

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 7 OCTOBER 1975

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

ASSENT TO BILLS

Assent to the following Bills reported by Mr. Speaker:—

Professional Engineers Act Amendment Bill;
State Counter-Disaster Organization Bill;
Motor Vehicles Control Bill;
Ambulance Services Act Amendment Bill;
Chiropodists Act Amendment Bill.

PAPERS

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

Reports—

Director-General of Tourist Services, for the year 1974–75.
Registrar of Co-operative and Other Societies, for the year 1974–75.
Queensland Housing Commission, for the year 1974–1975.

The following papers were laid on the table:—

Orders in Council under—

Harbours Act 1955–1972.
Magistrates Courts Act 1921–1975.
The Supreme Court Act of 1921.
District Courts Act 1967–1972.
River Improvement Trust Act 1940–1971.
Explosives Act 1952–1974.
Medical Act 1939–1973.
The Grammar Schools Acts, 1860 to 1962 and the Local Bodies' Loans Guarantee Act 1923–1973.

Regulations under—

Beach Protection Act 1968–1972.
State Transport Act 1960–1972.
Survey Co-ordination Act of 1952.

Statement of Income and Expenditure and Balance Sheet of the Coal Mine Workers' Pensions Fund, for the year 1974–75.

Reports—

Queensland Coal Board, for the year 1974–75.
Brisbane Milk Board, together with the Report of the Auditor-General on the Books and Accounts of the Board, for the year 1974–75.
Queensland Law Reform Commission, for the year 1974–75.
Pyramid Selling Schemes Elimination Committee, for the year 1974–75.

MINISTERIAL STATEMENT

FEDERAL GOVERNMENT'S PROPOSALS ON QUEENSLAND'S BORDER WITH PAPUA NEW GUINEA

Hon. J. BJELKE-PETERSEN (Barambah—Premier) (11.9 a.m.): I rise to bring to the attention of the House an example of double-dealing and blackmail by the Federal Government over the question of Queensland's border with Papua New Guinea. As honourable members are aware, last week I visited the Torres Strait area. That visit was planned some 12 months ago—before Papua New Guinea decided the date on which it would finally achieve independence.

As honourable members know, the Governor-General of Papua New Guinea made statements to the effect that my visit would conflict with Papua New Guinea's independence celebrations. As a gesture of good will, I publicly reassured Papua New Guinea that my visit had no political overtones, that I was not taking a Press party, and that the so-called border issue was not down for discussion at my meetings with Islander leaders. I pointed out that in fact amicable discussions were proceeding between the Papua New Guinea, Commonwealth and Queensland Governments. These discussions centred on the resolution of this Parliament proposing that there be no change in the existing border; that the Torres Strait should become an international marine park; and that the Torres Strait Islanders and the people of the adjacent Papua coast should share their traditional subsistence fishing rights. A short time later I saw a statement attributed to Mr. Somare that he would in future deal only with the Commonwealth now that Papua New Guinea had attained nationhood.

On my recent visit I did not raise the border issue in the Torres Strait, but the Islander leaders came straight to me to talk about nothing else. They revealed a case of duplicity and double-dealing by the Commonwealth, and the statements I am about to quote confirm the Commonwealth's true motives in the matter.

The reason why there was opposition to my visiting the Torres Strait is now crystal clear—to prevent my finding out what had happened. It is the reason why the Federal Minister for Aboriginal Affairs is hurrying to the area later this month, to follow up the threat made to the Chairmen of the Islander Community Councils at a meeting on Thursday Island on Saturday, 20 September. That meeting was called by Dr. Coombs, the Federal Labor Government's adviser on Aboriginal Affairs. I point out that Dr. Coombs is the direct appointee of the Prime Minister, Mr. Whitlam, and has been conducting the negotiations with Queensland and Papua New Guinea officers.

I notice that Mr. Johnson, replying with invective to my charges of fact about his department's bungling in the Torres Strait,

has admitted that the Queensland Director of the Australian Department of Aboriginal Affairs, Mr. Worthy, was on Thursday Island and talked with Islander leaders. However, I find it very curious that Mr. Johnson does not mention that in fact the conference was called by Dr. Coombs and that Mr. Worthy was there only as Dr. Coombs's offsider. How strange that Mr. Johnson overlooks Dr. Coombs, a man who is the Federal Government's chief adviser in these matters, a man able to go right over Mr. Johnson's head—in fact, directly to the Prime Minister! It is just one more facet in the pattern of deception that has been uncovered.

On 20 September, Dr. Coombs, who, as I indicated, has the full authority of the Prime Minister, outlined to the Islander leaders the Prime Minister's new proposal on the border issue. This was that the Islanders could continue to live on their islands, but that their waters down to the 10th degree of latitude would be handed over to Papua New Guinea. This, to a people who have lived on their islands for untold generations and who regard their seas as their own! When they refused, Dr. Coombs issued a threat—and this is the important part, Mr. Speaker—that if they did not agree, Papua New Guinea would have both their seas and the islands as well.

It is significant that at all past consultations between Dr. Coombs and the Islanders, the Queensland Department of Aboriginal and Islanders Advancement was invited to participate. No invitation was issued for this meeting, and the reasons are abundantly clear. The Commonwealth's hypocrisy stands revealed. While negotiating with Queensland in supposed good faith on one hand, the Federal Government, on the other, sent Dr. Coombs to the Torres Strait to coerce and blackmail the Islanders.

For the information of the House, let me recapitulate what is involved in the two proposals. When, as Opposition Leader, Mr. Whitlam—whose desire to strut on the international stage is well known—went to Papua New Guinea, he made a statement that he believed the Queensland border was too close and should be moved south. His original proposal, with which Papua New Guinea agrees, was to move it 80 miles south to just above Badu and Thursday Islands. There are some 16 inhabited islands in the Torres Strait plus many uninhabited ones, which the Islanders use as food gardens. The Torres Strait covers 10,000 square miles of Australia and the total Islander population is about 9,000. This proposal would have meant that half the inhabited islands would have gone to another country, together with their 4,000 Islanders.

The new proposal is that the islands stay in Australia, but that the waters around them down to the 10th parallel become part of Papua New Guinea. Dr. Coombs's threat was supposed to cover the uninhabited islands, but when the Islanders made it clear they

would have no part of that, either, it became a general one. If it had succeeded, the Islanders would have needed a passport to go fishing off their own islands!

What would be the reaction of the Honourable Leader of the Opposition if I announced that he could continue to live at his home at 20 Aster Street, Cannon Hill, but that I was giving his land to the Brisbane City Council? He would object violently, but that is exactly what the A.L.P. and the Prime Minister he supports to the hilt are trying to do to a loyal Australian people.

We have seen the effects in Africa of boundaries, drawn by outside powers for political purposes, separating members of the same race. Now, apparently, we are to see a new imperialism in the Torres Strait.

Mr. Whitlam wants to cut a figure in international affairs, particularly in the Third World countries. He claims to be a champion of the Aboriginal people. Yet, in one fell swoop, he will destroy a people and their homes. At no time has he been to the Torres Strait to consult the people. With respect, neither has Mr. Somare. Only I have been there to ascertain their wishes at first hand.

The Torres Strait people represent a cultural, ethnological and geographical entity. Yet the Prime Minister, who professes to champion liberation movements, wants to imprison an entire people. He might put politics before people; I refuse to do so.

The time has now come for straight speaking on this issue. I am conscious of Papua New Guinea's concern about its borders, but I am equally conscious of the Torres Strait Islander people's rights. And they must be paramount.

The Islander leaders last week again told me, "We are people of the sea. The waters around our islands are as important to us as are the islands themselves. The sea provides most of our food. It is our highway between our islands. To take our seas is to drain our blood. We will never agree to give up any of our islands or any of our seas." Neither will Queensland; neither will this Parliament. Queensland will never stand by while this discredited Federal Government or any future one tries to give away 5,000 square miles of Australia. We will not stand by and see half a people handed over to another country against their will.

If all the Torres Strait islands were uninhabited, the problem would be simpler, although the matter would not end at that. But the three closest islands to Papua New Guinea—Saibai, Dauan and Boigu—have always been inhabited by Torres Strait Islanders, not by Papuan people. They are Islander islands. Saibai Island is four miles from the Papuan shore. By contrast the border between Papua New Guinea and West Irian is an imaginary line through the jungle—yet I hear no complaints in that area. The border between Bougainville and the British Solomon Islands

is a narrow channel. Elsewhere in the world—in Africa, for example—dozens of nations live side by side with no channel separating them. The argument for lowering the border is not convincing.

Papua New Guinea has a right to look to its own people's interests. So have I, and so has this Government, and the people we must stand up for are loyal Queenslanders and Australians. They have been Australians for many years and Torres Strait Islanders died for Australia in World War II.

They have looked to Australia—now they are looking to a Prime Minister whose first concern should be for them, but who is more interested in outside opinions. The Torres Strait Islanders are not pawns to be traded at the whim of the Prime Minister.

Mr. Somare has said he will deal only with Canberra. That is his business. But Canberra—and Mr. Whitlam—must deal with Queensland. Australia is a Federation, and Papua New Guinea should consider this in its dealings with Australia. Any so-called settlement without the consent of the Islanders and the approval of Queensland is doomed constitutionally and politically. As well as consideration of the rights of the Torres Strait Islanders, wider consideration must be given to Australia's own national needs.

The so-called "area of peace" in the Indian Ocean did not survive even Mr. Whitlam's dreams. Timor shattered that—and that raises the question of Australia's own future security. A Communist take-over in Timor threatens one entrance to our northern shipping lanes. A take-over by any other country of the northern part of the Torres Strait threatens the other end.

I have no doubt of all our neighbours' good will now, but who can be certain of the future? Claims of 15 years without external threat have already been reassessed by the same Commonwealth Government that made those claims not so long ago.

I remind the House of its resolution, along with that of the Senate, that there can be no change in the Queensland border with Papua New Guinea against the will of the Torres Strait Islander people. Last week the Islanders' leaders told me, "We will not agree to any change in our islands and our waters. Tell Papua New Guinea and Canberra just that."

Mr. Whitlam's international obsessions created this issue when he was Opposition Leader. His tenure as Prime Minister has caused it to fester through double-dealing and duplicity. It will bedevil Australia and Papua New Guinea far into the future unless there is clear recognition of the wishes of the Torres Strait Islander people. As Premier, I must respect their wishes and be their champion. I will not stand by and see any secret deal made over their heads.

This Parliament proposed what I believe all Australians would regard as a fair and equitable compromise that safeguards the rights of all parties. That proposal followed discussions between the Islander leaders and the representatives of the Papuan people. No other proposal is acceptable and I believe that my exposure of the Commonwealth's duplicity in this matter doubly confirms the strength and sincerity of the previous resolution.

For the information of the House I now table a so-called resolution from the conference on Thursday Island on 20 September. I say "so-called" for two reasons. The first is that it is obvious that Dr. Coombs went to the conference with a prepared brief to persuade or coerce the Islanders to agree to a sea-bed border under which their islands would remain in Queensland with their waters going to Papua New Guinea. This is clearly shown in the text of this resolution. The second, and overriding, reason is that the Islander leaders have repudiated any claims that they agreed to hand over their waters or islands, either inhabited or uninhabited.

Whereupon the honourable gentleman laid the document on the table.

QUESTIONS UPON NOTICE

COMMONWEALTH SCHOOL LIBRARY GRANTS

Mr. Wright asked the Minister for Education and Cultural Activities—

(1) Did his department receive \$3,876,437 from the Commonwealth Government for school library funds in the last financial year?

(2) Which schools benefited from the funds?

(3) How much of the allocation was unused as at 30 June?

(4) Was an additional \$139,833 recently received by way of book-stock grants from the Commonwealth Government and, if so, what (a) Government and (b) non-Government schools benefited from the grants?

(Originally asked on 25 September 1975)

Answers:—

On Thursday, 25 September, the honourable member for Rockhampton asked me a question on notice concerning Commonwealth funds for school libraries. I undertook to provide the information as soon as it was available. I now table the information with some additional comments on the honourable member's question.

(1) No. I would suggest that the honourable member for Rockhampton read Press releases from his Commonwealth colleagues with a little more care. In the 1974-75 financial year, my department received \$2,983,753 from the Commonwealth Government for libraries in Government primary and secondary schools.

The \$3,876,437 to which the honourable member refers was for expenditure over the 18-month period 1 January 1974 to 30 June 1975. This amount also includes funds for joint programmes in Government and non-Government schools. The amount received solely for use in Government schools over the 18-month period was \$3,414,640.

(2) I table the lists of schools which have benefited from the funds expended in 1974-75. I also refer the honourable member to the very extensive answer that I provided to Mr. Yewdale on 20 August 1975. While I acknowledge most strongly the right of all members of this Parliament to seek information, I would draw attention to the time involved in the preparation of such answers and question the value and purpose of his question.

(3) None. In actual fact, additional expenditure of \$265,000 in this period was borne by the State until it could be claimed from the Commonwealth in the next quarter.

(4) The amount referred to is an allocation for non-Government secondary schools in Queensland. My department merely acts as a distribution agency for these funds. In the media release on which he based this question, the honourable member will find a typical example of Commonwealth misuse of funds. Anyone can obtain detailed information regarding book-stock grants by placing a reverse-charge STD call to Canberra to a Mr. G. Deacon on 062 89-7228.

Whereupon the honourable gentleman laid the lists referred to on the table.

1. MANAGEMENT REPORTS ON ROYAL BRISBANE AND PRINCESS ALEXANDRA HOSPITALS

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

(1) When will he table in this House all the reports by W. D. Scott and Co. Pty. Ltd. on the management of the Royal Brisbane and Princess Alexandra Hospitals?

(2) If he does not propose to table them for some time, will he make a ministerial statement outlining the main recommendations and the recommendations which the Government has accepted and those it has rejected?

Answer:—

(1 and 2) The Management Consultants, W. D. Scott and Co., were engaged by the North Brisbane and South Brisbane Hospitals Boards and all reports are considered by the respective boards. The boards may accept or reject, on their own initiative, recommendations made by the management consultants. Those recommendations accepted by the board which refer to

administrative, legislative or other matters which are the responsibility of the department are referred for consideration.

2. SAFETY LEGISLATION FOR RURAL AREAS

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

(1) With reference to the letter to the editor in "The Courier-Mail" of 25 September from Mr. G. T. Crawford, Industrial and Safety Officer of the Queensland Cane Growers' Council, was a committee set up to consider safety legislation for rural industries, comprising senior officers of the Machinery Department, representatives of a wide range of primary-producer organisations, rural youth, tractor and machinery manufacturers and a senior representative of a union of employees closely associated with rural industries?

(2) Although not all primary-producer bodies on the committee were unanimous on all sections of the proposed legislation, was there complete acceptance of the need for legislation to make compulsory the fitting of tractor-operator protection frames and the guarding of tractor power take-off drive shafts?

(3) Were these the main aspects of the Bill which was ultimately prepared in accordance with the consensus of the Minister's committee and presented to Cabinet and approved?

(4) Is there world-wide evidence, over more than two decades, conclusively demonstrating that the introduction of tractor-operator safety frames will reduce tractor fatalities dramatically?

(5) As the honourable member for Redlands has publicly claimed credit for the withdrawal of this proposed legislation and as research clearly indicates that at least half of Queensland's 16 tractor deaths each year could have been prevented if safety frames had been fitted, how long will Queenslanders have to wait before action is taken to prevent needless deaths which will result from the honourable member's representations on behalf of a few dissident members of the National Party who place more value on a few dollars than a life?

Answer:—

(1 to 5) A composite committee on the lines stated by Mr. Crawford was set up to consider the desirability of legislation being introduced in regard to safety in the use of tractors. As a result of a series of discussions, a report on this matter was submitted to me. The matter subsequently received the consideration of the joint Government parties, when it was decided not to proceed with legislation in regard thereto on that occasion. The matter has not been shelved but will receive further consideration during the present session.

3. HOUSING FOR ABORIGINES,
MARYBOROUGH

Mr. Alison, pursuant to notice, asked the Minister for Aboriginal and Islanders Advancement and Fisheries—

(1) What are the addresses of the three houses allegedly bought recently in Maryborough for the sole use of Aborigines by the Commonwealth Government, immediately after it was announced that Commonwealth Government funds for Maryborough housing co-operative societies had been cut by \$130,000 for the current year?

(2) Will the letting of the houses be under the control of his officer resident in Maryborough?

(3) What rent will be payable by residents of the houses and what rent is paid by residents of the State-owned houses in Maryborough for the sole use of Aborigines and Islanders?

Answers:—

(1) I have been informed that the Commonwealth Department of Aboriginal Affairs is in process of acquiring residential properties in Maryborough at: 280 Alice Street; 109 Sussex Street; and 26 Cardigan Street.

(2) No.

(3) It is understood the properties will be managed by a group of local people as trustees. My Department of Aboriginal and Islanders Advancement will not be involved. Rents charged tenants sponsored by my department are based on a minimum of 15 per cent of the tenant's income up to a full economic rental of the premises with of course any other significant factors taken into account. Thus they vary family to family and location to location.

4. REMOVAL OF COLOURED SANDS FROM
FRASER ISLAND

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

(1) Is he aware that one of the tourist attractions at Fraser Island, namely, the

Answers:—

(1) 1972, 572; 1973, 638; and 1974, 589.

(2)—

coloured sands, is being carted off by tourists and sold by commercial interests without restriction?

(2) Is this practice illegal and, if not, will he take urgent legislative action to prevent this vandalism and shocking sell-off of one of the attractions of the island?

Answers:—

(1) It has been reported to me that coloured sands have been removed without authority from Fraser Island, but to my knowledge no persons so doing have been observed by department officers despite reasonable surveillance. Depending on the locality of the sand in question, it could lie within the control of the Forestry Department or the Department of Harbours and Marine. So far as my Department of Forestry is concerned, checks have been made with certain commercial interests without any disclosure of unauthorised activity. These people have been made aware of the provisions of the Forestry Act in this direction.

(2) Yes, the removal of sand without authority from State forests or any Crown land is an offence under section 39 or 54 of the Forestry Act, and offenders are liable to prosecution. Where sufficient evidence is available, appropriate action will be instituted.

5. ROAD ACCIDENTS AND BREATHALYSER
TESTS

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

(1) What was the total number of deaths attributed to road accidents in 1972, 1973 and 1974?

(2) What was (a) the total number of reported accidents, (b) the number of persons injured and (c) the total number of persons killed in (i) the city and (ii) the country during those years?

(3) For each of the three years, how many persons were tested with the breathalyser and what percentage of those persons involved in accidents were tested?

Year	Reported Accidents		Persons Injured		Persons Killed	
	City	Country	City	Country	City	Country
1972 ..	12,986	17,988	4,586	9,115	110	462
1973 ..	11,597	19,186	4,484	9,675	133	505
1974 ..	11,366	18,182	4,510	8,895	133	456

(3) 1972, 3,502; 1973, 4,980; and 1974, 5,901. Percentage of those persons who were involved in road accidents and requested to undergo a breathalyser test is not available from records held by the Police Department. The above statistics relating to accidents and deaths arising from accidents were obtained from the Australian Bureau of Statistics, Queensland office, as such information was not available within the Police Department.

6. POLICE DEPARTMENT TRAFFIC BRANCH OPERATIONS

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

(1) What was the total cost of maintaining the Traffic Section of the Police Force in 1974?

(2) What was the total amount received in fines for all traffic offences in 1974?

(3) How many licences have been cancelled under the points scheme since its inception?

Answers:—

(1) Details of costs of maintaining the various sections of the Police Force in 1974, including the Traffic Section, are not available.

(2) This information is not recorded in statistical form within the Police Department.

(3) From the inception of the nine-points demerit system on 1 July 1966 until 30 June 1975, 7,160 drivers licences were cancelled in addition to 26,215 which were suspended and 2,407 which were modified. Provisional licences cancelled on accumulation of four points from 1 March 1970 until 30 June 1975 numbered 13,614.

7. INCREASED FOOD PRICES

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

As the Acting Commonwealth Statistician released figures last week indicating that food prices in Australian capital cities had risen by 0.9 per cent in August, which is more than double the previous month's increase of 0.4 per cent, and that the lowest rise occurred in Brisbane where food prices increased by 0.4 per cent, what hardships will these rises have on the average family and especially those families on fixed and low incomes?

Answer:—

The food price figures released last month are continuing evidence of the Whitlam Government's complete inability to moderate inflation, let alone effectively combat it. The one redeeming feature is that these capital cities rises were lowest

in Brisbane and this is due, I believe, to the strong economic base we have built in Queensland over the years—a situation which has been achieved despite heavy taxation and other inflationary factors resulting from the Commonwealth Government's policies. Honourable members will recall that at a Premiers' Conference I proposed a policy of price stabilisation for food items in the Consumer Price Index. If the Prime Minister had received the idea with half the enthusiasm he has recently shown for supplying Moscow housewives with beef subsidised at the Australian taxpayers' expense, then the average Australian family, the housewife, the low-income earner and those on fixed incomes would not be faced with the hardships and difficulties resulting from these drastic food price rises. After all, we are a food-producing nation, earning much of our foreign exchange from food exports, and we should be encouraging these industries to the hilt. I believe that stabilised food prices, supported by an efficient stabilisation scheme similar to that operated by previous Governments, would increase food consumption in Australia, assist our hard-pressed rural industries and restore us to the position where capital city food price rises of the current magnitude become but unhappy memories of the past. I believe the refusal of the Prime Minister and his colleagues to consider the reintroduction of an old Labor Party policy of subsidisation is proof of their lack of sincerity where inflation in Australia is concerned. As I have repeatedly said, the only real solution is to get rid of this Government of wreckers before inflation completely erodes our living standards and the great essential of food is obtainable only at luxury prices.

8. INDUSTRIAL LAND ADVERTISEMENTS BY CURRY AND MOONEY PTY. LTD.

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

In view of the prevailing economic slump and the widespread uncertainty of forward trends in property values, will he examine recent Press advertisements by the real estate firm Curry and Mooney Pty. Ltd. purporting to demonstrate, in specific money terms as far ahead as 1979, an attractive rate of appreciation in a hypothetical investment in industrial land and inform the House as to the legal status of the advertisements, in the light of possible misinterpretation by the investing public?

Answer:—

I have seen the advertisement, which does not appear to contravene any legislation.

9. INALA COMMUNITY HEALTH CENTRE

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

(1) Does his department allow community participation in the planning and operation of community health centres?

(2) Is the Inala community health centre project being held up by his department and, if so, for what reason?

(3) Will he authorise the construction of a suitable sign or plaque identifying the building as the Inala Community Health Centre?

Answers:—

(1) The need for the community in general to be fully aware of the services by Department of Health community health services centres is recognised by my department and a uniform procedure to ensure that awareness has been adopted. Prior to the establishment of any such centre, the Director of Community Medicine visits the locality concerned and by previous arrangement meets either collectively or individually representatives of all community and welfare organisations in the area, as well as representatives of the local authority, local church groups and other people who have shown a concern for the community by their activities. The objects of the community health services centres are fully explained at such meetings and in addition the Director of Community Medicine also consults with members of the local branch of the Australian Medical Association to explain the proposed venture. It will be apparent therefore that the local community is kept fully informed as to the community health measures proposed to be established in its area. The State does not intend, however—and I emphasise this most strongly—to have its community health services centres administered by management committees with community representation thereon. Community participation is not a narrow concept restricted to the formation of groups of local citizens. Indeed as all those in political life know, such groups are often dominated by those with a particular kind of verbal skill. It is unfortunately true such skills are often employed in proclaiming ideologies and rarely in exposing real health needs. Community medicine has a prime interest in the fields of public health, health education and changing attitudes of the community to health and disability. I would point out that the formation of local committees runs the real risk of underlining demands for health services incompatible with the real health needs of a region. Community participation reflecting that considerable body of persons intimately concerned with and already involved in community health work is of great importance. It is this group that is often ignored and even disadvantaged by local

community pressures, yet it is organisations such as these that have so much to offer. Queensland has made a special effort to seek the co-operation and involve these voluntary agencies not only in consultation but also in the active provision of services. Although there is no formal involvement of the community in the centres it has always been policy for centres to be receptive to constructive comments from community members on the value of the service being provided and possible modifications and additions thereto. I quote the following extracts from reports by medical officers in charge of centres operating throughout the State, which are indicative of community involvement:—

“In August, 1973, the first course for volunteers commenced in this centre and consisted of 17 x 2 hour lectures/discussions including such topics as Developmental Psychology, Attitude & Ethics, Interviewing Techniques, Social Structure, Handicapped People, Children in Illness, Adults in Illness, Problems of the Aged, Delinquency, Mental Illness, Community Resources. ‘Feed-Back’ indicated that this volunteer course satisfied a need and it was continued last year. The current 1975 course has 50 enrolments.

“A need for Friendly Visitors in the community was identified and a course of 10 hours’ duration was convened in 1974 to help them perform more effectively in this capacity.

“One local secondary school asked for help in identifying a place for them to be involved in community health work. As a result, a group of senior school girls was given some training which is helping them to perform a very useful ‘Friendly Visitor’ function.

