$14,000 in each of those shires. There is another indication of just what was achieved by this Government. The Pioneer Shire received not a cracker from the R.E.D. scheme, but we provided \$108,000. I could continue through the whole list to show that we achieved what we set out to do, and that was to provide some benefit for each local authority in Queensland. Those that had benefited under the R.E.D. scheme had an opportunity to absorb some of their unemployed. We helped those that were not so fortunately placed. That is an indication of what this Government has tried to do.

I now want to refer briefly to the comments of the honourable members for Kurilpa and Flinders. Both these young men are new members, and they have shown that they have not only a grasp of the requirements of their electorates but an interest in the financial affairs of the State. I appreciate their interest, because I believe that the financial affairs of Queensland are among the most important matters in which honourable members should take an interest.

I was a little intrigued by the remarks of the honourable member for Bulimba. He was somewhat critical of the honourable member for Kurilpa for saying that the Appropriation Bill was not brought down because of inflation. It is true inflation is not the reason for the introduction of the

Bill, as an Appropriation Bill is brought down at this time each year. But the amounts involved in the Appropriation Bill on this occasion reflect the inflationary trend throughout Australia.

The honourable member for Bulimba also said that there would be some increases in the State Budget. One does not have to be a genius, or to have been in this Assembly for a long time, to be able to arrive at that conclusion. Inflation has caused a very great increase in the finance required not only in this State but in every other State and the Commonwealth. On the other hand, as was brought out by way of interjection, we have not been spending in the Canberra style. We have not been purchasing "Blue Poles" and similar items.

The honourable member also criticised the Government for, he said, losing \$10,000,000 over Medibank. I believe that this State was robbed of \$10,000,000 on entering Medibank. I believe that the Federal Treasurer wretched on deals that he made with me and the Minister for Health. On 24 June he was notified that the State was prepared to sign. But he wanted to mangle as long as he could, and he is still malingering in his dealings with New South Wales. The point is that for every week he could keep Queensland out of Medibank he was saving the Commonwealth \$1,000,000.

The CHAIRMAN: Order! There is far too much noise in the Chamber. I ask the Committee once more to come to order.

Sir GORDON CHALK: I believe that we were entitled to payment as from 1 July. We have finally signed the document and I would hope—

Mr. Hanson: You had to put a half-nelson on Joh.

Sir GORDON CHALK: If somebody put a half-nelson on you it would not be Joh. I would not be able to get near you to put a half-nelson on you!

The CHAIRMAN: Order! I was not aware that Appropriation Bills covered the art of wrestling as well.

Sir GORDON CHALK: If we can get back to the serious part of this debate, it is true that the State has lost a little over \$10,000,000 because of the delay in signature. On the other hand, for those who do not know, the agreement was signed today and

at least we should be paid from 1 September. The honourable member for Bulimba mentioned several other matters to which I will not be able to refer because time is getting on.

The honourable member for Albert referred to the fact that the Albert Shire and the Gold Coast City Council took R.E.D. money to put several schemes into operation. Both areas also received considerable assistance from the State; \$176,000 has gone to the Albert Shire and \$323,000 to the Gold Coast City Council.

The honourable member for Mackay dealt with a statement which I made quite sincerely, that is, that the operations of the Central Queensland railways associated with the haulage of coal have been making quite a contribution to railway revenue. The railway losses would have been much greater had there not been a high degree of profitability in the operation of those lines in Central Queensland.

The honourable member said that money was being spent on the development of industrial estates outside Brisbane. That is true and I believe it is highly desirable. I do not quite agree with his assertion that low freight rates which have been provided to help people in the North have acted to the detriment of industry in North Queensland. We have endeavoured to consider particular products, products which are essential for the development of a community and which are not generally manufactured in that area. That assistance has been given because of a desire to help residents in remote locations. I know that honourable members can refer to the transportation of beer as an exception, but other than that I know of no case where the low-freight structure has operated to the detriment of an industry.

I agree with the honourable member that the lifting of road tax will create certain problems, but these potential problems were examined fairly closely by the Government prior to the last election. Promises were made that road tax would be eliminated over a period of three years, and that is the aim of the Government. It is equally true, however, that the lifting of those taxes will create problems in the heavy-transport field.

The contribution of the honourable member for Toowong was, as usual, based on the facts of today. I believe that his remarks

were appropriate to those aspects which are of importance to the community as a whole.

Finally, the honourable member for South Brisbane indicated that he, too, is interested in the finances of this State and our future.

All I can say is that this legislation is necessary and the funds will be controlled by the Government and spent wisely and well in the interests of the State of Queensland.

Motion (Sir Gordon Chalk) agreed to.

Resolution reported, received, and agreed to.

WAYS AND MEANS

COMMITTEE

VOTE OF CREDIT—\$750,000,000

(The Chairman of Committees, Mr. W. D. Hewitt, Chatsworth, in the chair)

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer): I move—

“(a) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1975-76, a further sum not exceeding \$330,000,000 be granted out of the Consolidated Revenue Fund of Queensland exclusive of the moneys standing to the credit of the Loan Fund Account.

“(b) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1975-76, a further sum not exceeding \$340,000,000 be granted from the Trust and Special Funds.

“(c) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1975-76, a further sum not exceeding \$80,000,000 be granted from the moneys standing to the credit of the Loan Fund Account.”

Motion agreed to.

Resolutions reported, received, and agreed to.

APPROPRIATION BILL (No. 1)

ALL STAGES

A Bill founded on the Resolutions was introduced and passed through all its stages without amendment or debate.

The House adjourned at 5.12 p.m.