“A general health course entitled ‘Health and the Housewife’ was run in August/September, 1974 and was attended by 25 people. The topics included Food and Fitness; Exercise and Health; Mental Health.

“As a result of identification of community needs the staff have been involved in the following activities in the community:—(a) formation of two (2) After School Centres (3-6 Clubs) catering for about 50 children; (b) assisting in holiday programs operating during school vacations since August, 1974, providing opportunities for children of working parent/s to participate in activities in a supervised healthy learning environment from 7 a.m. to 6 p.m.; (c) advising on formation of a Community Information Centre and training of personnel to man the centre; and (d) engaging in lecture/discussion with various community groups e.g. Service Clubs or Church Guild on various community health related matters.

"Programmes which have been developed at community request: Disability Day at Senior Citizens Centre; V.D. Counselling; Friendly Visitors; Granny Sitters; Voluntary House and Yard Planning Groups; and Expansion of A.A. Groups."

(2) Certain difficulties were experienced initially in obtaining premises to establish an interim service pending the construction of a permanent building. However, suitable premises were obtained in Kittyhawk Avenue, Inala, at the beginning of 1975 and a limited service has been operating from there since 23 January 1975. These premises are presently being remodelled for the establishment of a primary medical care service. It is proposed initially to employ two full-time general practitioners together with supportive staff, and applications for medical staff which have recently closed are under consideration. I would stress however that these are temporary arrangements pending the construction of a permanent community health services centre at Inala at an estimated cost in excess of \$2,000,000, tenders for which have been invited by the Department of Works, closing date 12 October 1975. The contract time for completion of construction is 66 weeks. It could be expected therefore that the permanent centre will be fully operative by the middle of 1977.

(3) I am informed that a suitable sign is being prepared by the Department of Works and will be erected in the very near future.

10. BRISBANE-GOLD COAST RAIL LINK

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

(1) As the Minister for Local Government has indicated that he wants the Brisbane-Gold Coast rail link re-established, does the Government propose to set up a study on the proposal?

(2) If not, is the proposed rail link to be included in the agenda of the soon to be established transport commission?

Answer:—

(1 and 2) The undertaking of a study embracing all transport requirements of the corridor between Brisbane and the Gold Coast has been approved by the State and Federal Governments under the Transport (Planning and Research) Act 1974. Preparatory work for the study is in hand.

11. MOBILE CLASSROOM AND SPECIALIST EDUCATION FOR REMOTE AREAS

Mr. K. J. Hooper, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) Has any consideration been given to a mobile trailer-type classroom which

can be moved from school to school in the more remote areas, so that expensive and automotive equipment necessary for trade or craft tuition could be available to students who, because of isolation and small classes, are deprived of this facet of learning?

(2) Has specialist attention for similar remote circumstances been considered in other phases of diagnostic and reading correction or coaching in mathematics and other elementary fields?

Answers:—

(1) It is not clear to what area of education the honourable member is referring. If he is referring to apprenticeship education, the change towards block release which is now two-thirds accomplished will mean that all apprentices will receive their practical trade training in adequately equipped workshops during their seven-week block release. If he is referring to manual arts, then the equipment in secondary departments is comparable to that in most high schools, and country students in more isolated areas do not suffer unduly.

(2) Investigations into the provision of mobile remedial clinics have been made, but because of their very high establishment and recurrent costs the clinics have not eventuated. Submissions were made to the Schools Commission for funds to develop auto-instructional materials for handicapped children in isolated areas but the failure by the Commonwealth to provide funds as recommended by the Schools Commission means this project cannot proceed at this stage.

12. ELECTORAL REDISTRIBUTION, PINE RIVERS, MT. COOT-THA AND EVERTON

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

(1) In relation to the large and continuing population explosion in the outer suburbs in the north and west of Brisbane, how many persons were enrolled in each of the adjoining electorates of Pine Rivers, Mount Coot-tha and Everton as at 25 September, and what percentage increase does this represent for each since the last redistribution?

(2) Do these variations indicate an urgent need for a partial redistribution in the public interest?

(3) If an urgent partial redistribution is not warranted, what criteria would be needed before he would consider that a redistribution was necessary?

Answers:—

(1) (a) Pine Rivers, 25,159; Mount Coot-tha, 17,401; and Everton, 13,493. (b) Percentage increase since 31 December 1970—Pine Rivers, 100.42; Mount Coot-tha, 50.28; and Everton, 6.99.

(2) These electoral districts are included in Zone 1—The South-Eastern Zone—comprising 47 electoral districts, with a total enrolment of 737,835, and a quota of 15,698 as at 25 September 1975. The allowable 20 per cent variation represents a maximum of 18,837 and a minimum of 12,559. Therefore, Everton and Mount Coot-tha are within the margin of allowance and Pine Rivers is 6,322 over the quota. The Electoral Districts Act 1971 provides for subsequent complete or partial redistributions, and for the ascertainment of fresh quotas based upon the number of electors enrolled for all the existing districts within the zone or area as at 31 December in the calendar year preceding the appointment of commissioners. No provision exists for the comparison of existing enrolments to the quotas which applied to the first redistribution under the Act.

(3) Any consideration of a partial or total redistribution would become a matter of Government policy.

13. SOCIALIST PURCHASE OF PRIMARY INDUSTRY LANDS

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

With reference to a front-page article in "The Australian" of 25 September, wherein the Ambassador to Australia from the Kuwait Government stated that a million-dollar programme to buy dairy, beef, sheep and rice-growing properties in Australia will be considered by his Government, and as the Commonwealth Government has been unsuccessful in obtaining billion-dollar loans overseas, is this another devious method by Canberra to "buy back the farm"?

Answer:—

I have not seen or heard any media item subsequent to that of 25 September referred to by the honourable member which elaborates on the reported remarks of the Kuwait Ambassador on that occasion. Consequently, it is difficult for me to give an informed comment on the proposal which, I understand from the Press report in question, the Kuwait Government has yet to consider. However, I do share the honourable member's suspicion that the motives of the Commonwealth Government in many of its international dealings are of a doubtful nature and, naturally, we all would certainly like to know more about the Kuwait proposition if any subsequent action in this regard is contemplated by the Commonwealth Government.

14. SEROLOGY LABORATORY FOR CENTRAL QUEENSLAND

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

As Central Queensland cattlemen and others have welcomed his recent announcement that a serology laboratory is planned

for that area, when will tenders be called for the construction of this much needed facility?

Answer:—

Documentation for the calling of tenders for the tuberculosis and brucellosis laboratory at Rockhampton is complete and it is expected that tenders will be called within two weeks.

15. SEPTIC TOILETS FOR RIDGELANDS, CAWARRAL AND PROSPECT CREEK SCHOOLS

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

When will septic toilets be constructed at the Ridglands, Cawarral and Prospect Creek schools?

Answer:—

As the honourable member is aware from communication received by him, the installation of a septic system at Ridglands State School has been approved. It is anticipated that this work will be completed in April 1976 when other higher priority works in the Rockhampton works district have been finished. Consideration will be given to the invitation of quotations for the Cawarral State School septic installation early in the new year when minimum classroom needs for the commencement of the 1976 school year throughout the State have been satisfied and in the light of funds available. Action is in train to investigate the availability of a suitable water supply for a septic system installation at Prospect Creek State School.

16. BAR ATTENDANTS TRAINING CENTRES

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

(1) Is he aware of the operation of certain training centres where people pay up to \$100 to learn to be bar attendants and then find that they cannot obtain employment because their training is not recognised by most members of the Queensland Hotels Association?

(2) Has he any knowledge of the numbers actually trained by the above-mentioned and similar establishments, and do his officers at the Licensing Commission glean any knowledge from licensees as to the success or otherwise of the centres?

(3) Are any guarantees given by the training centres regarding future employment and, if so, what redress is there for the unsuccessful?

Answers:—

(1) I am aware of the operation of these training schools but not of the eventual employment prospects of the trainees of such schools.

(2) No. I am informed by the Licensing Commission that it has no knowledge as to the success or otherwise of these training centres.

(3) I do not know whether any guarantees are given by these training centres as to employment.

17. FULLER USE OF MEDICAL EQUIPMENT BY COUNTRY HOSPITALS

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

(1) Has his attention been drawn to the statement by the National Heart Foundation Medical Director, Dr. R. Goodwin, at the Queensland Country Women's Association annual state conference, that the State Health Department acquired quite a store of sophisticated medical equipment which, after being sent to country hospitals, was returned, was never used and was allowed to become obsolete?

(2) What was the initial cost of the equipment and to what use can it now be put?

(3) Has the department any plans or proposals which will ensure that this type of equipment is used in future for the best public interest and good?

Answer:—

(1 to 3) After the statement referred to by the honourable member was published, Dr. Goodwin volunteered the information that he was quoted out of context. He was speaking with reference to a joint venture involving the department, the Country Women's Association and the National Heart Foundation by which cardiophones will be installed in country hospitals. These instruments will enable electrocardiograms to be conveyed from country patients to specialist physicians in larger centres and will help country medical practitioners in the diagnosis of patients presenting with symptoms suggesting heart attacks. Dr. Goodwin wished to convey the message that before voluntary organisations donated equipment to hospitals they should ascertain whether this equipment could be used by the staff available. Unfortunately, in some instances voluntary organisations had not done this and sophisticated equipment had been given to hospitals and the staff did not possess the expertise to use it. I assure the honourable member that in cases where the department gives approval to hospital boards to obtain equipment careful checks are made to make sure that the available staff is competent in the use of such equipment.

18. SYNTHETIC MEAT

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

(1) Has his department instituted any investigation into the possible effects of synthetic meat on the Queensland beef industry?

(2) Are there any firms producing synthetic meat in Queensland? If so, what are the names, locations and the numbers employed?

(3) Has his attention been drawn to the statement by the Australian Meat Exporters Federal Council agricultural economist, Mr. William Beattie, that a larger consumption of synthetic meat than natural meat could cause cancer and allergies?

(4) Has any investigation been made by the State Government into this statement? If so, what was the result?

Answers:—

(1) The question of meat substitutes has been kept closely under review by my department for many years since the first suggestion that they might become a threat to the Queensland beef industry. At the national level, the position is kept under surveillance by the Australian Agricultural Council through the Animal Production Committee. At present, it is not considered that meat substitutes are a serious threat, as the current low prices for meat make the artificial substitute non-competitive.

(2) As far as I am aware, there are no firms currently producing synthetic meat in Queensland.

(3) Although I have not sighted Mr. Beattie's statement, I have heard the opinion expressed in the past that consumption of large quantities of synthetic meat could be injurious to human health. However, this is a matter which more properly comes within the province of the Honourable the Minister for Health.

(4) I am not aware of any such investigations, but again, this is more a matter for my colleague the Honourable the Minister for Health.

19. INQUIRY INTO LAND USE ON FRASER ISLAND

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

Is his department about to undertake an interdepartmental inquiry into land usage on Fraser Island? If not, will he institute such an inquiry with the inclusion of the Tourist Department, so that a balanced view for the benefit of the island and the people who live on it will be obtained?

Answer:—

There is no present proposal by the State Government to undertake an inter-departmental inquiry into land usage on Fraser Island. The honourable member will be aware of the survey of Fraser Island by a committee comprising at the time Mr. C. N. Barton, Co-ordinator-General of Public Works; Mr. E. K. Healy, Under Secretary, Department of Mines; Mr. G. E. McDowell, Chief Commissioner of Lands; and Mr. C. Haley, Conservator of Forests, whose report was tabled in Parliament on 6 March 1973. Should it be decided that a further State inquiry into land use on the island is necessary, consideration will be given to the inclusion of a representative of the Tourist Department on any committee formed for such purpose.

20. LIVING ALLOWANCES OF
TRAINEE TEACHERS

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

(1) Is \$25 per week an adequate living allowance for a first-year trainee teacher who resides at home and is \$35 per week sufficient for his counterpart who lives away from home?

(2) In view of the repeated submissions made by trainee-teacher organisations for increases in the basic living allowance, living-away-from-home allowance, \$200 general allowance and married persons' allowance, what action is planned to improve the financial position of trainee teachers generally?

(3) Even though it has been previously stated that trainee teachers are paid a "living allowance" and not a wage, thereby implying that the living allowances paid

Answer:—

I table the information requested by the honourable member and ask that it be included in "Hansard".

INVESTIGATIONS INTO VARIOUS COMPANIES

Reference No.	Name of Company	Action taken
1A329 ..	E. & L. Homes Pty. Ltd.	Report of investigations forwarded to Under Secretary, Department of Justice recommending referral to Solicitor-General and Police Department
1A345 ..	Remanco Pty. Ltd.	Report of enquiries referred to Solicitor-General. Prosecution pending
1A374 ..	Unique Constructions Pty. Ltd. ..	Report of enquiries referred to Solicitor-General and as a result a director was prosecuted and found guilty of failure to comply with statutory requirements
1A416 ..	Michael Enterprises Pty. Ltd. ..	Report of enquiries referred to Solicitor-General. Prosecution action under consideration
1A425 ..	Old Quaker (Retail) Pty. Ltd. ..	Report of enquiries referred to Solicitor-General. Prosecution action under consideration
1A392 ..	Carrigans Pty. Ltd.	Report of enquiries referred to Solicitor-General for further advice
1A400 ..	Esguards Security Service Pty. Ltd.	Report of enquiries referred to Solicitor-General. Enquiries continuing

are not expected to be adequate to meet all living costs, are trainee teachers not allowed to undertake other part-time employment because of Public Service conditions?

Answers:—

(1 and 2) The honourable member's attention is drawn to the Budget speech of the Honourable the Treasurer in which he announced a general increase in scholarship living allowances of 15 per cent as from 1 July 1975. The honourable member will recall that the allowances were also increased from 1 July 1974. The vast majority of teacher trainees in Queensland receive more assistance than their counterparts in any other State. The whole question of scholarships for teacher trainees is constantly under review.

(3) As stated before in this Chamber, scholarship holders receive an "allowance" and not a "wage". They are not employees within the terms of the Public Service Act and Regulations. I quote the following from the official publication of my Department relating to teacher scholarships—

"No restriction is placed on vacation employment. Part-time employment during the academic year should be restricted so as not to interfere with studies."

21. CORPORATE AFFAIRS INVESTIGATIONS

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

Further to my question regarding the investigations carried out by the Office of the Commissioner for Corporate Affairs and his reply that the commissioner had received 21 requests from liquidators for investigations, of which seven were referred to the Solicitor-General, what are the names of the 21 companies involved and what action was taken against them?

INVESTIGATIONS INTO VARIOUS COMPANIES—continued

Reference No.	Name of Company	Action taken
1A343 ..	Rose Investments Pty. Ltd. ..	Director unable to be located. Assistance in locating director requested from Police Department
1A434 ..	Cullen (Prefabs) Pty. Ltd. ..	Directors unable to be located. Assistance in locating directors requested from Police Department
1A409 ..	B. J. Investments Pty. Ltd. ..	Director unable to be located
1A387 ..	Colray Constructions Pty. Ltd. ..	Enquiries continuing
1A419 ..	Goleby Pty. Ltd. ..	Enquiries continuing
1A432 ..	M. F. L. Pty. Ltd. ..	Enquiries continuing
1A452 ..	Trusko Home Developers Pty. Ltd. ..	Enquiries continuing
1A470 ..	R. & R. Kerbing Pty. Ltd. ..	Enquiries continuing
1A411 ..	Robinson Electrical Pty. Ltd. ..	Enquiries continuing
1A411 ..	Gazelle Pty. Ltd. ..	Enquiries continuing
1A358 ..	Logan Shopping Centre Pty. Ltd. ..	Following enquiries statutory requirements were complied with
1A395 ..	P & C Fibre Glass Products Pty. Ltd. ..	Following enquiries statutory requirements were complied with
1A468 ..	H. F. L. Constructions Pty. Ltd. ..	Further advices of liquidator awaited
1A408 ..	Progressive Formwork (Gold Coast) Pty. Ltd. ..	Insufficient evidence to sustain prosecution

QUESTIONS WITHOUT NOTICE

POLLUTION FROM INDUSTRIAL DISCHARGES, HEMMANT AREA

Mr. BURNS: I ask the Minister for Local Government and Main Roads: As a result of his visit to the Hemmant tannery area, the continued representations during the last couple of weeks relative to discharges into the creek in the area, the fish kills that have occurred in the last week, and letters that have been written him, what action has he taken against the polluters concerned?

Mr. HINZE: The tidal flow in the creek is very poor because of the presence of mangroves. If we suggested that a few of the mangroves should be knocked down, I suppose we would be as popular as a pig in Jerusalem. But that is by the way.

I have written to the company concerned, Donald Dixon Industries Ltd., and called on it to show cause why it should not be proceeded against under the Clean Waters Act. That letter has already gone to the company. Yesterday in a discussion with directors of the company I was told that the company had now purchased a property at Casino, and that it was intended to transfer some of its works to Casino. To that end the company has already given notice to 30 employees who live in the honourable gentleman's electorate. The laying off of more staff is being considered. That is not what we want. We did want to connect the works to the Queensport Road sewer as quickly as possible. We have had discussion with the Brisbane City Council and industries in the area. I think it will be possible to connect them to the sewer in about March next year. In the meantime the company has given notice to 30 of its employees because it intends to transfer some of its works to Casino.

ALCOHOLIC CONTENT OF BEVERAGES

Mr. LANE: In directing a question to the Minister for Health, I refer to a report which appears in this morning's "Courier-Mail" of a statement attributed to him wherein he suggested that the lowering of the alcoholic content of beverages should be examined at a national level. I now ask him—

(1) Is the report accurate?

(2) Does the statement represent his own personal view or is it the collective view of Cabinet?

(3) Would such a proposal require State legislation?

(4) If such legislation were to be prepared, would it be the responsibility of the Minister for Health or the Minister for Justice, who, up to this point of time, has responsibility for the Liquor Act?

Dr. EDWARDS: Is it true that in a speech I made at the opening of the biennial conference of the Queensland Ambulance Transport Brigade in Toowoomba yesterday I said I was very concerned about the increasing road toll throughout Australia in that over the last three years some 10,000 Australians had lost their lives and some 800,000 had received injuries as a result of road accidents. I indicated that the procedures Governments throughout the nation had taken up to this stage had not been successful in reducing the road toll, and suggested that there were other matters which we should investigate.

One suggestion I made was that Health Ministers throughout the nation should consider investigating whether it was wise to reduce the alcoholic content of beer. This would result in a lower blood-alcohol

content than at present in persons who consume liquor. Investigations carried out over a long period by the Queensland Health Department show quite clearly that alcohol is one of the factors deeply involved in the high incidence of traffic accidents throughout the State. As many victims of fatal traffic accidents are young persons in their most productive years, I feel that we as a Government have a responsibility to investigate all ways and means of lowering the road toll. The views I have expressed are my own, not necessarily those of the Government. As I have suggested, I will take up this matter with other Health Ministers with a view to ascertaining whether it could be investigated further.

CATTLE RAIL FREIGHTS

Mrs. KIPPIN: I ask the Deputy Premier and Treasurer: Will the 40 per cent increase in rail freights, as announced by him when presenting his Budget, apply to cattle transported by rail?

Sir GORDON CHALK: Naturally the complete details of rail freight increases will be announced in due course by the Commissioner for Railways. What I said when presenting my Budget was that there would be an average increase of 40 per cent in rail freights. I have not selected any particular items, but I presume that the increase will apply to the rail transport of cattle.

AUCTIONEERS AND AGENTS ACT 1971-1974

Mr. LINDSAY: I ask the Minister for Justice and Attorney-General: When is it proposed to reintroduce the Bill to amend the Auctioneers and Agents Act 1971-1974?

Mr. KNOX: This is a matter for the Government. I am not in a position to make any statement.

RETURN OF SCOTLAND YARD DETECTIVES TO LONDON

Mr. MELLOY: I ask the Minister for Police: As it was reported in today's "Courier-Mail" that the two Scotland Yard detectives are returning to London for a five-week court case, can the Minister indicate when in the New Year he expects to receive a report from the detectives so that the promised judicial inquiry can be held?

Mr. HODGES: On completion of their investigation.

Mr. Melloy: That is what I expected.

COMMONWEALTH ASSISTANCE TO TORRES STRAIT ISLANDS

Mr. MELLOY: I ask the Premier: In reference to his allegations regarding Commonwealth assistance to the various Torres Strait Islands and the misdirection of equipment, did he at any time take the trouble

to investigate the high probability of sabotage, and, if not, was he already aware of this probability?

Mr. BJELKE-PETERSEN: I do not know to which sabotage the honourable member refers, but the only body that would sabotage the area would be the Commonwealth Government. It has sabotaged the State in the way it has operated. It has bypassed the State, and confusion and mismanagement has been the result. As I have already outlined, the results are there for everyone to see.

Mr. Melloy: That is also what I expected.

Mr. SPEAKER: Order! I will advise the honourable member what he can expect if he does not adhere to the rules laid down by Standing Orders.

SECURITIES INDUSTRY BILL

INITIATION

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to consolidate and amend the law with respect to the regulation and control of trading in securities, the licensing of persons dealing in securities, the establishment and administration by stock exchanges of fidelity funds and for other purposes."

Motion agreed to.

COMPANIES ACT AMENDMENT BILL

INITIATION

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General): I ask leave of the House to move the motion in an amended form.

(Leave granted.)

Mr. KNOX: I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to give effect to an arrangement made under the Interstate Corporate Affairs Agreement for the reconciliation of differences in the Companies Acts of the States that are parties to that agreement, and for that purpose to amend the Companies Act 1961-1974 and the Evidence (Reproductions) Act 1970 and for other purposes."

Motion agreed to.

TRUSTEE COMPANIES ACT AMENDMENT BILL

INITIATION

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General): I move—

"The the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Trustee Companies Act 1968-1974 in certain particulars."

Motion agreed to.

SUPPLY

COMMITTEE—FINANCIAL STATEMENT— RESUMPTION OF DEBATE

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

Debate resumed from 25 September (see p. 844) on Sir Gordon Chalk's motion—

"That there be granted to her Majesty, for the service of the year 1975-76, a sum not exceeding \$108,903 to defray Salaries—His Excellency the Governor."

Mr. BURNS (Lytton—Leader of the Opposition) (12.25 p.m.): This Budget is the product of a "Jekyll and Hyde" State Government that piously professes one economic code for Canberra and then itself hypocritically follows another here in Queensland. The Government, in its Budget, fans the fires of inflation through higher taxes and charges but, at the same time, tries deceitfully to shuffle the blame across the border onto the Australian Government. This is the cowardly escape of a Government which, since 7 December last year, in this State, has broken its election promises, reached new heights in ministerial extravagance and failed in almost every avenue of its own administration.

Let the people of Queensland be clearly aware that the Budget now before the Committee is the conception solely and wholly of their Queensland National-Liberal Government. It is a Queensland product that we have no hope, regrettably, of exporting. Queenslanders must understand that when it costs more to run their car, more to buy a home or land and more to sign a cheque, it is their Queensland National-Liberal Government that bears the sole guilt. Likewise when Queenslanders in provincial and country areas pay more for their goods, and primary producers experience export difficulties because of the savage new freight rises, it is, again, their Queensland National-Liberal Government that bears the sole guilt.

The Opposition condemns the manner in which this Budget has been manipulated to squeeze the earnings of our citizens in every corner of the State at a time when many are already feeling the pinch and when many are unemployed. With our temporary numerical deficiency in this Parliament, we recognise the futility of trying to amend

the more obnoxious provisions of the Budget, but we will exploit every opportunity in this debate to alert Queenslanders to the double standards and lack of consistency of their State Government. We will expose its duplicity and deception.

From this Government that repeatedly demands that Canberra cut public spending, we now have a Budget proposing a lift of 25 per cent in estimated State expenditure—2 per cent more than in the Federal Budget in August. From this Government that calls on Canberra to reduce taxes as a measure against inflation, we are now presented with a Budget increasing taxation and charges in at least 11 areas of State administration. These new taxes and charges soar as steeply as 40 per cent in rail fares and freights.

On 4 November last year, before the State election, the Premier said in Southport—

"We will continue to resist pressure by the Federal Labor Government to raise freights and fares and to close uneconomic branch lines."

That was November last year—less than 12 months ago. "The Courier-Mail" on 11 February this year quoted Sir Gordon Chalk as follows:—

"The Government had promised not to increase freight rates in its policy for the December 7 election."

Now on 25 September this year we have, without Federal pressure, the Treasurer, on behalf of this Government—on behalf of this same Premier—announcing rises of 40 per cent in both freights and fares. The freight increase will mean higher prices for housewives, farmers, and workers who shop locally, particularly in provincial and country areas. These same Liberal-National Party freight slugs will raise costs for hard-hit primary producers, lessening their capacity to compete on export markets. It is little wonder that the Queensland Graingrowers' Council and pineapple farmers are among the first complainants against the Government's action.

These Liberal-National Party taxes will stoke the fires of inflation. They are a shameful slug on our rural industries.

From this Government that screamed criticism over Federal excise increases on beer, we now have rises in licence fees for hotels, taverns and spirit merchants, which must eventually be translated into higher prices for their customers. And if we can believe the week-end Press, they will force some small businesses to go broke or close down.

If a Queenslander learns to drive, registers his car or insures it, travels in a train, buys, sells or uses any goods transported by train, buys or insures a home, purchases a block of land, signs a cheque, enjoys a drink or places a bet, this is a punitive Budget directed towards his hip pocket. For these fresh financial impositions in Queensland the

Treasurer asks us to blame the alleged restraint towards the States of the Australian A.L.P. Government in Canberra. What hypocrisy! This is the same Australian Government that members opposite usually accuse of extravagance and economic excesses; the same Australian Government that has been asked by members opposite to practise restraint. When the Queensland Government calls for restraint and the Australian Government practises restraint, they still complain.

I find on analysis that the Australian Government, through the Premiers' Conference and Loan Council, has provided 55 per cent of the revenue for this State Budget—a higher level than the Government received in the final full financial year (1972-73) under a Federal Liberal-Country Party Government. Queensland's share from the Premiers' Conference and Loan Council was \$739,700,000—an increase of 29 per cent on the previous year. In addition, it received Grants Commission assistance of \$36,300,000—an increase of 46.7 per cent.

The CHAIRMAN: Order! There is too much audible conversation in the Chamber.

Mr. BURNS: In other words, more than half the State Budget (55.4 per cent) came directly from Australian Government grants and Loan Council programmes. Obviously there has not been, as the State implies, a sudden drop in Commonwealth assistance to Queensland.

The Treasurer brought down this Budget amidst national political and economic uncertainty. He delivered it while certain Liberal-National Party elements in the Senate are threatening, with the encouragement of his own Premier, to prostitute tradition and force a premature Federal election on refusal of Budget Supply.

This State Budget is based on the continuance of uniform taxation, with its State reimbursements, that has applied throughout Australia since 1942. It was presented in Brisbane as the Premier endorsed a political financial agreement in Melbourne that could mean multiple taxes in Queensland—an agreement, I might add, that was confirmed by the Premier but, according to newspaper reports, is held in suspicion by the Treasurer, who was not even invited to the conference until the last moment, and, when invited, did not attend.

This is a financial agreement that would, in a snap change of Government, render this Budget, based on its present formula for Commonwealth-State financing, null and void. It is a financial agreement that has been supported publicly by the Premier even though he has admitted that this Treasurer—his financial manager—is unaware of its implications.

I believe that the Fraser-Petersen plan to revolutionise our Australian finances will mean higher taxes and charges for every Queenslander, yet it is applauded by the Premier in the absence and ignorance of his

Treasurer and Cabinet. I believe that this joint plan will accelerate an exodus of private companies from Brisbane to Canberra, where only one tax, a Federal tax, will apply. Yet it is lauded by the Premier.

I believe that this plan, produced and nurtured in the minds of those who are obsessed with political hatred, can never benefit Queensland, a State which occupies a large geographical area, with a relatively small population, and at the same time sustains and maintains larger road and rail mileages than the more populated States. The larger southern States will profit at our expense. Yet it is applauded, lauded and accepted by the Premier.

But not all of those who are in the Liberal-National Party ranks or anti-Labor ranks share the Premier's Canberra obsessions; not all of them are prepared to sell out the smaller States—especially Queensland—to feed the Premier's ego and his political obsessions. Senator Steele Hall, a former Premier and Treasurer of one of the smaller States said—

“There is no way that the smaller States could maintain comparable living standards with two bigger States under (the Opposition's) policy. It does not seem to me possible to maintain similar living standards across Australia under Mr. Fraser's proposals, which seem to be tailor-made for Victoria and New South Wales.”

He said what most people believe—that it will benefit New South Wales and Victoria to the detriment of the smaller States. John Gorton, a former leader of the National-Liberal forces and Prime Minister of Australia, who was supported in his campaigns by Government members, said—

“But that is only the beginning of the problem. For the States of Queensland, Western Australia, Tasmania and South Australia could not possibly raise a similar amount of money from a percentage imposition as, say, Victoria, nor could they raise as much as they would get from the formula applied to the division between the States of Federal income tax. It was this consideration which led to those States rejecting Sir Robert Menzies' offer to return income tax to the States.”

Later he added—

“But there is worse to come. We are urged to consider the Canadian system and to adopt it. The Canadian system began with the provinces raising 5 per cent of a basic tax rate set by the Federal Government. The provinces' take was increased, year by year, until it was 25 per cent some years ago.”

We now know that in some provinces it has been raised to 42½ per cent.

In the face of these statements and the opposition from a former Liberal Minister from Queensland, Mr. Kevin Cairns, the

Premier blindly supports these anti-Queensland proposals. I use the word "blindly" for already the Premier and Treasurer of New South Wales has said—

"Nobody knows what it will mean—Mr. Fraser has to get into Government first."

So our so-called Queensland protector—our Premier—has, through obsession and stubbornness, virtually given a blank cheque to Malcolm Fraser—a man who, whilst protesting his innocence, has been instrumental in organising the downfall of Gorton, McMahon and Snedden. His principles are so low that I could not trust him without having from him written guarantees. Anyone who does so and says, "Give this man a blank cheque" must be a fool. The Premier has sold this State for a pig in a poke.

We debate the Budget amidst national political uncertainty. The Premier, since 2 December 1972—the day of the initial election of the Whitlam Australian A.L.P. Government—has promised non-co-operation and has deliberately worked to create political and economic insecurity. For sheer political expediency, the nation hangs in financial suspense and sways in the possibility of economic chaos.

The Budget that this Premier, this Treasurer and this Government now asks Queenslanders to accept hinges upon the granting of Supply to the Australian Government in Canberra. If Mr. Malcolm Fraser, in his greed for the Prime Ministership (which his own Liberal Party earlier refused him), resorts to a breach of Parliamentary democracy, tradition and decency, the Budget of this State Government and more than 130 local authorities in Queensland will be thrown into a state of calamity. Each and every one of these community budgets is partly dependent upon the assistance granted to it either directly or indirectly under the already presented Federal Budget now under challenge.

Two examples that rush to mind are \$3,200,000 for Area Improvement projects and \$13,360,000 for Sewerage Backlog works. The Treasurer acknowledges these Commonwealth grants for local authorities on page 21 of his Budget speech.

In addition the \$13,800,000 in direct grants to local authorities plus heavy Federal commitments of 75 per cent of capital costs and 90 per cent of running costs of the \$11,600,000 community health programme and the substantial Commonwealth funding of the \$9,000,000 School Dental Service will be jeopardised.

If the national Budget is sabotaged we will require a period of national economic revision—a revision affecting every man, woman and child in the State of Queensland, and indeed in the Commonwealth of Australia. It would be impossible for Mr. Fraser to guarantee existing commitments to a State or local Government area under a Budget which he, in his hunger for temporary party-political advancement, is intent on rejecting.

From the turn of the century—the foundation of federation—we have had a national Budget each year. Every one of these 70-plus Budgets has been subjected to vilification, abuse and criticism, but not one national Budget has been rejected to date. The Premier of this State, together with Mr. Fraser and others, is trying to create both political and economic chaos—political and economic uncertainty—in this nation of Australia and the State of Queensland. Their motivations are evil, disruptive and expensive.

In his reply on 27 August to the Australian Government Budget, Mr. Fraser promised first a \$1,000 million tax cut this financial year—and a total tax cut of \$2,500 million—as the first stage towards indexation of both income and company taxation. Earlier this year, in an address to the Australian Sugar Producers' Association, the Premier called for an income tax freeze. Even an economic dunce realises that Queensland can scarcely expect to receive the \$776,000,000 in Commonwealth contributions anticipated in this Budget if there is to be the sudden tax freeze that the Premier wants, or a sudden reduction of \$1,000 million in taxation revenue as promised by Mr. Fraser.

Now Mr. Fraser and this Premier have emerged with yet another financial variation—a scheme imported from Canada involving both Federal and State taxation schedules. If Canadian experience is a gauge this is a plan that could mean that State taxation in Queensland would be 12 or more per cent higher than State taxation in a smaller but more heavily populated state such as Victoria. As each State could set its own level of surcharge or rebate, it is likely that differing rates of tax would be levied in different States. In Canada, which Mr. Fraser appears to have taken as a model, variations between the provinces are quite significant. The provincial tax ranges from 30.5 per cent of the basic Federal tax in one province to 42½ per cent in another. No wonder there is public confusion; no wonder there is business uncertainty! When a blank cheque is given in this way, people who are depending upon it must become concerned about the financial outcome.

Anyone who questions the desirability of uniform taxation need only glance at the problems of New York, where the city, as well as the State, levies its own individual taxation. Reports from the United States tell harrowing stories of this city's financial problems. In fact, the West German Chancellor has said that if the nation does not step in and prop up New York, the domino theory will apply and local authority after local authority will fall. Under the Fraser-Petersen plan, we would have border-hopping by companies and citizens in order to benefit from differences in taxation rates.

The Treasurer, in his Budget speech, said—

“The development and strengthening of our economy is perhaps best illustrated by the fact that in recent years Queensland's rate of population increase has been almost double that for Australia as a whole.”

Mr. Fraser's proposal to increase State taxation charges in Queensland would soon reverse that trend. Higher tax rates in Queensland would make New South Wales and Victoria more attractive to interstate and international migrants. Canberra would have only a Federal tax. The remainder of Australia would have two, possibly three, to cover the expenditure of State and local government. For selfish political objectives, the Liberal and National Parties are threatening the system of revenue—indeed the security of revenue—upon which every existing State or local authority budget in Australia is structured.

I challenge the Treasurer to say what will happen to this Budget if Supply is refused in Canberra and there is a dramatic alteration in the financial arrangements of Australia, as will be the case if the Fraser-Petersen plan is implemented. What will happen to essential services, such as hospitals and education, which are partly dependent on Commonwealth contributions? If Supply is refused, economic planning will be frozen in Australia while political opportunism prevails over political responsibility. We will be fighting an election. We will be spending time on the stump. At the end of that time, if by some mischance a nightmare became reality and Fraser won the election, he would then have to implement the whole of his new proposal. He would not be able to implement the Labor proposal or he would defeat the purpose of the election.

Throughout Australia Budgets affecting millions of people being passed for 12-month periods will become impotent and inoperable if the Frasers and Bjelke-Petersens have their way. This is the type of chaos these political adventurers prescribe for the economic “rescue” of this State and this nation. It is political lunacy, economic suicide.

Never before in the history of this State has an unexplained policy involving such a major departure from traditional revenue-raising methods been accepted with such reckless abandon—and it is reckless abandon. It has been endorsed by this Premier before reference to the State Treasurer, before reference to the State Treasury, before reference to the State Cabinet, before reference to the State Government parties, before reference to this State Parliament and before reference to the Queensland people. The Premier went off and had a chat. In other words, we are asked to upset the financing arrangements of this nation on the basis of a chat in Melbourne between Mr. Fraser, this Premier and three other non-Labor Premiers.

I believe the Treasurer, as the financial director of this State, has an obligation during this Budget debate to explain in detail this sudden economic alternative and its implications for Queensland, an obligation to expand his “doubts” and their effect on his own Budget and an obligation to say how and why Queensland has been committed by one man to this scheme in advance of a decision by either himself or the State Cabinet.

If Mr. Lewis and our Premier cannot explain the Fraser plan, one thing is already certain from the few facts available—we will have double taxes. Queenslanders will pay both State and Federal taxes. The smaller States, such as Queensland, will have to impose higher taxes than the more populous States. We will witness a bureaucratic explosion of a volume that will make the last three years under the Australian A.L.P. Government resemble a Kingaroy kitchen tea party by comparison. This is the scheme we are ordered to accept by this Premier, who for the past few years has grasped every opportunity to attack Public Service growth in Canberra.

If we are to take notice of newspaper reports, the new bureaucratic empire sought by the Premier and his fellow collaborators will include—

Six different Grants Commissions.

A council for Inter-Government relations.

Ministers for Federal Affairs, Federalism and Inter-Government Relations.

Strengthening and expanding (these are their words) of existing councils of Ministers and consultative bodies.

There will be more Government Ministers, more Government departments, more departmental heads, more Government advisers, more Government press secretaries and more Government private secretaries. The explosion will be right across the board—an explosion in our own State worse than we have witnessed in Canberra in the last few years. We will be choked by bureaucratic growth of a far greater magnitude than this Premier declares wasteful and inflationary under the Labor Government. Queensland already has set the pace in Public Service expansion with one of the largest percentage increases in public servants in the nation.

Let me return to the 40 per cent rises in rail fares and freights which I mentioned at the start of my speech—rises which this Government less than a year ago promised to resist. In fact even on 11 February this year the Treasurer admitted that the Government in its policy for the 7 December election had promised not to increase freight rates. To justify this policy reversal, the Treasurer now tells us that, despite the new charges and increased profitability from mineral transport, our railways are expected to return a \$41,000,000 deficiency this year. In a State such as Queensland, with more than 50 per cent of its population outside

the Brisbane metropolitan area, no-one expects the railway system to make a profit. It must always be for people in country and provincial regions a medium of development and service. But at the same time we deplore, while average Queenslanders pay more, the tolerated existence within this system of what I can only describe as rackets in bulk freight operations. Every Minister in this Government is aware of these rackets, but there is nothing in this Budget to counter them; nothing to ensure that the Railway Department gains the money at present being passed on to its competitors.

Under bulk contracts, the Railway Department's competitors, such as some of the southern-based transport enterprises, can forward general store goods to small businessmen in Bowen for \$17.70 per tonne by rail when the local trader would pay \$42.30 for general store goods. In Mt. Isa the minimum charge to the big carrier is \$22.10, compared with \$80.95 charged to a small businessman for general store goods. Similar patronage and privilege are available to the huge transport concerns that are supposedly competing with the railways in transporting goods to cities and towns throughout the State of Queensland. These tremendous cuts available to the railway's rivals are based on the bulk tonnages they can afford to dispatch because of the size of their operations.

I challenge the Treasurer to indicate the increase in tonnage that has resulted from this concession. I challenge him to tell me how much extra revenue the Railway Department has earned from bulk contracts. At a time when freights and fares are up by almost half, let him prove that these bulk freight benefits have been passed on to consumers. Railwaymen with long experience in the industry are adamant that tonnage has not increased, that the benefits are not being relayed to consumers, and that the concessions have made the railway's competitors grow fat at the railway's expense.

Mr. Jones: The Minister for Transport admitted that in answer to one of my questions.

Mr. BURNS: The honourable member for Cairns says that the Minister for Transport admitted it. Why didn't we do something about that instead of slugging the farmer, the producer, the small businessman and the consumer in this country? There should be an impartial public inquiry into these freight agreements. I am certain that the public would be stunned to learn that less than 5 per cent of railway general merchandise traffic is charged at the classification rates as printed. The public are entitled to know the facts. These secret deals have not helped the ordinary farmer, the worker or the small businessman. It is time all deals between the public railways and their competitors were made public. They should not be secret.

This is, as I said, a Budget of contradiction. When the Australian National Line sought permission for intrastate trade in Queensland, the Premier complained it would damage our railways. Now in this Budget this protective Premier plans to reduce road taxes by 33½ per cent, and at the same time he is increasing rail freights by 40 per cent—a freight rise the Government promised to resist last November, and to which the Treasurer said he was opposed in February. One pre-election promise of last November has been honoured and another broken, creating a disparity in free competition that, I believe, will be used by the Government as the excuse for the eventual closure of uneconomic railway lines in many country areas.

The Railway Department is to be reduced in its effectiveness to compete at a time when, despite the freight and fare rises, an anticipated loss of \$41,000,000 is predicted next year. In fact, according to what the Treasurer said on page 3 of his Financial Statement, the deficit on our railways (without the profits from mineral haulage) is already higher than his official estimates relate. I quote the words of the Treasurer—

"The losses on general operations were therefore to the order of \$93,000,000 and with debt servicing charges included totalled \$114,000,000."

Just what are the Government's plans for the future of our railways, with its guarantee to abolish road taxes completely over three years and no similar undertaking to allow railways equal competitive rights through fair freight rates?

The capital expenditure on railway rolling-stock in 1975-76 is little different in real terms from that allocated in 1974-75.

With the private sector, and in particular the heavy engineering sector, facing a downturn in activity, this Budget would have been an excellent medium for—

(a) Maintaining production in the heavy engineering sector, and

(b) Upgrading the rolling-stock, both goods and passenger, in this State.

The short-sightedness in this regard is to be deplored, particularly in view of this Government's professed and avowed support for the private sector. However, it is obvious to all and sundry that it is nothing more than lip-service.

The shallowness with which this Government contemptuously treats the private sector not only is evident in this particular section of the Budget but also manifests itself throughout the document in the way in which charges (costs) to the private sector have been viciously increased.

Australians who support democratic government must be concerned at how fear has become the instrument of political persuasion. On 12 June this year the Treasurer said in "The Courier-Mail" that Queensland could

have a \$100,000,000 deficit in 1975-76. The Treasurer also said that hundreds would have to be sacked. These scare headlines were designed to frighten, and not to restore confidence. They were not the headlines of a responsible Treasurer. In this Budget now before Parliament we learn that the estimated deficit for the same financial year is \$5,500,000—a difference of almost \$95,000,000 on his gloomy forecast three months ago. In fact if the Government had not deliberately lost at least \$16,000,000 through its bickering over Medibank, this Budget would have reflected a \$10,000,000 surplus instead of its current deficit.

This is a Government that delights in double standards, a Government that finds convenience in duplicity and deception. Recently when the Federal Government increased Post Office rates, the Premier of this State complained that it was dishonest to impose higher charges before the Budget. But on 7 August—six weeks before his own Budget—this critical Premier through his Government increased motor registration fees by 50 per cent—a rise of \$19.50 on the average vehicle.

The Budget now under debate imposes steep increases over a wide range of State taxes—increases that not only will be met by those directly affected but passed on indirectly to the community in general through higher prices and charges. I remind the House that the Premier is on record on a number of occasions demanding from the Federal Government reductions in indirect taxation and, indeed, tax reductions across the board.

What did people say about the Budget? Mr. E. Smith, the Regional Director of the Australian Insurance Council, said of the increased duty on general insurance—

“People are going to have quite an increase on their overall policies.”

The President of the Brisbane Chamber of Commerce, Mr. C. Mortensen, commented that the real Budget slugs to business were rail fare and freight increases and the 66½ per cent jump in stamp duties on cheques. He added—

“In addition, business will suffer because of increases in other stamp duties, insurance and Titles Office fees when rising costs tend to create further unemployment.”

A different story to the Treasurer's tale of help to businessmen and women! If we look back through the Premier's policy speech, I think we will find that he used the word “help” and promised the introduction of a scheme supposedly to help small businessmen. That was not introduced in this Budget. Mr. G. Houen, administrative officer of the Queensland Graingrowers' Council, said—

“We will not know the implications until we can find out just what the grain freight rates will be, but to us anything like 40 per cent gravely overshadows any benefits in the Budget.

“It would be a tremendous handicap to our overseas sales.”

We now see a further handicap to overseas sales. Mr. Fraser is promising to do away with the Overseas Trade Corporation and yet the Treasurer talks about the State Government's assistance to primary producers exporting on the international market.

Mr. L. J. Woods, the assistant secretary of the Australian Sugar Producers' Association, said freight rate increases were steeper than expected and would become a major cost factor. The Budget hits the man on the land hard and the Government still has the hide to talk of its support for country people.

Under this Budget, the stamp duty on motor vehicle comprehensive insurance rises from 45c a vehicle to 5 per cent of the premium. The motorist whose premium is \$150 a year will now pay \$7.50 instead of the former 45c—a rise in this charge alone of 1,666 per cent. In addition, as I mentioned earlier, his motor registration fee is lifted by 50 per cent or nearly \$20 on an average car before the Budget, his driver's licence fee is up 25 per cent and there are new charges for licence renewals and learner permits. The Budget was described by the president of the Royal Automobile Club of Queensland, Mr. B. McCafferty, as a “savagely blow to motorists”. I think he was being kind. It is one of the most savage budgetary attacks on the motorist in years.

The Treasurer did not miss a trick. If he could have imposed a tax on the free air in a motorist's tyres, he would have done so; it was the only thing he missed.

Throughout his Financial Statement the Treasurer stressed the effect of wage increases on State budgeting. Yet I find that whilst in the Premier's own department the projected wage rise for what is termed Chief Office is only 3.8 per cent—and I do not think anyone believes that that will be the percentage wage increase in the next 12 months—the expected increase for the maintenance and operation of his new Government aircraft is 68 per cent—3.8 per cent for wages, 68 per cent for Joh's chariot. The operational cost of this aircraft, which flies mainly between Kingaroy and Brisbane—sometimes just carrying a letter or doing a bit of shopping—is forecast at almost \$100,000 or just below \$2,000 a week.

Likewise in the State Public Relations Bureau, which comes under the authority of the Premier's Department, I discover that anticipated wage rises amount to 9.09 per cent while the lift in what is described as “Contingencies” is 33.3 per cent. Of these Contingencies totalling \$289,783, we learn that \$180,000 is listed under the new title of “Publicity—State Affairs” which I can only assume is an elaborate label for the “Joh Show”.

To revert to the subject of the official aircraft, I point out that the Estimates show under the heading of “Payment towards cost of replacement of Government aircraft” a figure of \$111,600 for 1974-75 and \$489,500 for the present financial year. According to

the Government's own statistics, we are contributing more than \$601,000 over a two-year period so that the Premier can enjoy the luxury of his own aircraft to use as his private plaything or toy at our expense. According to this Budget, we are forced to pay almost \$2,000 a week so that the Premier can fly in privacy around Australia and another \$5,780 a week so that he can obtain what he classifies as a "favourable trade-in" every couple of years. When Queenslanders are being saddled with extra taxation and charges to balance this State Budget, the Premier can still afford a combined aviation expense account of more than \$7,500 a week and another \$3,460 to project himself over the mass media. This is the type of economic inequality, the type of economic patronage, that the Parliament is requested to condone in the present Budget. While Australia is poised on the brink of economic collapse, if members opposite are to be believed, Queenslanders are forced through this Budget to find more than \$10,000 a week so the Premier can buckle an aircraft safety belt and flash his face over television.

Mr. Houston: And that has been endorsed completely by the Leader of the Liberal Party.

Mr. BURNS: That is right. He has put it through in the Budget.

The primary producer, the man in the street, the bloke on the job, who is condemned every time he wants a rise—all these pay for these personal splendours. Yet the Treasurer, at page 7 of his Financial Statement, said—

"Still the effect of inflation on the State Budget is such that in addition to the increased revenues from the Financial Assistance Grant, the Grants Commission, Royalties and Medibank, substantial increases in State taxes and charges are needed to close the gap between expected receipts and expenditures if existing services are to be maintained".

What are these existing services that are to be maintained? The Premier's monthly "Joh Show" and things of that type!

The heavy tax increases in this Budget are the product of a Government that estimates in the next 12 months it will receive an extra 22 per cent from pay-roll tax, an extra 44 per cent in special payments from the Commonwealth Grants Commission, an extra 26 per cent in mineral royalties. These new tax rises in this Budget come from a Government that does not, as it deceitfully implies, anticipate a reduction in revenue percentage from the Australian Government. In fact, far from encountering a deduction in Commonwealth assistance, it is benefitting to the tune of at least \$50,000,000 from Medibank—which could have been \$66,000,000 but for its own obsessive bigotry towards Canberra.

It is significant that the two main growth areas in the State Budget are education and health—areas where the Australian Labor

Government has been most active. After listening to the State Government's tirade of abuse against the Australian Government, Queenslanders should pause to consider what the State Budget would have offered if the Liberals were still in power in Canberra.

Stripped of Australian Labor Government grants for education (about \$120,000,000), Medibank (\$90,000,000), Community health centres (\$8,879,000), School Dental Scheme (\$5,981,000), area improvement programmes (\$3,260,000), and sewerage (\$4,300,000 in grants, plus \$10,100,000 loan advances), the State Budget would have been a very disappointing exercise. Without these types of programmes the State Budget would have contained the usual small hand-outs to various interest groups (the Treasurer would have looked after his pet schemes), some piddling improvements in vital areas such as education and health and the gigantic rail charge increases which were inevitable after so many years of neglect.

These few examples of Australian Government grants show how an imaginative Government in Canberra can improve the vitality of State Budgets. None of these programmes existed until Labor was elected only three years ago. Together they total more than \$240,000,000, or 17 per cent of the State Budget outlays. In other words, one-fifth of the State Budget, certainly the most interesting and worth-while parts of it, are the direct result of programmes initiated by the Australian Labor Government after consultation with the States. But the State Budget could have been even better if Queensland had co-operated with the Australian Government.

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

Mr. BURNS: Before the luncheon adjournment I said it was significant that the two main growth areas in the State Budget—education and health—are the areas in which the Australian Government has been most active. I made the point that if the Budget had been stripped of the \$120,000,000 for education, \$90,000,000 for Medibank, \$8,800,000 for community health centres, \$5,900,000 for the school dental scheme, \$3,200,000 for area improvements and \$4,300,000 for sewerage plus \$10,100,000 in loan advances, it would have been a very disappointing exercise—that is, without that Commonwealth money—and I stress that the State Budget would have been a much better one if the Queensland Government had co-operated with the Australian Government. For instance, Queensland could have received funds for urban land acquisition and development. This year New South Wales was allocated \$13,900,000; Victoria \$17,000,000; South Australia \$19,600,000; Western Australia \$8,200,000 and Tasmania \$500,000. Queensland could have received grants and loans for a growth centre at Townsville. This year New South Wales received \$42,100,000; Victoria \$26,500,000; South Australia

\$879,000; Western Australia \$500,000 and Tasmania \$804,000. In both cases Queensland opted out.

Queenslanders are being assaulted with higher taxes and charges from a Government that, on simple economic logic, should not face the budgetary stresses it now claims exist—a Government that treacherously attempts to blame Canberra for its own taxation fluctuations.

When I examine the Budget, I find that in 1975-76, as compared with last year—

Loan Fund allocations are up 17.6 per cent.

Trust and Special Fund receipts are up 40.8 per cent.

The semi-governmental debenture borrowing programme is up 20 per cent.

Borrowings of smaller local authorities outside of the semi-government debenture programme are up 38 per cent.

That is the economic pattern in the Budget of this Government that constantly strives to create an illusion of guilt and neglect around its Australian counterpart.

Let me now turn to what I believe is discrimination against the Brisbane City Council in the financial subsidy towards the city's bus transport services. As the Committee is aware, the Government parties in 1972 promised to establish a Brisbane municipal transport authority and remove the anomaly under which it is the only capital city in Australia where local ratepayers must bear the financial cost of their bus services. That promise of the Government—that cynical election bait—has never been honoured.

In 1974-75, when the Brisbane City Council estimated the loss on the carriage of school-children would be \$1,900,000, it received \$900,000 in subsidy from the State Government. I point out that the ratepayers of Brisbane run that transport service; it is not something run by the aldermen; we all pay for it. In the current financial year, when the loss is forecast at \$2,560,000—almost \$1,600,000 higher than the Government subsidy—the contribution from this Government remains static at \$900,000, even though the subsidy for similar purposes to the Rockhampton City Council and private school transport operators elsewhere rises by 33½ per cent. I applaud these increases, but I wonder why Brisbane ratepayers were neglected by the Liberal and National Party members who represent them.

The Government provides a half-fare subsidy to private bus operators in Brisbane to cover pensioners, handicapped persons, ex-servicemen, blind persons and incapacitated people. But there is no comparable contribution to the city council, which expects to lose \$2,200,000 this financial year through providing the same much-needed concessions. Why, I ask the Treasurer, is there one financial formula for the bus service of the Brisbane City Council run by the ratepayers and another for private operators? In areas of

need he should not discriminate. It is spiteful victimisation at the expense of the ratepayers of the capital city. It is discrimination against every Brisbane home owner, who will have to pay higher rates to compensate for bus losses.

But let me take this issue a step further. The Queensland Government promised a 10 per cent subsidy to private operators on traffic receipts. Such a subsidy would be worth \$985,000 to the Brisbane City Council, but again it receives nothing. One wonders why.

Sir Gordon Chalk interjected.

Mr. BURNS: This year the Brisbane City Council is budgeting for a Transport Department loss. The Treasurer increased the school subsidy to the Rockhampton City Council by 33½ per cent. He increased the subsidy to private school transport operators by 33½ per cent. But he says to the ratepayers of Brisbane, "You miss out. There is no increase whatsoever to the Brisbane City Council." It receives a static \$900,000, the same as last year.

The Government's plan to subsidise the fares of children at present forced to pay full rates because they travel in peak hours will aid parents but will not mean additional revenue for the city council. It will still mean that this year the Brisbane City Council will have a deficit as great as that for last year or greater. I am pleased for the parents. It's not before time that they received some assistance. But for the council the only economic variation will be that it will now receive this revenue through State Government subsidy instead of directly from the child passengers.

This is a Government that glories in double standards. If a parent lives near a railway line in Brisbane, his child can travel free of charge by train to attend secondary school. However, if the parent is removed from the limited scope of the rail service—as are thousands of people in Brisbane, because the Government has not laid one additional railway line in the metropolitan area since it came to office—

Mr. K. J. Hooper: Shocking!

Mr. BURNS: Shocking indeed! Even though the population of the city has exploded, the area represented by my colleague is left without a rail service. A parent pays 20c a day, or \$1 a week, to send his child to school by bus. Why can't the Government subsidise such a parent to the same extent as it assists those who live beside railway lines and whose children enjoy free rail travel?

I ask the Treasurer: why does the Government practise this policy of starvation towards the bus services provided by the Brisbane City Council—our bus services, paid for by the ratepayers? Why are concessions and indeed fares for school-children, pensioners

and others in a similar category not a State charge against education and social welfare programmes?

I call on the Premier to reveal in the course of this debate what steps the Government has taken to ensure we are achieving maximum efficiency and proper use of our financial and manpower resources.

In the past 18 months studies of this nature have been undertaken by the State Governments in Victoria, New South Wales and South Australia. In the case of South Australia, the report urged a 40 per cent pruning in the number of Government departments as a measure towards greater efficiency. This may not be so in Queensland, but we should ensure that we know the facts and that they are placed before this House. We do not need witch-hunts, but we must see that our funds are spent wisely and well.

To illustrate the type of red tape that can tangle the effectiveness of a Public Service, I remind honourable members of the story surrounding the ousting of the Mayor of the Gold Coast from the Beach Protection Advisory Board and of his comments, when he said—

"Only a rich State with a large sum of money can afford the extravagance of having technical officers from one department making recommendations to a board which makes recommendations to the authority, which makes recommendations to the Minister, who is advised by the same departmental officers who make recommendations to the board and authority."

Alderman Neumann commented further—

"The expenditure on all these functions must be colossal."

There is no parliamentary Public Accounts Committee in Queensland, as exists in Canberra, to scrutinise public spending, and, to my knowledge, there has been no recent broad-ranging inquiry, as has occurred in other States, into Government inefficiency. Even Alderman Neumann's charges demand and warrant an inquiry that would bring out the facts in relation to the operation of some boards and committees of inquiry.

This Budget imposes major rises in insurance charges as they apply to the average Queensland citizen. But at the same time the Government closes its eyes to insurance dodges which allow wealthy companies to avoid sums of money that should be paid to the Fire Services Council under the Fire Brigade Acts 1964-1971. When the wealthy companies dodge their payments, the ordinary citizen is called upon to meet the cost, because he is charged a levy on his insurance policy or alternatively the Government picks up some of the tab. The industrial all-risks policy is being sold by insurance brokers to large companies as money-savers by avoiding the 25 per cent fire service levy paid under the Fire Brigade Acts. The brokers say people will save money on this because they will not have

to pay the fire service levy. Another policy used in similar fashion is the "contractor all risk", where no fire service levy is paid but buildings are protected while under construction. For example, recently when fire occurred in a high-rise building in the heart of Brisbane the fire brigade attended the blaze, but there would be no payment under the policy towards this service.

The other policy I mention is the "first loss" policy, which, I believe, makes major inroads into our stamp duty revenue. I make these points because I think we should remove these shortcomings and so prevent these rackets before we start increasing the charges to the ordinary citizen. I instance the case of a firm with five locations in Brisbane seeking insurance to the extent of \$1,000,000 on each of these establishments. Normally such a company would take out a policy for \$5,000,000 covering five locations at \$1,000,000 each. However, under the first-loss provision, the policy shows \$1,000,000. The premium paid is the same as for a \$5,000,000 coverage, but the policy covers a maximum loss at any single location of \$1,000,000 and, as a result, the stamp duty on the policy is levied on \$1,000,000. Stamp duty on \$4,000,000 is lost to the State. There are no such avenues of evasion for the average citizen who is affected by the insurance impositions contained in this Budget. I wonder why we have not moved, as New South Wales has, to cover this matter.

Earlier this year, in the inaugural presentation of the "Joh Show", the Premier postured as a conservationist with a grandiose conception to convert the entire Great Dividing Range into a national park.

The National Parks and Wildlife Service was created by an Act of this Parliament. Now in this Budget we find that this new service of this so-called conservationist has an estimate for what is termed "Environmental Parks and Reserves" of only \$100,000. If we are to reclaim the Great Dividing Range at the rate of \$2,000 a week, this project is going to take centuries to accomplish. In fact I notice that estimated receipts from National Parks and Wildlife Service is expected to total \$219,000, or twice as much as this Government has allocated for the acquisition of national parks and reserves. Once again we are confronted with the Government's hypocrisy and deception.

The Treasurer, in this Budget, has promised a review of subsidies to local government bodies. Almost 17 months after this Government took office in 1957, it reviewed these subsidies. In fact, I think it reviewed them even a little earlier than that. Aerodromes, which received a flat 50 per cent subsidy under the previous A.L.P. Government, were cut to 20 per cent; harbour works dropped from 20 per cent to nothing; and kerbing and channelling from 25 to 20 per cent. State subsidies for mosquito eradication fell from 50 to 20 per cent, and those previously

paid for recreational facilities, tourist jetties and saleyards were abolished. That was the first review carried out by the National and Liberal Parties.

Again, in June 1960, there was a review and local authorities lost their subsidy towards cottages for age and invalid pensioners.

A still further review was undertaken by this Government in 1969. Subsidies for roads, streets and works dropped from 20 to 15 per cent, and the 40 per cent previously paid towards "other sewerage works" was completely abandoned. Shire councils throughout Queensland must be quivering in fear at the prospect of a further study of their affairs by a Government that has been so savagely unsympathetic in the past.

In 1974-75, for the first time in memory, Queensland local authorities received \$8,900,000 in direct Federal aid through the Commonwealth Grants Commission. The Australian Government has agreed to increase this amount to \$13,800,000—a rise of \$4,900,000 or 55 per cent—in the present financial year. It is significant that our local authorities have gained this new economic recognition from Canberra although in Queensland their subsidies from the State National-Liberal Government have been systematically eroded and eradicated from mid-1958. This is a State Government that assumes its credibility rests in its capacity to deceive.

Recently the Minister for Main Roads wanted at least \$4,000,000 to \$6,000,000 more for what he described as "urgent arterial road works". Yet from the Australian Government Weekly Digest of 14 September this year—I obtained a photocopy of this from the Parliamentary Library—I discover that the Federal Transport Minister, Mr. Jones, called for a speed-up of construction work on Queensland's highways following the allocation of an extra \$13,200,000 to the State for roads in the current Commonwealth Budget. Mr. Jones, the Australian Transport Minister, said that this \$13,200,000 took the Federal Government's Road Grants to this State in 1975-76 to \$88,200,000—\$11,000,000 more than last year.

Let me proceed further to illustrate the twin tongue of this Government and its Cabinet Ministers. The Australian Transport Minister said that before the State Government framed its road programme for this financial year he specifically requested that sufficient funds be allocated to the Marlborough-Sarina section of the Bruce Highway for its completion within five years. Mr. Jones, the Australian Transport Minister, also asked that \$1,000,000 be spent by this Government on each of our three major east-west highways—Flinders, Capricorn and Dawson. What was the result of this request from the Federal Government for State

priority towards our main country highways? It is best explained in these words of Mr. Jones himself—

"I was disappointed to find when the programs were submitted that the rate of construction planned for the Marlborough-Sarina section of the Bruce Highway would not enable the section to be completed in less than ten years."

This is the programme of National Party members who talk about developing the roads in this State.

Mr. Tenni: That is on national roads only. What about the rural arterial roads?

Mr. BURNS: The honourable member for Barron River wanted a tunnel built from Mareeba to Cairns. That was his election promise. During the next election campaign we will be back in Mareeba and we will ask the people about the tunnel he promised them in the last election campaign. He may talk about the development of roads, but these roads have been left virtually untouched for 18 years by the State Government.

In other words the Marlborough-Sarina section, this important rural section of our main northern highway, will, under this Government's proposal, take at least twice as long to complete as the Commonwealth desired.

There is even worse. Mr. Jones sought \$1,000,000 each towards the Flinders, Capricorn and Dawson Highways—a combined \$3,000,000 expenditure. What did the members of the National Party, representing the country electorates, do? What was the reply of this State Government that pretends such great concern for country areas? It proposed a total of \$1,830,000 (almost \$1,200,000 less than requested) for the three highways. In fact for each of the Flinders, Capricorn and Dawson Highways it submitted a case for substantially lower expenditure (which means reduced works and reduced employment) than the Australian Government sought. So much for the hypocrisy of the people who continually assail Canberra!

Mr. Jones has, I understand, refused to accept this rejection of these rural highways by the State Government and asked it to reconsider. The Government has been asked by the Australian Government to reconsider and to do something about the roads in its own area. I hope it will.

From whatever angle we gaze upon this Government and this Budget, we see double standards. Hypocrisy stares us in the face.

Last week in Brisbane the Prime Minister launched a biography of one of our very great Queensland Premiers, the late T. J. Ryan, and suggested the authorship of more books on political leaders. If one is written on the present Premier and the team over which he presides, I would suggest as an appropriate title "The Hypocrites." No title could describe their reign in this State with greater accuracy.

In his Financial Statement the Treasurer refers to the phasing out of the Australian Government's R.E.D. scheme as a "compounding" factor in his present economic difficulties; but his own Cabinet document in February this year showed that he set out to destroy the R.E.D. scheme. In 1974-75 when R.E.D. was bringing more than \$36,000,000 in Federal money to Queensland local authorities—when it created 11,000 jobs in this state—the Premier and his Treasurer lost no chance to attack it. They wasted no opportunity to sabotage the scheme. In fact at one stage they agreed to support the Victorian Government in a legal challenge against it. Yet now, with a hypocrisy that has become commonplace in this Parliament, they cynically regret its gradual demise.

In South Australia the Labor Premier is considering the establishment of his own R.E.D. scheme, and the Federal Government, through its new housing corporations, is planning direct finance to home buyers. The only word I have heard on unemployment from this Government in the past week has been the statement from the Minister for Industrial Development as printed in this morning's "Australian" that the reason unemployment was reduced in Queensland last year was that the Commonwealth Government had picked up a few bludgers on the Gold Coast and they had gone over the border into New South Wales. No statement has been made as to what this State will do to reduce unemployment, to look after the decent bloke who is out of work. Let us forget about the bludger. What about the man with a family who is out of work as a result of the activities of this Government?

Government Members interjected.

Mr. BURNS: The Government took the credit for it in the days when things were good. When things go bad, it wants to blame someone else. No wonder I call honourable members opposite hypocrites.

There are no fresh initiatives in this Budget, which the Treasurer, with tongue in cheek, cynically describes as "press ahead". In fact, according to my information, almost one-fifth of this State Budget stems from programmes the Australian Government has introduced in the space of less than three years. Of course this is the same Australian Government that the Premier and other members opposite use every avenue to condemn.

Let me proceed further to demonstrate the duplicity of this Government and its arrant hypocrisy. Throughout his Budget the Treasurer hints that his difficulties arise from spending cut-backs by Canberra—cut-backs, I might add, that this Government has constantly sought. Yet in this financial year Queensland's hospitals have lost \$16,000,000 in Federal money that was available towards the care of our sick and injured through the obstinacy of this Premier in defiance of his own Cabinet over Medibank. The Treasurer, in his speech, claimed

that our State was deprived of this finance because of "shrewd advantage being taken of a technicality." This technicality, I submit, was the Premier and his obsessive hostility towards anything proposed by the Australian Government, no matter how much it might benefit Queensland.

While this Government budgets for a deficit and Queenslanders face higher taxes and charges, the Premier continues to reject millions of dollars available in Canberra for the development of Townsville as a growth centre and the provision of cheaper land for young families. This hatred of the Premier towards Canberra is costing Queensland finance and amenities which other states with less bigoted leadership are enjoying.

As I said earlier, this Government, particularly the Premier, harps at the Australian Government to cut its spending as a device against inflation. Allow me to display the hypocrisy of this cynical adventure in deceit. This same Premier, who demands that Canberra reduce spending, wants it to ring our cities with missiles at an initial cost of at least \$2,000 million and a further annual outlay of \$200,000,000. It must be admitted that he said it. It was his statement that he was going to defend the cities of this State by ringing them with rockets. I wonder if Mr. Fraser will fulfil that policy for him, or was he just out vote-catching among a few people in the R.S.L.? Perhaps in addition to his television spectacles and aerial acrobatics, the Premier now plans to become the nation's Guy Fawkes.

This same Premier, as he calls on Canberra for less spending, wants it to upgrade country airstrips for emergency fighter and support bases. As always, he goes too far. I ask the honourable member for Gregory if he believes that the airstrip at Thargomindah should be upgraded to cater for F111As—the multi-million-dollar planes? That is what the Premier is talking about when he makes these statements. Surely someone should vet what his stenographer takes down from him. That is what the Premier said. If any honourable member doubts me, I can show him the cuttings.

Mr. Jones: He's nearly as silly as Senator Field.

Mr. BURNS: Yes.

Can anyone imagine the cost it would impose on the Australian Government (when the Premier says it should spend less) to upgrade the aerodromes at centres such as Thargomindah and Bedourie so they could cater for F111As?

This Premier, as he insists on lower national spending, wants the Australian Government to subsidise food sales to underprivileged countries. He made that statement. He stood up at a producers' meeting in Brisbane and made a statement, which was reported in the Press—and he did not deny it—that we ought to subsidise food sales to underprivileged countries. This

morning he attacked subsidised food sales of beef at a time when we could not sell it. Talk about hypocrites!

He wants the Australian Government to cancel the \$22,000,000 debt on the Mt. Isa-Townsville railway line. That is part of a debt that Sir Robert Menzies left for us to pay.

I shall outline some of the other requests made of the Federal Government at a time when we are talking about reductions. Tourist interests request the Australian Government to take over large residential hotels and major catering operations to hand back to private contractors (socialism if ever I saw it) so that they can operate them.

The real estate industry has asked for direct Federal help. Anyone can notice how real estate agents keep running as candidates for the Liberal Party and the National Party these days. There will be no trouble getting the Premier to stand up for this.

What I want to know is: if Canberra is to reduce public spending; if we are to have a tax freeze as he has recommended, and if we are to have under the Fraser plan that he endorses a smaller Federal tax pool, how is any Australian Government going to finance these lavish schemes he consistently invents to dazzle and amuse the nation? Who will pay for the rocket sites around the cities? Who will pay for the myriad airstrips to accommodate the F111As? Who will pay for these things that he continues to promise? These are statements that this Government must back up because it is this Government's Premier, this Government's spokesman, who makes them. They are, as we know, sheer hypocrisy from a man who will turn somersaults and say anything that can be used as propaganda against the present Australian Government.

I know all members of this Committee are already convinced of the duplicity of the State Government but, just in case there are any doubters, I give this instance. On 25 September this year, the Treasurer complained of inflation but prided himself on the programmes for health and education—both of which attract record assistance from the Australian A.L.P. Government. He even described health—supported as it is by Medibank—as the major thrust of the Budget. But what was the situation on 23 September 1971 when the Liberal-Country Parties were in Federal office and Mr. Fraser was a senior Minister? The Treasurer in his Budget Speech on that occasion said—

"The major problem in the Australian economy today, including the Queensland sector, is the effects of spiralling costs. These have a tendency to price us out of our overseas markets. They hit savagely at people who depend for their livelihood upon a fixed income."

Dr. Scott-Young: That is five years ago. You are talking in the past.

Mr. BURNS: Compare his statements then with his statements now. This is the honourable member's Liberal colleague, whom he supports. Duke Bonnett was there in those days doing nothing and telling people to hump the blues in the North.

The Treasurer continued—

"They" (that is, spiralling costs) "also vitally affect State governments, in that the provision of services to which the people are entitled, such as health and education, become so much more expensive to operate and expand that governments are forced to increase taxation to provide the necessary finance."

In other words four years ago under the Liberal-Country Parties which the Treasurer, Premier and other members opposite seek to have returned to government in Canberra, we had a major problem in spiralling costs. Our export markets were threatened and we faced the prospect of higher taxes to pay for health and education. That cannot be denied. That was the situation four years ago under a Liberal-Country Party Government. Of course, in February of that year, when Queensland approached the Federal Liberal-Country Party Government at the Premiers' Conference for special assistance, it received nothing. When it made a similar approach to the Australian A.L.P. Government in February this year it was granted \$47,000,000—\$6,000,000 more than it requested. I merely quote this instance to illustrate the insincerity of members opposite when they bleat today against the present Government in Canberra.

As I said early in my speech, we debate this Budget amid political uncertainty at a time when economic planning is being brought to a standstill through political impatience. We debate it as people such as the Premier on one hand seek greater revenue from Canberra but on the other call for lower spending and endorse unexplained plans that will create a smaller central taxation pool. We debate it in the wake of this Premier committing Queensland to a system of state taxation. In addition to federal taxation—a system of double taxation that will mean higher over-all taxation for every citizen of this State. I might add that the Premier, according to reports, tied Queensland to this scheme before the Treasurer was aware of either its contents or its implications. What a cavalier way to plan the future finances of this State.

We debate this Budget in the knowledge that, if there is a change of government as members opposite seek and the Fraser plan applies, its financial base will be destroyed and it will become obsolete. The Budget comes before us as certain political elements in Australia are obviously intent on plunging the nation—every State Government and local authority—into economic chaos. This is the type of economic confusion that the Premier applauds as his cure for Australia and Queensland.

We appreciate the dilemma of the Treasurer, who has the Premier breathing down his neck trying to secure a foothold in the State Treasury. His position has been tenuous since the end of last year. On 9 December last year, Cedric Allen, in "The Financial Review" newspaper under the heading "Bjelke-Petersen set for Treasury" said the Premier was expected to make an early bid to wrest the Treasury portfolio from his Liberal colleagues. The Treasurer cannot question the accuracy of Cedric Allen as his own Liberal Party has now employed him to promote its team for the Brisbane City Council elections. The Liberals cannot call him a rat-bag journalist; the Liberal Party employs him. He wrote that as a considered statement on the front page of "The Financial Review". So obviously with the advent of the new Fraser-Petersen plan on State taxes, the Premier has started his bid.

He attended the Fraser talks in Melbourne and committed Queensland in both the absence and ignorance of the Treasurer. His hand, as all members are aware, is also in this Budget now before us. As I said, we appreciate the Treasurer's dilemma but it is scant comfort to Queenslanders who have been struck heavily in the pocket by this Budget, which may well be his last.

We face, at a time of inflation and unemployment, higher taxes and charges in at least 11 areas of State administration. Home and land buyers, motorists, primary producers and consumers generally have all been adversely affected. They will pay both through the new direct charges or increases and through the higher prices that will follow in their train.

Rail fares and freights are up 40 per cent despite the promised resistance of the Government last November. The capacity of the railways, already making heavy losses, to compete with road carriers has been deliberately reduced.

The concessions in this Budget are outweighed by its collections. It is a Budget that increases taxes and expenditure at a time when members opposite tell Canberra to reduce them. It is, I believe, the Budget of a Government that is masked in deceit, motivated by double standards and divided in its own economic planning. To conclude in the kindest possible terms, it is a bleak document with an uncertain, possibly temporary, future, the same as the Treasurer's, from a Government that promised so much less than 12 months ago.

Mr. CORY (Warwick) (2.44 p.m.): I am pleased to take part in the debate on this Budget, the 10th presented by the Treasurer, and first I would like to congratulate Sir Gordon Chalk on his long span as Treasurer of this State. I also congratulate Mr. Hielscher, the Under Treasurer, who is well respected and highly regarded throughout Australia. With his financial brain and wisdom, he is obviously of great assistance to the Treasurer from time to time.

The Leader of the Opposition played quite a bit on the subject of unemployment. As was mentioned on the first page of the Treasurer's Financial Statement, the unemployment level of 4.6 per cent of the State's work-force is the basis of our economic problems at the present time. I believe there is no excuse for such an unemployment rate in this country. If we really want to do something about it, we have the ball at our feet. Prevention is better than cure, and the Federal Government should never have put itself or Australia in the position of having to cure unemployment. It only had to prevent it happening in the first place.

Rises in interest rates, revaluation and devaluation of the dollar, changes in the structure of taxation affecting business greatly, and the trend towards public ownership and direct competition with private ownership are killing incentive and investment in this country. In my opinion, only the invalid and the aged should feel that society—in effect, the taxpayer—owes them a living. The unemployment benefits scheme is designed to meet the needs of the person who is genuinely unemployed, not to enable people to live off it. No-one should feel that he has the right to receive unemployment benefits for the rest of his life. I think we should get back to the old principle of a fair day's work for a fair day's pay. If we had never departed from that basic principle, this country would not be in half the trouble that it is in at present.

Let us get back, Mr. Hewitt, to the principle of reward for initiative. I believe in the right to strike—it is the privilege of everyone in society to strike, if he wishes to do so—but, equally, I believe that everyone who wishes to work has the right to do so. If an employee has the right to withdraw his labour—and I reiterate that I believe he has—equally the employer has the right to withdraw employment. One cannot have it both ways. Until it is realised that progress and stability come from co-operation, this country will not get very far.

Everyone has a responsibility to play his part in assisting to support society during his normal working life and to accept reasonable work that is available. I refer particularly to a number of people who are obtaining unemployment benefits because they are said to be in a category in which suitable and acceptable employment is not available.

What does "suitable and acceptable employment" mean? Let us be quite honest about it, Mr. Hewitt. Whether a person is a doctor, a bridge builder or a farmer, he enters that vocation voluntarily, and it probably is no-one's fault that insufficient jobs are available in that vocation. As I said, each person in the community has a responsibility to play his part while he is able to do so. Irrespective of what a person considers to be his vocation, he should accept any reasonable employment that is available. It is his responsibility to himself and his

family to do that, in the normal course of events, and not expect the taxpayers to do it for him simply because he cannot obtain a job as a glass-blower, a lion tamer or whatever it might be. Those occupations have been mentioned in fun, of course; but simply because there is no vacancy in a certain profession it does not follow that a person has not to work for his living.

Dr. Scott-Young: In any other category?

Mr. CORY: In any other category, provided it is reasonable and that the person is capable of doing the work. Many people who are paying taxes feel very bitter about what is happening now.

There is much to be done in Australia, and there certainly would be employment for everybody if there was in office in Canberra a Federal Government that created an atmosphere in which business desired to expand and employ more people. It would be easy to overcome the man-made problem if everyone played his part. The Federal Government has only to reverse its decisions that strangled business and make it possible for business to expand. It must not kill its incentive.

Rather than kill incentive in business the Government should regulate procedures and provide service and protection for the community, both employers and employees. The Government should be regulating the system. There is plenty of capital available from other sources. It is not the taxpayer who should be providing the Government with capital so that it can go into competition with business. Public enterprises do not make profits. That is one thing the Federal Government has to remember. That being so, why should taxpayers' money be committed to unprofitable enterprises? Leave business enterprises to the people who can make money out of them, but let the Government regulate the formula under which businesses can operate and, at the same time, provide service and protection for the community.

We are told that the Federal Budget raised tax revenue by 25 per cent and personal income tax by 43 per cent. The primary producer directly paid \$308,000,000 to help finance Medibank. That is the amount that was directly taken from his previous Vote for research and stabilisation. The Federal withdrawal from the dairy adjustment scheme is another direct reduction in assistance to primary industries. Those industries have been left with a complete vacuum in their normal course of trading and the stabilisation of their marketing schemes. There is nothing to replace it. The withdrawal of those enormous amounts of money have left a complete vacuum.

The motorist is paying an extra \$240,000,000 in petrol tax, of which only \$64,000,000 is being allocated to roads. That is completely contrary to the principle on which the petrol tax was imposed. That money

was to go directly towards the building of roads. That extra petrol tax has been levied purely to boost Consolidated Revenue and to help pay for the Medibank scheme. It is not that I am arguing against Medibank, but let us be completely clear as to where the money for it is coming from. While money from petrol tax is being used to build roads, the motorist will not complain about that tax, but the moment it is not used for that purpose he has every reason to complain. That was the basis on which the tax was first introduced.

The Federal Government has refused to support the principle of a reasonable first advance on wheat. It has cut the Vote for stabilisation schemes. The Federal Government has agreed to the payment of \$1.50 a bushel or \$55 a tonne as a first advance for this year's crop. The industry asked for \$1.80 a bushel. Let us look at the percentage of the expected final price that the first advance really is. That is what the whole thing is all about. All the industry has asked is that the first advance be a reasonable percentage. The advance of \$1.50 a bushel is only about 58.5 per cent of the expected final price, whereas the \$1.80, or \$66 a tonne, for which the industry asked is 70 per cent of the expected final price. I do not think anyone can say that it is unreasonable to expect that percentage.

I realise that in the past the first advances have not been any greater than that. In fact, on some occasions they have represented a smaller percentage of the final price. However, in those days the farmer depended to a greater extent on manpower, the cost of which formed a great part of his cost structure. Today he is committed to a much greater capital expenditure, with interest and redemption commitments that must be met annually.

It is not unreasonable that this first advance be a higher percentage of the assured final price. A first advance of 70 per cent could not be considered unreasonable. In addition to having a heavier capital commitment for the whole year rather than only for the season, the farmer has continual costs of labour and so on, and if he is not given a reasonable percentage as his first advance he is forced to borrow large sums of money to be able to carry on month by month.

By refusing to accept this principle and by trying to force the farmer as well as the businessman, including the manufacturer who supplies the farmer with his goods, to be subservient to it, the Federal Government is breaking down the orderly marketing of grains. I do not suggest that our total output of grain should be marketed through statutory boards. We do not want that. What I contend is that we retain those statutory boards that are presently in existence, because they stabilise the general marketing of grain.

If the quantum of the first payment is not raised to a reasonable level, growers will be forced to sell other than through these

statutory boards. Those farmers who have their bank managers breathing down their necks have to find money to meet their commitments, and if they do not obtain sufficient funds from their first advance payment they are forced to borrow money or to obtain it by other means. And some are obtaining it by other means, that is, by selling their produce on the black market. We certainly do not want to see such a practice become the general rule.

Last year the Barley Board adopted a realistic first-payment system, with the result that the quantity of barley sold outside the board was the smallest on record. The level of the first payment must be close to the prices paid on the black market; if it is not, farmers will be compelled to resort to the black market for the disposal of their produce.

If a farmer is paid only \$55.12 a ton for his wheat, knowing that, until the final payment, he will not be paid the \$90 or more finally expected, and if the black market is paying as much as \$75 in cash immediately, he is likely to accept the black market price of \$75. This will react to the detriment of orderly marketing.

As I say, we want to retain and support those boards that presently exist, but I doubt whether we want more. The existing boards will be supported only if the Federal Government allows them to operate on reasonable price structures.

The expenses incurred by the wheat grower are met from his first advance payment. I do not intend to argue about the increase in rail freights now, as they are yet to be worked out, but freight charges, insurance premiums and so on have to come out of the farmer's first advance payment. As well, he has to meet fuel and other costs. This is even before he can put money aside to meet his ever-increasing capital commitments.

I have dealt with the way in which the Federal Government has dumped our primary industries. I turn now to the situation that exists in our farming industry as indicated by the Bureau of Agricultural Economics. Since 1960-61, interest rates have increased, on the average, by 70 per cent while costs have increased by 100 per cent. How can we expect people to cope with such increases while rural income, over the same time, has remained more or less completely static? Certain fluctuations occurred during that period, but incomes were basically static. In 1960-61, rural income totalled \$1,135 million and in 1974-75 it totalled \$1,147 million, or virtually the same figure. In the same period, costs increased by 100 per cent or more. To cope with the situation the rural community increased its indebtedness 2.5 times. This happened during a period when we were told that people in Australia were living in affluent circumstances.

In this context I am speaking only of averages. Industries that do not measure up to the average are in a much worse position. Seven or eight years ago the wool industry suffered severely. The beef industry is in a similar situation at the moment. Over the years the sugar industry has had to face problems from time to time. All industries have shared in the ups and downs, but industries which are below average at any time are in a far worse position than the ones I have referred to.

In rural industries the ratio of debts to assets has increased by 81 per cent. How long can people remain in business under those conditions? How long can rural industries tolerate them? I shall refer to certain figures to prove that farmers do not have sufficient money. I think everyone will agree that if a person wants to buy something and has enough money in his pocket, he will buy it. At present, tractor sales represent only 73 per cent of sales made 10 years ago. Sales of ploughs are running at only 40 per cent of sales of 10 years ago. Sales of combines are only 67 per cent of what they were 10 years ago, while harvester sales are down to 46 per cent.

This is the picture at a time of expansion in farming and agricultural pursuits, particularly in recent years, when grain-growing has become one of the soundest of rural industries. Even with expansion in this industry, less equipment is being purchased than 10 years ago. The same can be said of vehicle sales. The trouble can be traced solely to a shortage of money, and lending houses are not prepared to risk more credit in this industry. The figures I have quoted depict the run-down in primary industry and, quite obviously the country as a whole must suffer if this continues.

Local authorities find themselves in a similar position for various and different reasons. I refer particularly to the sudden withdrawal of R.E.D. funds for local authorities. I am not suggesting that the R.E.D. scheme was the best method of providing money for local authorities, but it was one way in which money was provided to help quite a number of them. More particularly, local authorities geared their programmes to the receipt of these funds. At the last minute, and after the schemes advanced by many local authorities had been approved, the funds were chopped off. Great expense and effort had gone into planning these schemes, and suddenly it was found that no money would be available for their commencement, creating a vacuum in their works programmes.

While I am on the subject of local authorities, I refer to the Treasurer's comment about the State's continuance of the \$30,000,000 subsidy scheme for local authorities. I refer particularly to the Government's intention to investigate the dispersal of the money in an effort to discover any weaknesses that exist in the scheme at present and to bring it up to date so that it will be the most suitable for this form of

local authority assistance. It is only reasonable that from time to time the Government should review how its schemes are working and be prepared to update them and make them as efficient as possible.

There is one other topic I wish to touch on before leaving Federal issues. One must raise Federal issues because, after all, before a State Budget can be prepared the Government must take into account exactly where it has been left by the Federal Government and then provide answers to the problems. My last reference to Federal issues relates to the report presented in Canberra last week that members of Parliament should declare assets—as if it was a crime to possess assets. For all the assets I have, it would not concern me. I could declare mine without any trouble at all. Personally, it does not matter one iota to me. However, the principle does. Surely a man with experience, assets and business acumen—a man with initiative who is capable of taking responsibility—has just as much to offer as the person who has never been game to have a go. Certainly a person who has achieved something in life as a result of his own initiative is less likely to be a party stooge or a bureaucratic mouthpiece, which is a development we are seeing today in Governments throughout Australia.

I think we are on the wrong track if we make any move to criticise or single out a person because he has had the guts to go out and make a living for himself, and in the process accumulate assets. If it is believed that he cannot offer at least as much as the person who has not been prepared to have a go, I think we should have another look at ourselves. Surely if he has been able to do something for himself and becomes a successful businessman—and he is prepared to offer that ability and his services to the public—the public should be proud that he is prepared to offer his ability for their benefit, and jolly glad of it.

I now wish to refer to some of the items in our State Budget. The increases in conveyancing, stamp duty, insurance duty, licence fees and so on are a direct reflection of the way the States have been squeezed for money and denied their fair share of the revenue derived as a result of the general activity and production throughout Australia.

The Budget clearly highlights, too, the great benefit to the State of the mining industry. Over the years, in this debate and many others a lot of criticism has been directed at the Government's not receiving sufficient from the mining industry. Surely we would all agree that royalty payments totalling \$34,000,000 represent a very substantial contribution. However, the argument that we have always advanced is that royalties are not as important—and never will be—as the profits derived from railway operations connected with mining. In addition to the royalty payments of \$34,000,000, the Railway Department will make a profit of \$37,000,000.

We must put that, too, in its correct perspective. The \$37,000,000 is being earned from something in which we did not have to invest any capital. If anybody knows of any other business that can return him large profits without investing any capital, I would like him to let me know. The Treasurer and the Government have played a wonderful part over the years in arriving at this policy of the companies providing the capital for the railways and the rolling-stock and the Government getting the profit. In my experience there is no other type of business from which such profits can be derived without risking capital.

Even with the increased freight rates, the railways will incur a loss of \$41,000,000 next year. It is always disturbing to have some activity with so much capital invested in it losing such a large amount. As the increases are less than one-quarter of the increase in costs over the past 10 years, we must look at one very important matter. There will be criticism of the amount of increase in rail freights, but nobody knows at this point of time exactly what the increase will be for particular commodities. It is too early to argue about the rates for one commodity against another because obviously at present prices some commodities just could not bear the increases. This is something that has to be worked out.

I should like to hear from anybody else what the alternative is. Would it have been better, instead of having an increase of 40 per cent now, to have had an increase of 4 or 5 per cent each year over the past 10 years? I believe it is far cheaper for industry in general to do it this way, because no one has had to pay higher freights during that 10-year period. If the rate had been increased slightly each year, people would have paid an extra 4 per cent for the past 10 years, 8 per cent for the past nine years, 12 per cent for the past seven years and so on until last year they would have paid 36 per cent when, in fact, they have paid nothing extra during that period. So it is obviously cheaper this way. This is the best way of saving costs to industry.

One matter in the Budget that I find hard to justify is the driving fee, which is collected by the Main Roads Department. Originally we paid so much for a licence. Up till 1949 the cost of a certificate of competency was collected by the Main Roads Department. In 1949, annual licences were introduced. The police issued them at a cost of 7s. 6d. In October 1952 the Traffic Act was amended. The police were then given the responsibility of issuing licences and the fees were collected by the Main Roads Department. The charge was 7s. 6d. for private cars and 12s. 6d. for commercial vehicles.

It was at this point that there was a change in the method of collection. Because the cost of collection was nearly as much as the revenue derived, it was decided that,

instead of collecting the fees on individual licences each year, they should be collected with registration. That saved the cost of collection.

The fee for a licence has been reintroduced. Because I believe a licence has value, I am not opposed to that in principle; but I am opposed to each individual licence attracting a double fee. We now have to pay both charges—a driving fee and so much for holding a licence. This is very hard to justify. I do not believe that it is the honest way of arriving at the same result.

Mr. PORTER (Toowong) (3.15 p.m.): I congratulate the Treasurer on this Budget. It is a very good one to meet very bad circumstances. One must recognise the fact that it is a good Budget because there has been very little real opposition to it. There has been some more or less token opposition from different sections of the community that feel themselves particularly disadvantaged, but when one considers the background against which this Budget has had to be prepared, it was inevitable that there would be some small sections that would feel the impost a little more than others. In the area of rises in freight rates there might be some anxiety. I have no doubt other members will touch on this subject later.

I congratulate the Treasurer also on his decade of financial stewardship because his is a very difficult and a very demanding portfolio and he has discharged it always with great competence—with an almost ferocious energy, if I can put it that way—and a tremendous capacity for sustained hard work. I am quite sure that other States have Treasurers who would give much to be able to look back on a fiscal record like Queensland's Treasurer's over the past 10 years.

I want to quote some figures which I think warrant not only the attention of this Committee but the attention of the larger community outside. It is interesting to know that the collections in Australia from income tax rose from \$3,175 million in 1971 to \$5,481 million in 1974 and the collections from all taxes—the whole of the tax that the Commonwealth Government collects—rose from \$8,000 million in 1971 to \$12,751 million in 1974. We all know that they will go up nearly another 40 per cent in the fiscal year covered by this Budget. In other words, there was a rise of 59.4 per cent in all taxes—60 per cent—from 1971 to 1974, and a rise in income tax of 72.6 per cent. That is the yield.

Against the background of that enormous rise, particularly in income tax, it is no wonder that we have a record of over 3,000 firms and businesses which have closed their doors in the last three years, sacked their employees, gone out of operation and are unlikely to be back in operation for many a long day, as once small business is discouraged to the point where it has to cease, providing all the factors and getting them

together at the point where one starts business again take a lot of doing. So we have now reached a situation where, as I say, 3,000 businesses have gone "phut".

We have unemployment at this moment running at over 5 per cent, and it is expected, even by people like Mr. Hawke, that by the New Year it will be running at between 7 per cent and 8 per cent—a rate of unemployment unknown since the depression. It is interesting for the Committee to reflect on the fact that in the period of this dreadful rise in the Federal Government's take from income tax, the disasters to business and the huge rise in prices, the birth-rate in Australia has dropped from 21.62 per 1,000 of population to 18.33 per 1,000 and the marriage rate has dropped from 9.2 per 1,000 of population to 8.2, and I submit that that totally reflects the apprehensive, dispirited attitude of people to the set of circumstances created by the Whitlam Government. Those circumstances are now affecting the very roots of our society, having effects which will be felt for the next three, four and five decades of this country's existence.

I say it is important to record these matters because, in my view, the situation is very parlous. These items reflect the extraordinary—indeed, the quite unprecedented inflation which has grown out of these factors. To suggest to honourable members the dimensions of inflation, the way it is running at the present time, let me give one small illustration. If a young man is earning \$150 a week now and inflation were to continue at its present rate, upon retirement he could expect a superannuation payout of \$200,000,000. That is what inflation is; that is the rate at the present time. It is very easy to get used to the figures as they stand and believe that they can be absorbed. The plain fact is that inflation at this rate will totally destroy the society that we know, Mr. Gunn. Talk about money madness and fiscal frenzy! Certainly this is it.

Every year that I have been in this Chamber, I have used the Budget debate as an opportunity to talk about the financial strait jacket into which the Canberra distortions of the federal system has forced the States, and Queensland in particular. It is very easy for the Opposition to complain about increases in State charges as the Leader of the Opposition did today. While the States are cut off from the huge income tax revenues that are engendered by inflation, what else can the States do but increase charges, increase imposts and go into unpopular fields? How can they ever hope to get a quart out of a pint pot? Of course they can't! It is the Commonwealth which is getting all the benefit out of inflation. It is the States that are gaining responsibilities literally every week, as States become more industrialised and cities become bigger, and they have less money with which to provide the services required by these growing and more complicated and interdependent communities.

So really, Mr. Gunn, that is what the exercise of inflation, in my view, is all about. The idea of inflation was deliberately induced in order to so ravage the States that they could not carry on without resorting to highly unpopular imposts. The road would then be easier, as Mr. Whitlam and his group of planners saw it, to persuade people that State Governments were an anachronism—"Look at them! All they do is cost you money, saddle you with unpopular and unpleasant charges." I am absolutely convinced that that was part of the grand plan. Unfortunately, of course, the old story of "He who rides on the tiger cannot get off" has now come to pass. Inflation has roared away from the control of the people who induced it. Now they are as much its victim as its master—indeed, more so. It has become for them a Frankenstein monster.

What was it that made this inflation, which is now running at 17 per cent plus, with unemployment running at 5 per cent, and inflation likely to be 20 per cent plus by 1976 and unemployment likely to be between 7 and 8 per cent in 1976? What induced it? What made it? What caused it? How did the Federal Government set about creating it? I do not think there can be any question that it has come because of Federal Labor's dream of socialism within three years—a complete re-allocation of the nation's wealth, the nation's assets, the nation's productive capacities; the idea of fastening onto us the economics of a sick society in which initiative and thrift are despised and dependence and envy applauded.

You know, Mr. Gunn, these people have an obsession with the welfare State. Of course, I must confess that it did not start from scratch in 1972. In my view, it began with the Gorton Liberal-Country Party Government in 1969. Let nobody on the benches opposite, as the Leader of the Opposition tried to do in his address, suggest that members of the Government were all 100 per cent behind Mr. Gorton when he began on his centralising antics and tried to outbid Mr. Whitlam, then Leader of the Opposition, with welfare promises. Far from it! I for one—and there were many others—spoke up at the time, and I spoke in this Chamber.

Of course, what has happened since 1972 has made what happened between 1969 and 1972 seem a very pale and anaemic version of the proposition. From 1970-71 until 1973-74, Federal spending on education has increased from \$296,000,000 to \$1,908 million—an increase of 644 per cent—and spending on health has increased from \$559,600,000 to \$2,776 million—an increase of 496 per cent. What it will be when we have to take the payment for Medibank into account, God alone knows! It will be in the vicinity of plus 1,000 per cent increase. Social security has gone up from \$1,378.7 million to \$4,777.2 million—an increase of 346 per cent.

On so-called culture and recreation—the particular darling of Mr. Whitlam, the gentleman of the "Blue Poles", the fellow who gives assistance to make pornographic films, the man who offered \$100,000 to Germaine Greer to make a film on human reproduction—the spending has gone up from \$91,200,000 to \$262,600,000, an increase of 267 per cent. That sort of expenditure increase is so enormous that it makes it absolutely certain that inflation cannot be checked. It is an obsession with an attempt to restructure society to make it a brave new world in the Gough Whitlam image.

The Leader of the Opposition, who really should get a new script writer—and certainly a new gag writer—spent a great deal of time pretending that there was something dreadfully disastrous in the federalist policy which has been produced by the Federal Opposition parties. I think he spent so much time on that because he fears the impact of it on the community. Most people believe in federalism. The record of referendum results in this country since Federation proves overwhelmingly that people want a federal system. They do not want centralisation of power. I make it abundantly plain now, as I have done so often before, that I am for federalism. I will support every real attempt that is made to ensure that the system that theoretically is guaranteed by the Constitution works in fact as well as in intent. I will always fight centralism, no matter who tries to build it up. I am prepared to accept that there are short-term risks, and perhaps short-term disadvantages, in order to make it more sure that with an effective federal system we will have centralism more effectively defeated over a long haul. The plain fact of the matter is that the economic consequences of this waxing centralism are a very large component of the inflation which is raging today, because the Commonwealth wants to spend the money, and it wants to spend it on its own.

When I looked at the figures three or four years ago, the Commonwealth reimbursement to the States, seen as a proportion of the total tax yield, had dropped by just on 12 per cent in 11 years. My guess is that it has dropped by 17 or 18 per cent in the last 15 years. So the States are being consistently, carefully and deliberately starved of the money that is properly theirs according to the Constitution. The money does not belong to the Federal Government but to us. It is our money collected for us.

Mr. Wright: Have a look at the debts of local authorities.

Mr. PORTER: The honourable member refers to local government. Local government gets treated worse in every other State in Australia than it does here. No other Australian State treats local government as well as we do here with our system of subsidies and loan assistance. If we had our fair share of tax reimbursement, we could do far more for local government. And

that is the way it should be done—not by the local authorities having direct access to the central Government, being creatures of a sovereign State Government and getting their money directly from the Federal Government. That is part of the A.L.P. plan to overthrow the system of a Federal Government—to deny the States and to set up eventually regional local authorities totally subservient to Canberra for all their sustenance.

The simple fact of the matter is that the social and political consequences of burgeoning centralism are plainly to be seen in this country. The prospects have been pointed out by people down through the years.

Having sown the wind we are now starting to reap the whirlwind. We have this system whereby the central Government believes that it alone has the knowledge, nous, experience, expertise and wisdom to make all the decisions for administrative action in literally every part of Australia. Apparently it believes there is no cleverness in State Parliaments or any ability in State departments. According to the Federal Government, there is certainly nothing but abysmal stupidity in the public sector. So all of us—the public sector and the States in both parliamentary and administrative terms—must be swept aside to allow the Federal Government to make the decisions. And this is a Federal Government that has relied on academic advisers who over the last three years have been proved to be so disastrously wrong that it is hard to imagine how they have the gall to make any further recommendations.

It is not so many years ago—in 1924 or 1925—that Colin Clark, who was employed by the then Queensland Labor Government, suggested that any Government that required more than 23 or 24 per cent of income from the private sector for use in the public sector would inevitably generate forces leading to inflation. We are now nudging 40 per cent, so is it any wonder that inflation is being stoked madly by the very Federal Government that pretends it is concerned at its effects?

The suggestion that the federal system needs updating because there is something inherently wrong in it and the contention that federalism has grave defects and that there should be a kind of new nationalism requiring all decisions to be made in one place are so old hat that it is beyond me to believe that anyone can really take these ideas seriously. In every federal system throughout the world, including that in Canada, to which the Leader of the Opposition referred so glibly and accurately, there is a conscious process towards making federalism work and towards returning power from the centre to the periphery. The United States of America, Canada and France have seen the error of trying to have a whole host of decisions processed constantly at the centre. It simply cannot be done.

During a visit to Australia two and a half years ago, Dr. Edward McWhinney, who is recognised as the leading expert and the great constitutionalist on the federal systems of the world, said that the Federal Government had monopolised too many decisions and decision-making processes in Australia and had drained away the opportunities for effective participatory democracy at the local level, where young people with new ideas normally can be expected to be recruited. That is the fact of the matter. Centralism pays little heed to the aspirations of young people. Yet, strangely enough, in our universities and other tertiary institutions a constant attempt is made to denigrate the concept of federalism and to persuade young people that real progress in their future lies in a centralist system.

As I say, I for one will strongly support any programme, such as that produced by Mr. Malcolm Fraser, of resurgence in real federalism in Australia. I admit that there must be some device for ensuring that it contains an equalising factor, but I am certain that this can be provided. It is only by a federal system that we can expect to have the continuance in Australia of what we had prior to 1972; that is, a system that provides freedom, flexibility, growth, prosperity and stability—with diversity. That, I think, would obtain for all Australia.

Finally, I comment on two points that perhaps are not totally relevant to the Budget but nevertheless grow out of this overall Federal-State situation. Firstly, I refer to the appointment by this Parliament of Senator Field and what has happened since then.

Mr. Jensen: That has nothing to do with the Budget.

Mr. PORTER: It has a great deal to do with the Budget.

The gurus of the media have had a field day with the appointment of Senator Field. It is a great shame that so many of the media should be sneering, sarcastic young people who believe that superficiality is sophistication and that a certain glib, monkey cleverness is the epitome of reason. These, of course, are the people who, in the early days of the Federal Labour Government, fawned on Mr. Whitlam with an almost sickening adulation. They now consider that they have a quite divine right to mock, denigrate and personally insult any of the figures that they decide to isolate and destroy. Senator Field is such a one. For the life of me, I cannot understand why the Labor Party should lend itself to this campaign of denigration. Senator Field is the type of Labor man that the Labor Party was all about some years ago. Why is he such a disastrous appointment for the Labor Party when he is a typical representative of the working class? Why is it that Dr. Malcolm Colston, a Ph.D., is held up as a perfect representative of the so-called Labor Party? This seems to me to be such a contradiction

in terms that I find it impossible to credit that members of the Labor Party really believe it. I do not really think that they do. This is part of the act that they have to go into because Mr. Whitlam wants numbers in the Senate.

Those who voted for the appointment of Senator Field have been attacked on many occasions. I have heard "Courier-Mail" and many other editorials quoted here. I am not much affected by maudlin, muddled and pusillanimous editorials which are—although perhaps unintentionally—quite hypocritical. I find it very difficult to accept the right of a newspaper in its editorials to take a high-minded stance on what is moral or immoral and what is proper and improper, when in other sections it carries movie advertisements which, if they were published in magazine form, would not get past the Literature Board of Review. It also bolsters its revenue with brothel advertising because it freely takes advertising for massage rooms. I have no objection to that being done, but I have every objection to the dual standards of morality that the Press seeks to adopt in these matters.

It is very interesting to note that neither the Press nor the Opposition, in all their fulminations over the Field appointment, bothered to remember what happened when Senator Gair was appointed as an ambassador. I shall recall a few dates because it is important to ensure, if there is to be an outcry over standards, that there be an outcry over all the standards employed. The plain fact of the matter is that Senator Gair's resignation was not conveyed to this Parliament as the Constitution of Australia requires it to be. Senator Gair, in fact, accepted an ambassadorship on 14 March 1974, yet he sat in the Senate and voted in the Senate for a month after that. Mr. Whitlam knew it, the then Senator Murphy knew it and the now President of the Senate must have known it; but nobody complained about that when it became known. Very little was said in the Press about it. The fact is that Mr. Whitlam announced to the world that this appointment had been made when he called the half-senate election for 18 May. But in fact the Irish Government had ratified the appointment two months previously. This concatenation of times and dates shows clearly that Senator Gair was in the Senate quite wrongly; but nobody applied to the High Court to toss him out. Nobody suggested there was anything immoral in what was done then. Indeed, most of the media lauded Mr. Whitlam as being clever, as a man who is always one jump ahead. Unfortunately for him, he was not one jump ahead. My own view of Mr. Whitlam is that he is a man with an extraordinarily venomous tongue. If he ever bit it, he would be likely to die of blood-poisoning.

Mr. Alison: He has a forked tongue.

Mr. PORTER: Perhaps he could bite both of them.

I believe that hypocrisy reaches an all-time high when we now seek to deprive a senator, appointed by this Parliament, of his vote in the Senate—in view of what might possibly be debated in the Senate in the next two or three weeks—on a flimsy legal, technical device. I believe that this State Parliament should do whatever is necessary to ensure that the High Court deals at once, as an urgent matter, with the question of whether Senator Field is properly and duly entitled to be a senator or not. I make it quite plain that, if it transpires that Senator Field did not wilfully mislead the Parliament in anything that he said that caused him to become a person for nomination, for my part payment of his expenses should be considered. If, because of the circumstances into which he was thrust (if there is no fault on his part, but it is purely because the Federal Government wants him out of the way at a later stage), he has heavy legal expenses dumped into his lap, I say that this Parliament has a moral obligation to consider the issue. That is my stand and I make it plainly.

I believe that out of all the attempts to turn Senator Field into a figure of fun, he has won out. He has come through this immensely testing period as a person with sincerity, although not with a tremendous capacity as an orator. How many of us have when we start in this game? How many of us get it eventually, anyhow? I venture to say that, if at the start of our political career we were suddenly thrust into the forefront of attention, with both a spotlight and a magnifying glass put on us and everything we did analysed for its hilarious content, many of us would fare very badly indeed. My own guess is that Senator Field is coming through as a decent man, of sincere and honest intention. He is coming through as he is—warts and all—and it is a good image. Certainly, I think that what has been attempted in his case has been dreadful. As always with these things that are improperly done, it will not work out.

Finally, I want to refer briefly to the desirability, in my view, of an early Federal election.

Mr. Hanson: What has that got to do with the Budget?

Mr. PORTER: I believe the necessity for an election is overdue. Certainly, all the recent public opinion polls clearly show that. Every survey has shown that a two-to-one majority wants Labor out.

The member for Port Curtis says, "What has that got to do with the Budget?" It has everything to do with the Budget. The fact that we have this Whitlam crowd in Canberra provides the framework within which we have to prepare difficult Budgets—Budgets that thrust imposts on people that should not be made. With a change of

Government, with a new system of federalism operating, we will have an infinitely better climate in which to frame Budgets for the States' welfare.

I know that in certain circles the argument is posed as to whether it is proper to use the Senate to block Supply. I would say that the overwhelming mass of people would not be concerned with these little political niceties of what should properly be done and what should not properly be done. They want out. They want this Federal Government gone. This Federal Government is in fact dead. It has the pretences of life but it is in fact completely dead as of now. Over it hangs the sickly miasma of corruption, dissolution and decay.

It may be worth while for honourable members to recall, in this argument as to whether a Senate, an Upper House, should block a Budget or not, what Mr. Whitlam said in June 1971—and it is recorded in Commonwealth "Hansard"—

"Any Government which is defeated by the Parliament on a major taxation bill should resign."

Again, when talking of a financial Bill of the then Liberal-Country Party Government—

"This Bill will be defeated in another place" (the Senate). "The Government should then resign."

Senator Murphy—now Mr. Justice Murphy—said during the same period—

"The Senate is entitled and expected to exercise resolutely, but with discretion, its power to refuse its concurrence to any financial measure, including a tax bill. There are no limitations on the Senate in the use of its constitutional powers, except the limitations imposed by discretion and reason."

That is all, and if anybody imagines that the limitations of discretion and reason are not now well past I suggest he get out and talk to people.

One gets heartily sick of this nonsense of suggesting that the Senate is some sort of impotent, castrated body which has no right to make any decisions and that it was not elected by anybody important, as though all power resides in the people's House. What is the Senate—a non-people's House? Did the people, when they voted for the Senate on the same day as the House of Representatives, disfranchise themselves on the second occasion? For my money the Senate has the right and indeed the responsibility to finalise this matter and force the Whitlam Government to the polls as soon as it can.

We have a vastly different situation from the occasion when Mr. Whitlam was jousting with Mr. Snedden. Then he could not get to the polls fast enough; this time he will be dragged to the polls screaming, squealing and protesting, throwing flabby red herrings all round him in a desperate last-minute endeavour to avoid the inevitable. The sooner it happens the more blessed the

event will be and the greater the prospects for Budgets in Queensland to be presented in an infinitely happier political and economic climate.

Mr. ALISON (Maryborough) (3.48 p.m.): It is with pleasure that I rise to take part in this debate. However, before turning to my speech notes proper, I should like to offer a couple of brief comments in support of the previous speaker, the honourable member for Toowoong, regarding the disgraceful behaviour of certain sections of the Press in relation to Senator Field.

Nobody wants to muzzle the Press, but the Press and the media generally have a responsibility. I believe that that responsibility does not include crucifying any particular man. The behaviour of the Press has been a disgrace. Judging by what I have read in a couple of newspapers, they have gone out of their way, in editorials, to make Senator Field appear to be a sort of half-wit. I think that is a disgrace.

This has caused me to agree with the viewpoint expressed by Dr. Moss Cass, the Federal Minister for the Media. If this sort of behaviour continues, with the Press setting out to crucify a person, they themselves are providing the reason why a media council should be established. I would prefer to see a media council controlled and operated, shall I say, by the industry itself. If it will not do this, and if it continues in this vein—and it has become an alarming trend over the past few years—some Government has to step in and impose a degree of discipline, because the media have a very serious responsibility.

In rising to take part in this debate on the State Budget for 1975-76, I sincerely congratulate the State Treasurer on this, his 10th Budget. The Treasurer's position at any time and under any circumstances is onerous, because he has to endeavour to balance the financial affairs of the State and, at the same time, provide for the implementation of Government policy through Government departments by the provision of funds for various purposes. I will be speaking shortly about rail freights. Under the present circumstances, however, the Treasurer has tremendous problems and responsibility.

Unfortunately, for the past 2½ years a socialist Government in Canberra has taken every opportunity, by fair means and foul, to break the economy, and at the same time to break the fiscal and legal powers of State Governments so that all power can be centralised in Canberra. It makes me feel a little annoyed, to say the least, when I hear people talking about convention, tradition, fair play, time—"give this Federal socialist Government time." What we should realise, of course, is that we—that is, the anti-socialist parties generally—are playing one game, and the Federal A.L.P. socialist Government is playing another. What I am trying to say is that we are endeavouring to stick to the rule book and a code of ethics (there

are ethics, I believe, even in politics); whereas the Federal socialists tore up the rule book even before they got into power.

I do not want to waste valuable time discussing some of the more sordid events, happenings and intrigue that have gone on in Canberra over the last 2½ years. It is, however, sheer hypocrisy to talk about fair play, convention, precedents, "let the Federal Government have time", and all the other catch-cries of the do-gooders and misled people, when in fact this self-same Federal Government in Canberra will do literally anything. There is nothing it will not stoop to provided it achieves its aims and ends. The Federal A.L.P. Government wants to break up our social structure and the very fabric of society, namely, the family unit. It wants to undermine State and local governments and break the back of private enterprise so that it can then, without any problem whatsoever, enforce its socialist policies, which are really repugnant to any Australian who fully understands what this A.L.P. socialist Government is all about.

I listened to some of the speech made by the Leader of the Opposition, and I must say I felt sorry for him. He really had problems in trying to find something to criticise. Of course, the Leader of the Opposition has had problems for some time now. The hypocrisy of the man is sickening, especially over the past six to eight months when he has been trying to dissociate himself from his colleagues in Canberra. It is sickening to read in the Press the Leader of the Opposition once again sounding off and criticising the Federal A.L.P. Government and some of its policies, when in fact, of course, he is bound by the same socialist policy as his colleagues in Canberra. Today he sounded off like a man with a shotgun trying to hit a barn at a mile; he made a hell of a lot of noise, but he hit nothing.

One thing, however, on which I must agree with him is his proposal for the establishment of a parliamentary public accounts committee. Recently in the party room the Government parties have made some very sweeping and enlightened changes, and proposed others, in parliamentary procedure, particularly in regard to the setting up of a subordinate legislation committee in this Parliament. There have, of course, been other moves, and I welcome these progressive steps. However I would like to see this Government seriously consider setting up a parliamentary public accounts committee. As I understand the workings of a public accounts committee, it could only benefit the Government and the State of Queensland. It would enable both Government and Opposition members to review critically and analytically the financial statements and accounts of the State, and the finances and financial administration of any Government department.

And why shouldn't we do this? As well as better informing back-benchers in particular, a public accounts committee, as I

understand it, would help to keep departments on their toes, and, for that matter, Ministers also. Again, what is wrong with this? In actual practice, the only information back-benchers receive on the public accounts of the State Government is contained in the documents we are debating today, and at best they can only be described as a summary of the State's financial affairs. Certainly we may ask questions in the House, and this is one means by which back-benchers can delve and dig into particular matters relating to the finances of the State. But this takes time, and in fact the Minister involved is under no obligation whatsoever to give the detailed financial information which might be required. I believe that any Government has a responsibility to the people of the State to make every effort to ensure that the Public Service is efficient, and in fact that the Government is efficient and giving the taxpayer value for money. I believe a public accounts committee would help to improve the efficiency of both the Government and the Public Service, and it is certainly my intention to pursue this matter further at the appropriate level.

Mr. Houston: There is a need for it, isn't there?

Mr. ALISON: I certainly agree; that is what I am talking about.

I believe that a tactical error has been made over the last nine years in not increasing rail freights in those areas that could reasonably be expected to carry such increases. The Treasurer said in his Financial Statement that the last rail freight increase was in 1966, and since that date railway costs have increased 184 per cent.

I readily admit that as Queensland is a large State with, comparatively speaking, a sparse population, the Government simply could not be expected to balance the railway accounts. However, I respectfully suggest that a greater effort should have been made over the past nine years to cut the increasing deficit by an increase in freights each year where this could be done without any serious harm to any particular industry. Politically speaking, I am sure it would have been far more acceptable to have imposed a moderate increase in rail freights and fares more or less each year than a thumping 40 per cent increase after a nine-year period with no increases.

I understand that some of the freight rates are ridiculously low—I have seen some of them, and they are low—and it is to be hoped that this position will be corrected with the average increase from 1 November. I suggest that from now on, particularly in times of severe inflation, freight rates generally be reviewed each year—in fact, not each year; it should be a continuing thing.

The Treasurer has pointed out that the operating loss for the year was \$64,000,000, in addition to which there were debt-servicing charges totalling \$114,000,000. I take it

that that \$114,000,000 was the charge for interest only. If that is so, there is a total true loss on railway running of \$178,000,000, or approximately \$90 per head of population, for the past year. The Treasurer has also pointed out that profits on the operations of mineral lines amounted to about \$29,000,000 for the year; but I have gained the impression from his remarks that that does not take into account the interest-on-debt charge, which would no doubt substantially reduce that profit to a small true profit, or perhaps even to an actual operating loss.

From my understanding of the situation, the coal freight should show a true operating profit, covering not only the direct and indirect charges of operating the particular railway line involved, but also a proper proportion of the interest charges on the Railway Department. I know that the coal companies have done a tremendous job, in accordance with the requirements of the State Government, in helping to develop Queensland, and I wish to hand out a bouquet to them, and also to the Treasurer and the Government, for their efforts. In addition to paying freight rates on the coal, which, after all, is nothing more than should be expected, they also provide other facilities such as ports, roads and housing and, in addition, pay a royalty. Nevertheless, I make the point again that I believe that these companies should be made to pay what could be considered a fair freight rate covering all charges on that particular railway line, including interest on debt.

I turn now to spirit merchants' licences. I commend the Treasurer for increasing the spirit merchants' licence fee from 6 per cent to 15 per cent. On the face of it, I suppose, that 150 per cent increase seems a bit savage; but for far too long the spirit merchants have been able to trade unfairly to the hoteliers through a loop-hole in the Liquor Act. It is my contention that the spirit merchants should not be allowed to retail liquor at all, but apparently they can still do so under the Liquor Act with what is called the two-gallon licence. The increase in the spirit merchants' licence fee will, I hope, bring them back to the field, so that they will at least have to compete fairly with the hoteliers, who are in fact the true retailers in the liquor industry.

Spirit merchants are licensed under the Liquor Act to sell liquor in bulk to licensed retailers—hotels, clubs, restaurants, etc. They are the wholesale section of the liquor industry, and their function is to supply licensees with various brands of wines, spirits and beer. They pay a fixed fee of \$400 a year for the licence. In addition to this main function, the Liquor Act permits them to sell liquor to unlicensed persons—that is, the general public—in quantities of not less than 9 litres (1 dozen bottles), and it is to this section of the merchants' business that the new licence fee will apply. Their fixed fee is not increased.

The complaint about the 15 per cent fee is mainly from merchants who use their wholesale business to operate as retailers, particularly in bottled beer. I understand that this trade has grown enormously in recent years—50 per cent in the last four years—to sales of approximately \$20,000,000 a year. Most of these sales should have been made by hotels. The loss is serious, and it is discouraging investment in new hotels.

Let us look, Mr. Gunn, at some of the competitive advantages that the merchants have over hoteliers. They operate from cheap premises, and pay lower wages than are paid in hotels. They do not provide services of food, accommodation or entertainment, as hotels do. They do not have hotel-style refrigeration. Their capital cost is infinitesimal compared with the cost of establishing a hotel. They purchase liquor less a trade discount, and therefore at a better price than hotels can obtain. For those reasons their operating costs are extremely low, and they are able to undersell hotels by a substantial margin. As I understand it, they can operate from a building that is virtually a tin shed which might cost only a couple of hundred dollars to put up. On the other hand, hotels are expected to provide all facilities, and they have the Health Department, the local authority and the Licensing Commission on their backs to keep their facilities up to scratch.

I am convinced that the payment of the 15 per cent fee will not put merchants out of business, as they will still be able to sell under hotel prices and make a profit. All it will mean is a cut-back in the great rip-off that they have been taking from the public. Taverns pay a higher licence fee than hotels—I understand it is 10 per cent at the new rate—because they do not provide accommodation. Differential rates are therefore an established principle, and it follows that merchants who provide no amenities at all, except perhaps a counter, should pay a higher fee than taverns for the privilege of selling liquor retail. Retailing under a wholesale licence is so profitable that one company, namely, Gollin & Co., has purchased four existing spirit merchants' licences for the sole purpose of retailing, mostly in beer. As I understand it, the other places wanted to go out of business, so the premises were sold and, with them, the wholesale licences. Immediately Gollin & Co. took up the licences and started retailing.

I am sure that that was not originally the intention under the Liquor Act, but apparently that is the way it can be worked. I do not know what the Treasurer's intention was, apart from raising money, but to my mind it is a good move because, hopefully, it will bring bogus retailers back into line, to some extent anyhow, with the fair-dinkum retailers—the hoteliers. The Licensing Court has acknowledged the problem by granting two new licences in September—to the Chateau Rosevale and Wynns Wines—on condition that they sell no beer to the

public, and that their sales to the public of wines and spirits do not exceed 10 per cent of their total sales.

The lifting of the pay-roll tax exemption from \$20,800 to \$41,600 per annum, with a tapering off to \$72,800, is a long-overdue adjustment, but a welcome one nevertheless. It will be a practical help for small businesses, as they simply cannot meet these extraneous taxes as easily as bigger businesses. They do not have the turnover or the spread of business to absorb such charges. I hope that the Treasurer will bear this in mind from year to year, and make appropriate lifts in exemption rates.

If there is one provision in the State Budget that has to be singled out as the most progressive move, I believe it is the introduction of a total exemption from death duties on estates passing from husband to wife or wife to husband. I congratulate the Treasurer on that move. This duty has been a bugbear for years throughout the community. In my opinion, it is completely immoral for any Government to clout onto an estate passing from one spouse to the other or, for that matter, from surviving parent to children. It is immaterial whether the estate concerned is a rural estate, a worker's estate or a business estate. Tax would have been paid time and time again throughout the life of the parents who put together what might be only a modest estate, and there is no moral justification whatsoever for the imposition of that insidious tax. In his next Budget I hope that the Treasurer will be able to exempt from death duties estates passing from the surviving parents to children.

To my mind, death duties can reasonably remain on estates passing to persons outside a particular family. I can see nothing immoral about that; but I certainly think duties are immoral where the estate is staying in the family. Time and time again I have seen a business having to be sold simply because the father of the house had died and, for one reason or another, the survivors did not have the cash to meet the estate duties. It could well be, as is frequently the case, that the estate has considerable assets, but not in cash. A number of times over the last few years I have seen ridiculous situations arise following the death of the head of a house who left a grazing property to his wife and children. In one particular instance I can recall, the estate was valued at the date of death at a time when the grazing industry was not doing too badly. About 12 months later, when it came time to settle up the estate duties and other liabilities of the estate, the bottom had fallen out of the beef market. The lady concerned was thus placed in the invidious position of owning livestock which were very valuable at the date of death valuation, but were probably worth only a tenth of that value at the time when it was necessary to raise the wind for the estate duties. There was not much point in trying to sell them,

because they would not have brought sufficient. There would not have been much point in trying to get the money from the bank, because the cattle were only worth so much, anyhow, to the bank or anyone else. This illustrates the added burden that can be placed on a surviving spouse when he or she has to pay estate duty. However, I reiterate that as a general concept it is totally immoral that estate duty should be paid on estates passing to a surviving spouse or from a parent to surviving children.

In considering any State Budget in the broad context, one must pay attention to Federal-State financial relationships. In this regard it is interesting to note that nearly 49 per cent of the total Consolidated Revenue Fund estimated receipts for 1975-76 will come from the Commonwealth. It is unfortunate that over the past few years there has been a trend towards the Federal Government's undertaking policies and opening up new departments that overlap State departments and taking other action that obviously was not intended under the Commonwealth Constitution. As a result of this policy of the present Federal Government, Australians are probably the most over-governed people in the world. The hidden intention behind the Federal Government's moves is, of course, to take over State Government activities and to control local government from Canberra. This would perpetuate the present ridiculous situation in which the decision to construct a particular road or bridge in North Queensland, for example, is arrived at in Canberra. It is extremely damaging and costly for the Federal Government to concern itself in matters that were not intended by the Constitution to be within the jurisdiction of the Federal Government.

In this regard the Federal Leader of the Opposition, Mr. Malcolm Fraser, must be congratulated on his recent statement outlining his proposals for the return to power in Canberra of the Liberal and National Parties. He referred to both Federal-State relationships and the return to the States of certain income tax powers.

In relation to the latter, that is, the payment to the States of an amount of income tax nominated by them, I share the concern expressed by our Treasurer that there would need to be a built-in formula ensuring that the smaller States, such as Queensland, South Australia and Western Australia, will receive from the general pool of income tax collected by the Federal Government something in addition to their own income tax. This could compensate them for the particular problems that confront them in governing larger areas and providing longer roads and railway lines, and so on.

Mr. Wright: You are turning the clock back 40 years.

Mr. ALISON: All I want to do is turn it back 2½ years so that we can get back to the situation that existed up till the end of 1972. We can then proceed with federalism from there.

Mr. Wright: Why didn't the Liberal-Country Party Government do something during its 23 years of office?

Mr. ALISON: Mr. Malcolm Fraser's pledge is a tremendous step back towards federalism, which, in spite of the criticism of the honourable member for Rockhampton, is the best form of government for a country of this size.

The Federal Budget was a disaster and an exercise in deceit. When introducing it the Federal Treasurer, Mr. Hayden, had before him the report of the Mathews Committee, but he rejected the excellent recommendations put forward by that committee.

The comment made by Mr. Warren Beeby, as reported in "The Australian" of 20 August, would sum up my feelings in this matter. Mr. Beeby said—

"Labor's third budget failed in two of its most crucial objectives—to give a lead for a positive cut in inflation and to boost business confidence."

Apart from the Federal Treasurer's dismal failure to give anything like sufficient incentive back to private enterprise so that it could make a serious effort to consider expansion in production, there is the disastrous decision arrived at by Mr. Hayden and his Government not to introduce tax indexation as was recommended by the Mathews Committee. It is absolutely astounding that the Federal Government, which has been bleating about inflation and unemployment, turning somersaults, jumping up and down, backing and filling, and trying to get the trade unions to agree to wage indexation, should refuse to introduce tax indexation. How could anyone expect trade-unionists to accept wage indexation without tax indexation? Let us be fair about this. It is totally unreasonable to expect trade-unionists to restrict further increases in their gross income to increases in line with the rise in the cost of living when the tax that they will pay on their increases will go up in an ever-increasing proportion. That is just not on. Wage indexation is beaten before it starts.

Mr. Fraser has pledged to implement over three years the recommendations of the Mathews Committee, that is, full tax indexation, as demanded by the A.C.T.U., and he has also pledged himself to indexation of company tax. He put forward a very practical economic policy, one that would get Australia back on the rails again. Its main points were a three-year programme on the implementation of indexation of personal and company taxation; a cut-back in Government spending (I think he mentioned a figure of \$1,000 million for 1975-76); the introduction of stock-valuation adjustment proposals (with 50 per cent of the recommended rate in

1975-76 and the rest to be over the balance of the three-year programme); a 40 per cent investment allowance for business, cut back to 20 per cent from June 1977; incentives for the primary sector (restoration of the super-phosphate bounty was one); and zero growth rate for the Commonwealth Public Service.

Mr. Fraser promised to abolish the Media Department and the Prices Justification Tribunal. The latter has probably done as much harm as any other action taken by the Federal A.L.P. Government to stifle private enterprise; it has done nothing but regulate price increases. He also promised to abolish the Australian Legal Aid Office.

Mr. Wright: Do you agree with that?

Mr. ALISON: I certainly agree with that proposal. The Australian Legal Aid Office will not do anything more for anybody than the State Legal Aid Office will do. When people have come to my electorate office wanting to know where they can get assistance from the Australian Legal Aid Office, I have only been able to say, "I am very sorry; there is no legal aid office in this city. You would have to go down to Brisbane. However, I can put you on to any solicitor in town who can take the matter up with the Legal Aid Bureau."

Let us now examine the Mathews Committee and the members of that committee. Firstly, there is the chairman, Professor R. L. Mathews, Professor of Accounting and Public Finance at the Australian National University. Then we have the former Deputy Taxation Commissioner in Victoria (Mr. J. Canny), the A.C.T.U. Industrial Advocate (Mr. R. Jolly), and a Sydney investment banker (Mr. D. G. Block). Surely this would seem to be a high-powered committee and one from which could be expected recommendations regarding inflation and taxation reform which would have to be seriously considered by any Government that was fair dinkum on these matters. What puzzles me is that the Mathews Committee was set up by the Prime Minister (Mr. Whitlam) about nine months ago, yet the recommendations of the committee have been virtually ignored.

The Mathews Committee recommended to the Federal Government that personal tax indexation be effected through the adjustments of taxable income bracket limits and deduction limits, and that indexation should apply to all dependant deduction limits and to the principal non-dependant deduction. The committee also recommended that the Consumer Price Index be used for tax schedule adjustment.

One of the other committee recommendations related to a modified concept of taxable income as regards companies and other enterprises, which would be based on the current value concept of income—which should be adopted as recommended by the Mathews Committee for continuing businesses. The committee has recommended that the cost of sales valuation adjustment be calculated by

firms as the difference between their opening stocks valued at actual prices and opening stocks valued at the same prices as closing stocks, using actual stock schedules and price lists as the basis of the calculation.

This matter is of very serious concern to any business whether it be a company or some other form of business structure. One of the things that inflation at the rate we are experiencing at the present time—it is about 20 per cent—does to company and other business accounts where stock is involved is to inflate the net profit of the business simply because the nominal value of stock on hand at the end of the period is up by something like 20 per cent simply because of inflation. This inflates the gross profit and gives a false impression of profitability.

In actual practice this same business—and any business for that matter—must continue to find increasing amounts of its finance in order to replace the same quantity of stock and, at the same time, it is paying additional tax on an inflated net profit simply because of inflation. So businesses are being squeezed at one end by additional tax on a profit which does not really exist and, on the other hand, have to find increasing amounts of funds out of a decreasing cash flow simply to replace stock.

Mr. Hayden apparently did not even consider that the Mathews Committee's recommendation in this regard was worthy of implementation to assist the businesses which are being squeezed out of existence at this very moment because of inflation. It is a national scandal that a high-powered committee such as the Mathews Committee (which is a properly equipped committee with experience and qualification) should be given the tasks of inquiring into inflation and taxation and then have their very well thought out recommendations torn up. No doubt the people of Australia will have their say at the ballot-box.

Australia is no longer at the cross-roads where the nation could make up its mind whether it would travel on the path laid down by the socialist Federal Government and become a socialist republic or would continue along the path of the free-enterprise democratic system to which we have been accustomed for so many years, and which has done such a lot to improve the living standards for everybody in the country. We are past the cross-roads and are now well on the way to becoming a socialist republic. Hopefully—when we have thrown out the socialists in a short space of time, we will have to back-track a little, get back on the rails and make federalism work. It is my greatest wish that Mr. Fraser and his Liberal-National Party colleagues will reject outright the Federal Budget, which is to be debated shortly, and bring this nation-wrecking socialist Government in Canberra back to the people at the earliest possible opportunity.

All this talk of constitutional technicalities is so much rubbish as far as I am concerned. When a person is having the life

choked out of him by a maniac, must he consider the Queensberry rules and not hit his attempted killer below the belt or with a bottle or anything else he can put his hands on? That is what is presently happening. The Federal socialist Government is wrecking Australia, using any means at all, by fair means or foul, and the anti-socialist forces are supposed to stick absolutely to the letter of the Queensberry rules. It is not on as far as I am concerned. We are engaged in a battle for life.

All this talk and tripe about creating precedents and breaking conventions—that we should give the socialists more time—is so much twaddle and completely irrelevant. There is no doubt in my mind that at least 70 per cent of the citizens of Queensland are simply begging for a chance to chuck this socialist Government out and start to repair some of the horrendous damage that has been done to our way of life, to our community, to our taxation structure, to private enterprise and to every facet of our life. I also have no doubt from reports in other States that just as big a majority of the citizens elsewhere want the same opportunity to have another say at the ballot-box to show just what they think of this Whitlam socialist Government.

In conclusion, I congratulate Sir Gordon Chalk on a particularly fine job. I trust that he will take in the manner in which they were given those of my comments that have been a bit critical.

Mr. JENSEN (Bundaberg) (4.17 p.m.): Contrary to the previous two speakers, I do not take pleasure in speaking to the Budget or congratulating the Treasurer.

Sir Gordon Chalk: It cost you a bottle of rum last time.

Mr. JENSEN: I know.

It is the pattern on the Treasurer's side of the Chamber for speakers to congratulate the Treasurer and then proceed to condemn the Federal Government. The previous two speakers have not spoken to the Budget to any extent at all, although the honourable member for Maryborough did mention two or three points in it.

Mr. Alison: Thank you.

Mr. JENSEN: Just two or three points.

Mr. Frawley: Why don't you get on with it?

Mr. JENSEN: I will. I just want to show what has been going on here.

The honourable member for Maryborough congratulated the Treasurer and then spoke a little about the increases in railway freights, which he seemed to support. I do not know what the people from Maryborough will think about that.

He then went on to speak about the liquor merchants and he congratulated the Treasurer on increasing their license fees from 6 per

cent to 15 per cent. He mentioned that the one good point in the Treasurer's Budget was the abolition of death duties on estates passing from one spouse to another. That is the only good thing he could point to in the Budget. In the rest of his speech he followed on from the speech of the honourable member for Toowong and condemned the Federal Government.

The member for Toowong spent the full time of his speech without one word on the Budget. Not one good word did he have to say. At least the honourable member for Maryborough had a good word to say about it. However, the honourable member for Toowong spent the full time condemning the Federal Government and calling for an early election. The honourable member for Maryborough, at the end of his speech, also called for an early election. That is how much they think of the Budget. When the Treasurer replies, he will thank them very much for the marvellous speeches they made.

Mr. Alison: You have been speaking for four minutes without saying anything about the Budget.

Mr. JENSEN: I won't say very much, either. As I said, contrary to the previous two speakers, I will not be congratulating the Treasurer or expressing my pleasure in speaking to the Budget. I am showing the Treasurer what has happened on his side of the Chamber.

When we speak to the Budget, we usually get cut to pieces for doing so; but honourable members opposite, when they are supposed to be speaking to the Budget, speak only about the Federal Government. The reason for that is probably expressed in the Treasurer's introduction of the Financial Statement. He said—

"In addition to the human tragedy of unemployment . . .

"Of equal concern is the very high rate of inflation which if not corrected quickly will price Australia out of the world markets and cause a further downturn in our incomes and standards. A general lack of confidence persists in the business community."

Sir Gordon Chalk: Don't you agree with it?

Mr. JENSEN: I agree, but the Treasurer is doing nothing to help it, and I shall point that out shortly.

The Treasurer continued—

"Company failures have increased significantly. Hence this State budget is subjected to extreme pressures arising from the costs of high interest rates, continuing inflation, rising wage levels, high unemployment and consequential lost production, much of which I consider could have been avoided had sound economic judgement been exercised at national Government level."

That's a nice sort of statement to make. Why didn't the Treasurer qualify it and say what sort of economic judgment he would exercise and what sound economic judgment he exercised in this year's State Budget? What he has done is increase freights by 40 per cent and increase charges in many other directions. He has done exactly the same as the Federal Government has done. But he has done nothing to help industry. He has done nothing to support his final statement concerning economic advantage to Queensland.

Sir Gordon Chalk: You remind me of a constipated Treasurer.

Mr. Houston: You ought to know.

Mr. JENSEN: I was just going to say that he should know. On page 2 the Treasurer says that expenditures were more than \$40,000,000 and receipts were nearly \$35,000,000 above his estimates, yet he is supposed to be a sound Treasurer.

Then he says—

"I made what I considered would be an adequate provision of 15 per cent for increases . . ."

The Treasurer said that he considered a provision for a 15 per cent increase adequate; but the salaries of parliamentarians rose 28 per cent last year. Every economist in the country has said that the cost of living will rise by more than 30 per cent next year yet the man who is classed as a great Treasurer has made provision for 15 per cent.

Sir Gordon Chalk: The workers are entitled to it, of course.

Mr. JENSEN: Yes, but the Treasurer does not think anybody is entitled to it. He does not make that provision. He is supposed to be an excellent Treasurer yet he was \$40,000,000 out in expenditures and \$35,000,000 out in receipts.

In the Financial Statement he then goes on to explain how much the Federal Government helped him to get over the extra \$40,000,000 in expenditures. Right throughout the Financial Statement he says that the Federal Government has helped him in every respect. Then he deals with the increase in railway freights and the very big anticipated loss in the Railway Department. He has done nothing about that for the past 10 years.

Last year he presented a pre-election Budget. He made it a very good Budget because an election was to be held. One newspaper I read reported that there would not be an election for a long time in Queensland because the Treasurer has put the freights up 40 per cent. He would not do that last year, of course.

The editorial of the Bundaberg "News-Mail" of 29 September reads—

"In view of this, the decision to lift rail freights and fares by a massive 40 per cent appears to be a questionable one."

Sir Gordon Chalk: Start at the beginning of the editorial.

Mr. JENSEN: The Treasurer has not read it.

The editorial continues—

“This new charge will bring in an extra \$24.3 million during 1975-76, but it will have a widespread effect on prices throughout the State, with the country resident becoming the chief victim.”

Yet we heard the honourable member for Warwick say that he agreed with the Treasurer lifting rail freights and fares by 40 per cent in one hit.

Sir Gordon Chalk: That is not quite what he said.

Mr. JENSEN: He did; he agreed with you. He said it was better to lift them by 40 per cent in one hit than by 4 per cent each year. I have an editorial here—

Sir Gordon Chalk: Why don't you read the whole editorial?

Mr. JENSEN: I could read the whole editorial for the Treasurer but it would upset him if I did. To be fair to him I will read the start of it. It reads—

“Like their counterpart in the Federal sphere, State Treasurers have no enviable task these days in formulating a Budget.”

See, it is an unenviable task to formulate a Budget. The Treasurer's task was made very simple because of the amount of money he had been receiving from the Federal Government. His task this year was much easier than in previous years.

Sir Gordon Chalk: That was a short editorial.

Mr. JENSEN: The Treasurer was unlucky in that the Federal Government imposed an extra tax on the export of coal. He might have imposed another \$1 in tax himself. He had to keep altering his proposed Budget, as he said, because the Federal Government got in one step ahead of him. The Treasurer increased charges which will raise the cost of living, and he has done very little in the Budget to lower the cost of living.

Sir Gordon Chalk: I tell you what; I made it cheap for you to die.

Mr. JENSEN: Oh, no, it won't worry me. Then the Treasurer said—

“However, to have finished the year in a relatively good position in spite of economic events is an achievement in which the Government has every reason to express satisfaction.”

The Federal Government helped him considerably to cover his debts by providing \$40,000,000 he could not budget for. No wonder he finished in a reasonable position. When we look at the Public Debt—

Sir Gordon Chalk: You want to put some rum in it?

Mr. JENSEN: Oh, no.

The Public Debt keeps on increasing. It is now \$1,441,023,097. When this Government took office in 1957, it was \$505,000,000. Ten years later it was \$1,011.6 million; it had doubled. Now it is \$1,441 million. It continues to increase. Nobody seems to worry about reducing the Public Debt. If any business went further into debt each year as the Government does, it would go broke.

The honourable member for Toowong spoke about 3,000 small businesses going broke. The way pay-roll tax has increased from 2½ per cent to 5 per cent in the past five years, it is no wonder they went broke. If private businesses could keep increasing their debts and stay solvent, it would be a great system for them to work under.

Mr. Tenni: Don't you think the Federal Government's increased charges on postage and telephones is going a big way towards causing this debt?

Sir Gordon Chalk: Speak up!

Mr. JENSEN: I heard him.

Sir Gordon Chalk: I only wanted to get it in “Hansard”.

Mr. JENSEN: I do not agree with any of those extra charges and I do not agree with the Treasurer's extra charges. In the section of the Financial Statement headed “The General Financial and Economic Backdrop to the Budget for 1975-76”, the Treasurer mentioned that, where a few years ago he thought of departmental cost increases of about 5 per cent, he now has to think in terms of an average increase of 30 per cent. He did not think of that last year. He knew costs were rising by 30 per cent last year but took no notice of that. He knew better and looked at a rise of only 15 per cent. We should look also at how the Grants Commission helped him out of his troubles. If he had not been helped by the Grants Commission, he would have been classed as a pretty poor Treasurer, especially the way things have been going in the Federal sphere.

There are a couple of things I like in the Budget. One that I have been advocating for the past five years is an increase in police strength to enable the reintroduction of foot patrols. I have said that in this Chamber for the last five years, and foot patrols are now being reintroduced. After ruining the Police Force over the years, the Government is now getting back to a common-sense approach.

The Treasurer has made a very magnanimous gesture to business by raising the pay-roll tax exemption from \$20,800 to \$41,600. When the \$20,000 limit was introduced, it was the equivalent of the wages of 10 people. Today it is the equivalent of the wages of only two or three people and, as a result, small businessmen have suffered over the last few years. The Treasurer should have provided for a tenfold increase

if he wished to make the exemption equal to the exemption introduced originally. The 2½ per cent has been increased to 5 per cent. The Treasurer has received increasing amounts of pay-roll tax over the years—there was an increase to \$140,000,000 last year from \$90,000,000 in the previous year—and it will continue to rise as the pay of workers rises. In effect, he has not done anything to assist the small businessman, because the increase in exemption from \$20,000 to \$41,000 will assist people employing three or four men but not those who employ eight to 10 men, as was the case when the exemption was introduced. As I said, the Treasurer is assisting only those who employ two or three men—perhaps a publican or a little storekeeper.

The provision for education is being increased by 42.8 per cent. I question whether that increase is needed at a time when unemployment must be kept to a minimum. I heard the honourable member for Toowoong condemn the Federal Government for increasing its spending on education by 600 per cent since 1972 and its spending on health by 1,000 per cent. On the other hand, he did not condemn the State Treasurer for increasing the provision for education by 42.8 per cent in his Budget.

The Federal Treasurer had to do something about increasing the spending on education because universities and colleges of advanced education have been lagging for 20 years. I remind honourable members that the Federal Government took over responsibility for tertiary education in Queensland, but the Treasurer still has increased education spending in Queensland by 42.8 per cent. As I said earlier, if he had increased the pay-roll tax exemption a little more, he would have assisted business and improved employment opportunities in this State. Although increased spending on education will enable more teachers aides to be employed, that is about the only way it will provide employment opportunities. In my opinion, some projects in the field of education should be held in abeyance till employment in the State is on a better footing.

The Treasurer cannot truthfully blame the Federal Government for all the unemployment in Queensland. A few years ago the Government was skiting that Queensland had the lowest percentage of unemployment. Now that it has the highest percentage, it blames the Federal Government and says that the Queensland Government is not to blame for putting some firms out of business.

Mr. Tenni: You don't think that the pay-as-you-go taxation that the Federal Government has imposed on some companies has increased unemployment? I assure you that it has.

Mr. JENSEN: No. It has been in force for a considerable time and has nothing to do with it.

The Treasurer has adopted a few points from Labor's policy. For example, provision has been made for the full operating costs of education services for handicapped children to be met by the Department of Education. I agree with some of the things I read in the Budget. A new subsidy arrangement for local authority libraries will be instituted to provide for much-improved library facilities in all areas of the State. It is proposed to increase grants by approximately \$900,000 to \$1,500,000 per annum by extending the \$ for \$ subsidy scheme to include the cost of unqualified staff and administration costs. These are things we have advocated for a long time. Over the years in this Chamber we have been asking the Government to provide the full operating costs of education services for handicapped children. At last that has come. We have to congratulate the Treasurer when he does something like that. I go through the Budget and decide what I think is good and what I think is bad. I do not get up here and merely congratulate the Treasurer without speaking about the Budget at all.

I see a big increase in the allocation for health. Because of the new Minister for Health (Dr. Edwards), I suppose the Treasurer has had to do something about increasing the allocation. Under the previous Health Minister we got nowhere with the Health Department. No doubt the doctor has forced the Treasurer's hand.

Subsidies on furnishings of homes for the aged will be increased by 50 per cent as from 1 July. We have suggested all along that the aged should be helped.

The ambulance subsidy will be increased. I have urged that the ambulance be run on a State basis and not left as a contributory scheme. At least the Treasurer has increased the subsidy from 75 cents in the \$ to \$ for \$.

I have already mentioned the police. I notice the increase in the strength and that foot beats will be reintroduced in Brisbane and the provincial cities. It is about time, too! It is very belated—after the Police Force has been ruined.

Pensioner concessions will be provided for travel on urban private buses. That is a very good provision. Certainly that was needed.

I am not very happy about the subsidies and grants to sporting associations. I am not unhappy about the grants themselves but about the associations that are getting them. The Royal Queensland Bowls Association received \$90,000 and the Queensland Golf Union \$138,000. The grants are going to the big associations—bowls clubs and golf clubs—that can afford to pay for extensions. They put in applications and they get the subsidies. We cannot get assistance for school-children who have to go to Brisbane or Townsville to compete in State championships. No subsidy is paid for

school-children who have to travel to compete in State athletics, swimming, football, cricket or anything else. Golf clubs and bowls clubs have all sorts of avenues for raising money. They have bars; they can run raffles without permits. They are all the time running chook raffles and everything else in their own club. They have every facility for raising money without having to pay any permit fees other than liquor licence fees. Yet those clubs get the major share of the sporting allocation. Government members do nothing in their caucus to change that rotten position. I spoke about it last year, and it is about time they got stuck into the Treasurer and the Cabinet about the allocations to clubs that can afford to carry out their own extensions. Let the assistance be given to school-children who compete in State titles. They want to become State athletes and represent their city and State in Australian championships; but at present they are given no assistance. Their club or their parents have to collect money to send them away. Last year it cost us over \$4,000 just to let the junior soccer teams compete in Mt. Isa, Townsville, Rockhampton and Toowoomba. Our local swimming and athletic teams also made tours to other towns, and they had to meet the cost involved. This goes on year after year.

Mr. Frawley: It cost me \$3,000 for my trip to Canada to represent Australia.

Mr. JENSEN: The honourable member is not a school-child; he is a mug who has come in later on.

The Treasurer will increase the direct payments to sport, youth and recreational purposes to \$2,395,000. Let him increase the allocation to school-children who represent their cities and State in competitions. It is time the Government did something for them.

I condemn the Treasurer on his allocation to the irrigation and water supply programme. He said that the Government has provided \$4,800,000 towards the construction of the Monduran Dam, but he neglected to say that of that sum \$2,500,000 had been provided by the Federal Government. It is a shocking state of affairs when the Treasurer fails to tell us that.

Two previous speakers referred to Mr. Fraser's proposals.

Mr. Houston: The temporary Leader of the Opposition.

Mr. JENSEN: He certainly is. Although his proposals were covered adequately by our leader, I will quote from an editorial that appeared in a Bundaberg newspaper on 2 October under the heading "Taxing change". It reads as follows—

"The Premiers of the non-Labor States spent a few hours one day last week listening to details of a new taxing system evolved by the Federal Opposition leaders and returned home to hail the scheme as 'the greatest thing since Federation'. In

brief, the plan which the Opposition leader, Mr. Fraser, says the Liberal-Country Party coalition would establish if it came to power at Canberra, aims at giving the States and local Government a greater share of the national income tax pool and, conversely, reduces the percentage available to a Federal Government. States would be empowered to raise their own income taxes, in addition.

"Although the plan is much more sophisticated, it is not so very different in principle from what applied in prewar days before uniform taxation came into force.

"Other, and equally concerned, politicians are more wary. Like Queensland's Liberal Treasurer, Sir Gordon Chalk, they see some problems for the States with smaller populations. Sir Gordon acknowledges that the outline of the proposal as given by Mr. Fraser refers to an 'equalising factor', but he wants to know what that is and how it will work. So far, even his own Government leader, Mr. Bjelke-Petersen, has given him only an assurance that it will be all right, without spelling out how it will work. That conflict says much for the peculiar state of affairs within the Queensland Coalition, where the Premier, who always seems to have given his deputy untrammelled freedom to control and administer Queensland's financial policies, did not consider it necessary to take Sir Gordon with him to the conference that adopted the scheme.

"In a succinct comment on the plan as he sees it at the moment, Sir Gordon said that the size of the tax cake might seem all right, but the vital point was in how the cake would be cut up between the States. Clearly, the big States will get the greater share; the less populated States could need to set income tax rates that compare unfavourably with those in adjoining States."

It concludes by asking, "Who wants to put the Australian clock back 50 years?" Mr. Fraser does, and he is acting in partnership with the Queensland Premier. The Treasurer is gravely concerned about Mr. Fraser's proposals, yet Mr. Fraser has been lauded by the honourable member for Toowoong.

Mr. Houston: They are of the same ilk.

Mr. JENSEN: The very same ilk. Anything that Mr. Fraser says now is good. The honourable member for Toowoong said that the sooner Mr. Fraser forces an election the better. He thinks that will cure our ills. Apparently he has not spoken to the Treasurer, who knows a little more about finance than he does. The honourable member for Toowoong seems to think that if Mr. Fraser gets in, everything will be all right; but I think that unemployment figures and strikes will increase considerably if that should happen. However, the people will not accept Mr. Fraser, and the sooner the Liberal Party wakes up to that the better.

Mr. Houston: Mr. Fraser has as much chance of becoming Prime Minister as the honourable member for Toowong has of becoming leader of the Liberal Party.

Mr. JENSEN: Mr. Fraser has as much chance of becoming Prime Minister as the honourable member for Toowong has of getting on the front bench. The honourable member for Toowong has no chance of becoming a Minister although he has been trying his hardest, even to condemning his own party.

Mr. Wright: The Treasurer put the black spot on him about five years ago.

Mr. JENSEN: That is so, and he knows it. All that he can do now is criticise the Treasurer and support Mr. Field. All the Liberal members of Cabinet crossed the floor when Mr. Field was appointed, yet the honourable member for Toowong blatantly supports Mr. Field against the Treasurer.

The honourable member for Toowong did not speak for a moment on the Budget. He spoke continuously in condemnation of the Federal Government, calling for an election and supporting Mr. Field. That was the full text of his speech.

Mr. Wright: Do you think that the honourable member for Toowong has a "Chalkie" doll that he pushes pins into?

Mr. JENSEN: I do not know about that, but I know that he has something wrong with him. He is supposed to be brilliant; he led the Liberal Party in Queensland a few years ago and says that he put this and that bloke into Parliament; but he cannot get into Cabinet although he has been trying his hardest. He will continue in the same way, but he will get nowhere in the Government because he is an arch-Tory of the worst type. He even condemns former Liberal leaders like Mr. Gorton, who was one of the best leaders that the Liberal Party ever had. Everything he does is done in the same style. He now supports Mr. Fraser; but if Mr. Fraser makes one false move, he will condemn him just as he condemned Gorton and the rest of them.

Contrary to the performance of Government members when making a contribution to the Budget, I do not say that it is a pleasure to speak to the Budget. Government members will all say that they are pleased with the Budget and congratulate the Treasurer on it. The pattern has been set by the honourable members for Toowong and Maryborough. Government members have only to congratulate the Treasurer, cut the Australian Government to pieces, and call for a Federal election. They will then have done their bit to support the Treasurer and his Budget for 1975-76. They will cover it completely provided they follow that pattern. When the Treasurer replies, he will thank them very much for the bright and brainy statements made about the Budget.

Mr. TENNI (Barron River) (4.49 p.m.): This is the first time I have debated the State Budget in this Chamber, but it is not the first budget that I have debated. I have had a good deal of experience in local government budgeting, although it, of course, is on a smaller scale.

Firstly, I congratulate the Treasurer on the Budget he has brought down in extremely difficult times. And at this stage I congratulate the socialist regime in Canberra! How does that affect the members of the Labor Party? I congratulate the socialists in Canberra on the increases in the State Budget that have been brought about by their mismanagement and efforts to force socialism down the throats of Australians! By their efforts they have created inflation which affects the people of Queensland through our Budget.

We have heard members of the Labor Party say how great the R.E.D. scheme was. One has only to travel around the State and see uncompleted projects commenced under the R.E.D. scheme to realise that that is rubbish. Examples are to be found in my own shire. Indeed, they are to be seen right throughout the State. If the R.E.D. scheme was so good, why did the Federal Government stop money going into uncompleted schemes? That shows how good it was. If those projects were so good, why did the Federal Government not carry them on? What annoyed me with the R.E.D. scheme was that a council in the know received a total grant, but one that was not in the know had to put in 20 or maybe 30 per cent of the cost of a project.

The only way to overcome our present problem of inflation is by not paying the dole to anyone who does not work for the money he receives. I have been advancing this argument for the last three years. The Federal Government—the socialists in Canberra—claim that we would be taking the community back to the days of slave labour; but common sense should prevail. If we could have got that money into the State to help with road construction and litter problems and in many other fields, we would have had no need to increase charges in our Budget. Unemployment benefits represent an absolute waste of taxpayers' money, and it is about time that this so-called Government in Canberra woke up to itself and helped to decrease inflation rather than increase it by handing out money for no return.

Thanks to our very capable Treasurer, the effects of the maladministration in Canberra have not been reflected in large increases in Queensland. We should be particularly happy about that when we look at the disastrous Federal Budget brought down by Mr. Hayden and its effects on Queenslanders. I personally thank Sir Gordon for not introducing a cigarette tax, which would have had disastrous results on a large part of my electorate. We have seen what the Federal Government did in taxing

tobacco. Electorates such as Barron River, which has an annual return of over \$23,000,000 from tobacco sales, have been hard hit. Thanks are due to our very capable Treasurer that they have not been hit a second time.

I congratulate the Treasurer also on lifting the exemption level for the payment of payroll tax. That will assist the businessman, who was savagely attacked with the alarming increases in postal and telephone charges. For the information of honourable members, I can say that private contractors in Cairns are presently prepared to deliver accounts for 8c, but they have been warned by the socialist regime that if they do they will be liable to a \$1,000 fine. They were prepared to help the businessman out by delivering his accounts for 8c, but the Gestapo standover tactics of the Federal Government decree that they might be fined \$1,000 if they do. That is the type of thing that is happening to the businessman, yet we have heard Opposition members here say that they are trying to help the businessman. They are hindering him. They are breaking him—and deliberately breaking him.

I was pleased with the one-third reduction in road transport fees, which in my opinion are detrimental to people living outside Brisbane. I will be very happy when that tax is scrubbed completely.

I was pleased, too, with the decision to increase from 20 per cent to 33½ per cent the amount of bookmakers' turnover tax that is to be returned directly to race clubs. I hope that the Mareeba Race Club, which is in my electorate, will gain from that, as it is burdened with heavy costs.

The Treasurer is to be complimented on the abolition of gift duties and death duties when the gift or estate passes from spouse to spouse. I hope that in the not too distant future those taxes will be completely eliminated.

The reduction of \$10 in the charge for private and intermediate beds in State hospitals is an excellent move and one for which I personally congratulate the Treasurer.

The provision of a 42.8 per cent increase for education is great, although I would like to see the increase spent on the construction of new schools and extensions to existing ones rather than the provision of additional teacher aides and an increase in the number of teachers. One of the biggest headaches in my electorate is the lack of school accommodation and the run-down, dilapidated old schools that need replacing. Practically all school principals and p. and c. associations throughout my electorate are complaining about this, and rightly so. I have personally inspected the schools and looked into the problems, and I support them fully.

The increases in remote area allowances and assistance to non-State schools are very much appreciated. Perhaps the socialist regime in Canberra can once again learn from

Queensland. The Treasurer knows what that regime has done to allowances for school-children. It even denied them their milk supply, which affected the dairy farmer. This is the type of thing it has been doing over the years.

My personal thanks go to the Treasurer for the increase of 33½ per cent in payments to school-transport operators. They have been in great financial trouble because of inflation. I know that every operator in my electorate will be happy to receive this news.

The dollar-for-dollar subsidy payable to the ambulance brigades throughout the State will be of great assistance but I feel that small centres will need further assistance as it is becoming increasingly hard for many smaller centres to raise money. I recommend that further consideration be given to these centres urgently.

The increase in police strength is vital. Foot patrols should never have been stopped. The crime rate in this State is alarming. I feel that in most cases sentences imposed by judges and magistrates are a big joke, particularly those for murder, rape, brutal bashings, drug-pushing, drug-growing and similar offences. After police officers have put so much work into a case—at times at great risk to their lives—they are browned off at the small sentences imposed. It is about time that our judges and magistrates got tough when dealing with persons convicted of certain offences. In doing so, they would be protecting decent citizens and eliminating the rubbish from society. As well, the Police Force would feel that its job was fully completed and that justice was done.

Mr. Aikens: Why doesn't this Parliament set minimum penalties and take the matter out of the hands of the judges?

Mr. TENNI: The honourable member has a point.

The increase for sport, youth and recreational purposes is very good. But, with the high drug abuse and the closing down of theatres in smaller towns such as Mareeba, this was one facet of the Budget that required at least a 400 per cent increase to help keep our children off the street and away from the drug pusher and criminal. It would also help to eliminate vandalism, or at least reduce the high incidence of it that we are experiencing at the moment. Perhaps this can be looked at when the next Budget is being prepared.

The increase to p. and c. association projects is very welcome. Those associations are made up of very hard-working people who do a tremendous job for the community and, in particular, for the children of an area.

The 15 per cent increase in allowances to student teachers is absolutely necessary. I recommend that the Treasurer look at this matter again in the next Budget. I feel that 15 per cent is low and that student teachers

will be in great difficulty before the end of this financial year owing to the present inflationary trend that once again the Canberra regime is forcing upon the people of this country and in particular the people of this State.

I agree with the increases in wages paid to Aborigines who are employed on State and church community projects. I do not agree to paying anyone unless he works. As I said a while ago, at the moment the dole is being handed to people; they should work for the money they receive.

The increased grant to the Bureau of Sugar Experiment Stations is also excellent. This is a very important industry in a large part of my electorate and for that matter in the State as a whole.

I am very concerned about the effect of the rail freight increases on the people of my electorate. I am afraid that the areas that can possibly afford rail freight increases at the moment, such as the cane areas, will have to pay the extra 40 per cent. Such areas would include Cairns, which is the central buying city for the electorate of Barron River. We all know that the people of Daintree, Mossman, Mt. Carbine, Mt. Molloy and Mareeba are paying high freight rates at the moment and that the cost of living in those areas is high enough without further increases in the prices of groceries, bread, clothing and many other lines. They will be affected by an increase in freight rates as most of these lines are purchased from merchants in Cairns.

Increased prices will mean that people in my electorate, the electorate of Cook, the electorate of Mulgrave and the electorate of Mourilyan will suffer. I appreciate that inflation, strikes and go-slow tactics have caused this large increase and that the Railway Department has run at a loss for many years to assist the people of the Far North and other outlying areas, but I ask that the people of the Far North be given further assistance to develop that wonderful part of this wonderful State.

I wish to mention the proposed increase to 15 per cent in license fees for the two-gallon spirit merchants. This concerns me as I believe an increase to 15 per cent will put those in my area out of business. It will mean that merchants in my area will be making 12c gross profit per carton of locally manufactured beer, or a 1.7 per cent gross return. I am sure that the Treasurer and honourable members will appreciate that it is absolutely impossible to run a company engaged in any form of business on a 1.7 per cent gross return. In other words, an increase in the licence fee to 15 per cent will make it impossible for these merchants to conduct a viable operation. We as a Government, believing strongly in small business, should be doing everything in our power to keep these people operating and help create employment. We should avoid

action that will create unemployment, which this increase will most certainly do. There will be anything up to 30 small licensees in the Far North who will go out of business if this fee is increased to 15 per cent. I know that this would not be the Treasurer's intention and I look forward to some alteration in the proposed increase in license fees. Once again, I congratulate the Treasurer on his Budget and ask that he look at those matters which I believe effect the people I represent.

Because of the way the Federal socialist regime has been treating this State, and all States for that matter, times are hard. This morning the Leader of the Opposition claimed that during my election campaign I had said that I was going to put a tunnel through the Kuranda Range. That was not part of my election campaign. That is another misleading statement by the Leader of the Opposition.

Mr. Frawley: He has never told the truth in his life.

Mr. TENNI: I agree. It was a misleading statement. I made a statement about this on television on Channel 10 in Cairns. I think the honourable member for Cairns can back me on this. It had nothing to do with my election campaign. It was never mentioned in my campaign literature, and yet we heard this deliberate lie this morning from the Leader of the Opposition. Perhaps some honourable members do not know it, but the Federal Government has had 14 employees in that area looking at a proposal to put a tunnel through the Kuranda Range and build an international airport between Kuranda and Mareeba. I do not believe it is sincere. It is simply flag-flying in an endeavour to win the seat of Leichhardt. The people of Leichhardt will be told that at the next election campaign—that it is all baloney. That team has been up there carrying out investigations, checking the environment and interviewing tobacco farmers whose farms would be resumed, but I know the score. This is typical of the flag-flying by the Federal Government. It boosts an area, then chops it down overnight. That has been done over the length and breadth of the country.

Mr. Frawley: Is it a fact that you have to make many representations on behalf of the people of Cairns?

Mr. TENNI: I thank the honourable member for Murrumba for reminding me of that. My job would be much easier if the Federal member for Leichhardt was changed fairly smartly, because the present member is doing absolutely nothing for the pensioners in the area and is not attending to any Federal matters that arise. The honourable member for Cairns (Mr. Jones) will agree with me on that point.

An Honourable Member: He has been to Normanton once in four years.

Mr. TENNI: Has he been to Normanton? He has been to Mareeba twice in five years. He does absolutely nothing. I handle the affairs of all the aged persons.

The Federal Government refused the four-for-one subsidy for the aged persons' home at Atherton and also for the one at Mareeba. Two weeks ago it knocked back the application by the Mareeba Shire Council for a four-for-one subsidy for two aged persons' cottages. It has also knocked back a \$37,000 subdivision in the pensioners' reserve in Mareeba. In spite of that, Mr. Fulton has not once objected to its actions.

Mr. Jones: Have you written to him?

Mr. TENNI: He will not answer my letters. The honourable member knows that as well as I do. The people of the Leichhardt electorate are also aware of that.

That is the type of thing that the people in my electorate are copping from the Federal Government. The honourable member for Cairns can say what he likes. He has not objected, either. He has allowed the aged people in Atherton and Mareeba to be kicked in the pants. I have not heard him say, "Look, you Federal guys, you have stalled it for 12 months." In fact, the Federal Government has said, "We are not going to give you the four-for-one subsidy. We will look at it again in 12 months." In 12 months, Mr. Kaus, inflation will have increased by 25 per cent. We have scraped the bottom of the barrel in Mareeba and Atherton to have aged persons' homes built now. The people of the area cannot find another 25 per cent in 12 months, and the homes will not be built. The Federal Government is proud of what it has done. Bill Fulton has not objected, so I assume that he must be proud, too.

The people who developed the country originally—the aged people—cannot have a home for which people in the Atherton and Mareeba areas have worked for three years; yet the Federal Government gives Germaine Greer a grant of \$100,000 to tell women how to have babies—something which they have known for the last 500 years.

Mr. Frawley: She is a lesbian—did you know that?

Mr. TENNI: That would not surprise me. That is the type of thing the Federal Government does. It makes a grant of \$16,000 for the study of homosexuality, but it will not make available a four-for-one subsidy that had been approved for the home in Mareeba and the home in Atherton. Suddenly it says that it has not got money, but it hands out money everywhere else.

If members of the A.L.P. Opposition in this Chamber agree with what the Federal Government has done in this instance, let them say so and have it recorded in "Hansard". I ask them not to make comments unless they are prepared to get up in this Chamber and say, "The Federal Government

is right. Let them penalise the aged people. Forget about the homes at Mareeba and Atherton. Give the money to Germaine Greer to enable her to write a book about sex. Give \$16,000 to enable a submission to be made on homosexuality. I also agree with the Government's suggested legislation relative to incest."

I again congratulate the Treasurer and express the hope that it will be much easier for him to frame the Budget next year. Probably by the end of December the country will be rid of the socialist regime in Canberra, which will make it much easier for every State Government.

Mr. LOWES (Brisbane) (5.9 p.m.): Many of the electors of Brisbane are superannuitants. I assure you Mr. Kaus, and the Treasurer through you—

Mr. Wright interjected.

Mr. LOWES: The honourable member for Rockhampton, in true Pavlovian pattern, is performing like a programmed Pomeranian. He "Hear, hears!", has nothing to offer and has nothing to say other than by way of interjection. In saying that, I apologise to all owners of Pomeranians and the former Leader of the Opposition—

A Government Member: Fallen leader.

Mr. LOWES: Fallen leader who now sits in absentia on the front bench.

To continue without interruption from the honourable member for Rockhampton, I will tell the Committee just how pleased with the Budget are the superannuitants, who form a very large proportion of the electors of Brisbane. I was amazed to hear the Leader of the Opposition talk about the double-dealing and duplicity of the State Budget and the bigotry of the State towards Canberra. Bigotry must be something that is without a base. I can imagine nothing more soundly based than this Government's attitude towards Canberra, nor can I imagine anything more creditable to any State Treasurer than the Budget he brought down at a time when inflation is running at a rate unknown for so many years and, as of yesterday, a rate of employment unknown since the 1930's. Yet the Leader of the Opposition talks about this Government's double-dealing and duplicity.

For double-dealing and duplicity we need go no further than Canberra and the effect of the last Federal Budget on Queensland. I refer particularly to the imposition of \$6 a tonne as an export levy on exports that are peculiarly the exports of this State. If ever I have seen discrimination it was the imposition of that levy of \$6 a tonne on a product that is exclusively a Queensland product. That imposition robs the State Treasurer of about \$5,000,000 a year. The Federal Minister who stands to gain most by it is the Minister for Minerals and Energy (Mr. Connor), who is known as "The Strangler". He was a party to one of the

most unconstitutional and almost criminal acts in the history of Federation, namely, the move to obtain a loan of \$4,000 million from overseas, ostensibly a temporary loan. How that amount of money could be used on the basis of a temporary loan is not yet known. He was going to raise \$4,000 million overseas to inject into the economy of Australia. It would have brought this country to its knees at a time when we had inflation already running at a rate of 17 per cent. However, that is all part and parcel of the Federal Budget, something that had to be taken into consideration by the State Treasurer when he was framing his own Budget. As he said, he has had to re-form his Budget from time to time. Such an act of treachery was committed by a Federal Cabinet Minister who has as his own bailiwick the area of Wollongong, where a type of coal quite unlike that produced in Queensland is mined. The best that can be said of the Federal Minister is that he was farming his own area.

Mr. Casey: It's a pity he did not put an export tax on Norman Gunston, too.

Mr. LOWES: Norman Gunston may well be an export that should be banned.

Mr. Aikens: Don't throw off at him. He's silly enough to be a member of the A.L.P.

Mr. LOWES: I understood he was a member of that party.

But when it comes to deceit, the Federal Minister for Minerals and Energy is pushed into the background by the Federal Treasurer. Today the Leader of the Opposition has talked about double-dealing and duplicity and of a man going back on his word. If ever anyone has engaged in double-dealing and duplicity it has been the Federal Treasurer, who controls Medibank. How Medibank can come under the Treasury portfolio, I do not know—unless it is because Medibank takes a huge bite out of the annual Budget. Because so much money has been taken from Queensland, we should examine the activities of the Federal Treasurer, who poses as Minister for Health.

He made certain promises, and because they were made by a Federal Minister of the Crown to a Minister of the State they were accepted. He undertook that certain moneys would be paid. Where are they?

Members of the Opposition have complained that the Queensland Government has failed to obtain from the Federal Government the sum of approximately \$10,000,000, which, they say, we should have received. We might have received it if the Federal Treasurer had honoured his promise. The Queensland Government, deceived by the Federal Minister, does not have that sum of money at its disposal. If any discredit is to attach to us for that, I would be prepared to accept my share of it. Rather, however, should the discredit go to the Federal Government.

Last week-end I spent a great deal of time listening to various authorities speak on industrial relations. One of the speakers was the A.C.T.U. advocate in the Industrial Court, who spoke at one stage for 40 minutes. At the conclusion of his speech someone asked him, "Why, Mr. Jolly, have you been able to speak for 40 minutes on industrial relations without once mentioning the word 'unemployment'?" Today we have listened to members of the Opposition condemning the Budget, yet we have not heard from them one word about the grave problem of unemployment. The Queensland Government is bound to do its utmost to minimise unemployment. We believe everyone has the right to employment when he seeks it, but unfortunately a similar plank is not in the platform of any Federal Government of A.L.P. complexion.

When people like Mr. Jolly talk, we hear about such things as the cost price index and gross domestic productivity; but we hear little about the decline in productivity—the fact that, in the last two years, productivity has declined from 5 per cent. In the past no-one would ever think of talking of productivity as 5 per cent plus. Since the inception of this phrase in Australia we have automatically regarded productivity as a plus. It may have varied, but it was always plus. We did not query whether it was plus or minus. But after 2½ years of Labor Government, despite Queensland's productivity in the fields of coal, Mt. Isa minerals, Weipa bauxite, beef, wool and other natural and primary resources, Australia now has a productivity of minus 1.8. This is in direct contradiction of what the present Prime Minister promised in 1972 when he was seeking power. At that time, when inflation was running at 4 per cent (it is now 17 per cent plus), he promised a productivity growth rate in Australia of 8 per cent. At that time we had a 5 per cent productivity growth rate. Instead of increasing from 5 per cent to 8 per cent, it has declined to almost minus 2. The A.L.P. Government has been a Government of records. That is perhaps its greatest record.

I heard Mr. Jolly refer to the fact that 88 per cent of the lost man-hours related to claims for improved wages, but I failed to hear anything from him about the particular strikes that led to the loss of man-hours. I suspect very strongly that the loss was caused by one or two very peculiar strikes in industries with a very large labour component involving unions such as the Motor Vehicle Builders' Union. I was impressed by the way figures can be rigged to support arguments, but of all the arguments which stand on their own, the strongest one relates to productivity. It is unchallenged and unchallengeable.

When I speak of the people of the electorate of Brisbane, I do so after consulting so many of them. By appeals over the radio

and by letter, I have invited many of them to contact me. I have had a great deal of communication with them. All of them have assured me that they are very happy with the Budget we are debating.

For many years superannuitants have been hoping for a breakthrough in estate duties by the Government. This Government, over a long period, has granted relief from estate duties. Honourable members who have been here for a number of years, and those who are sufficiently interested in politics to follow the matter, know that in 1957, when the Country-Liberal Government came to power, the remission that had been given to spouses under the Probate and Succession Duties Act was virtually negligible. Any sort of estate at all in which the spouses owned property of any kind, either jointly or separately, attracted duty. Almost immediately on taking office, this Government granted remissions. Until the introduction of this Budget, the exemption level was \$50,000, which meant that if a husband and wife jointly owned property to the value of \$100,000, the spouse on succession, when the property was divided, would not have to pay anything. What a change that was from the situation that obtained when we gained office in 1957.

Mr. Aikens: Pensioners had to sell their homes to pay the death duties.

Mr. LOWES: That is so. Innumerable cases of great hardship were brought to the attention of lawyers, particularly, who were involved in the administration of estates. Widows suffered. Children suffered. Because of that, we set the trend for the elimination of duties. Now, after some years in office, we can quite proudly claim to have achieved the ambition, which is part of the policy of the coalition parties, to bring about the abolition of estate duties. That is what we have done. We can say to the people who elected us and who have shown their confidence in us as a Government over so many years—and who I am sure will continue to do so—that we as a Government have stuck to our word. We have been truthful to the electors and they in turn will show their support.

Mr. Aikens: But the Federal A.L.P. Government are still slugging the pensioners with death duties.

Mr. LOWES: The honourable member for Townsville South brings me to my next point. We have a Federal Government which claims to be the watchdog of the people, the champion of the underdog—

Mr. Aikens: Friend of the friendless.

Mr. LOWES: Friend of the friendless—a Government that looks after the trade-unionist. What a misnomer. That Government is taking \$66,000,000 a year from widows and children—successors generally—by way of estate duty. The 1973-74 figures show receipts of \$66,000,000. What a rip-off from people who are already in many cases disadvantaged by the loss of a breadwinner.

Notwithstanding that, the Federal Government persists with that imposition. To this stage there has not been one word of any remission of Federal estate duty or of the even more iniquitous Federal gift duty. There it stands, and to its absolute discredit the Government of the day stands by it. As yet there is not even a whisper of any relief forthcoming for widows and children.

Mr. Tenni: They can follow Queensland now. We have led the way.

Mr. LOWES: Queensland has always led the way. Queensland led the way in 1926. At that time, with a Labor Government at the helm, we led the way into the field of gift duty. Now, with an enlightened National-Liberal Government, it has abandoned gift duty between husband and wife.

Mr. Aikens: You led the way on 7 December last.

Mr. LOWES: The honourable member for Townsville South refers to 7 December. What a glorious date! The Opposition has been reduced to a cricket team of 11. Some would say that that is a very small number—11, of neither use nor ornament, almost renowned by their absence. As to their use, I would say that far greater contribution is made to debate in this place by the two Independent members. Numbers mean nothing. The two Independent members run rings around the three Labor Party members presently sitting in the Chamber. So the question of Opposition numbers has nothing to do with it.

Mr. Aikens: Just a moth-eaten rabble.

Mr. LOWES: I am loath to endorse all the remarks of the honourable member for Townsville South; but here I am compelled to do so.

Previous speakers this afternoon have spoken of the contribution that this Government's Budget is making to the small businessman. Apart from superannuitants, the electorate of Brisbane has on the roll a very large number of people who are self-employed. They include me. The Treasurer's inroads into the incidence of pay-roll tax are memorable. A reduction in pay-roll tax allows the small business to operate without the visitation of that tax, which is one that any Government would have some difficulty in supporting.

Mr. Moore: It is a growth tax.

Mr. LOWES: It is a growth tax. It is a tax that was introduced for a particular purpose. Like so many other taxes that are introduced for a particular purpose, it is one that any Government finds it difficult to abandon. However, in his wisdom, the Treasurer has seen fit to double the exemption. To the small businessman that is of great significance. When I think of the 750-odd small businesses in Queensland which have gone to the wall during the past year,

I realise that such a remission will be of particular importance to those of us who are still carrying on.

The Leader of the Opposition referred to previous statements by the Treasurer in threatening an increase in unemployment. Nobody lightly makes threats of increased unemployment. It would be quite improper for anybody in a position other than that of Treasurer to make such threats; in fact, it would be baseless. I am quite satisfied that whenever the Treasurer of this State has made public announcements on the prospects of unemployment, they have been made with a full knowledge of the facts, particularly having regard to the fiscal policy emanating from Canberra. It is unfortunate but true that all of these threats—as they are called by the Leader of the Opposition, whereas in fact they are prognostications—have turned out to be true. In yesterday's paper we read that unemployment is up to 5.1 per cent. The prospects of unemployment rising are great. We have the prospect that within the next few months many young people will be leaving school—in fact some have done so—to obtain jobs before the great numbers leave school in December of this year.

It is quite improper for the Leader of the Opposition to criticise the Treasurer when he has been giving fair and proper advice to the people. It is no good trying to hoodwink or delude the people or to tell them that they are in a happy financial state when the Treasurer is well aware that what is happening in Canberra and the policy that is being propounded in Canberra will have such a detrimental effect in Queensland. This will continue until such time as the whole of the people of Australia can together say to Canberra, "We will not persevere with such policies."

The Treasurer's Budget is an example of accurate budgeting. In introducing it he pointed out that he is going from a deficit of \$5,900,000 at the commencement of the last financial year to finish with a carried forward deficit of \$5,400,000. This is a clear indication that, despite all the difficulties, the uncertainties, the gross rate of increase in inflation throughout Australia and the fact that he is able to budget to abandon the estate duty between spouses, he has been able to bring forward a well-balanced Budget and to in fact reduce the deficit by approximately \$500,000. It is a credit to him and I can assure him that the people of Brisbane are most appreciative and I for one endorse the Budget entirely.

Mr. KATTER (Flinders) (5.36 p.m.): I initiate my remarks by congratulating the Treasurer on the magnificent job he has done with his Budget. The basic problem that confronted him was that he could look forward to an increase in income of no more than 30 per cent, whereas his Federal counterpart could look forward to an increase of some 75 per cent, much of which would

be gained at the expense of the State sector. The Federal Government increased its income in part through a 157 per cent rise in postal charges. Each of us here must realise the amount we spend on postage and various ancillary charges. That money is going out of our pockets, out of the State of Queensland and down into the fat, bloated pockets of the fat cats, as they are called, in Canberra.

How has the Treasurer faced up to the problems that confronted him? Obviously he had to raise extra income from somewhere in order to continue the State's development. To see that that is obvious, one has only to drive over the roads in Queensland at the moment and note the increased expenditure that is necessary on them. Queensland recently suffered the worst floods in its history, and, needless to say, the roads throughout the State are in an appalling condition. Most of them need rebuilding, but repairs are just not being done at present. And why are repairs not done? Because the Federal Government, in its wisdom, has allocated increased funds for what it calls national highways, and made a reduction from \$20,000,000 to \$16,000,000 in the allocation for rural arterial roads. Looking around me here, I see very few members who have national highways running through their electorates, so virtually each one of us is suffering from a significant reduction in expenditure on roads. I feel sorry for members on the Opposition benches. It must be very, very embarrassing for them to have to go back to their electorates knowing why the roads cannot be fixed, yet having to try to explain it away as being the State Government's fault. Of course, it simply is not the State Government's fault. We say that the entire blame lies at the feet of the Government in Canberra.

So where will the money come from? This is where I compliment the Treasurer. The money will come from sensible increases. As far as possible, the Treasurer spread the additional burden over all the people. For example, let us take the increased duty on cheques. There are very few people who do not use cheques at some time or other. There will be an increase in liquor licence fees, and I think most of us consume liquor at one time or another. As far as the increased charges on drinking and gambling are concerned, these are fields which many people would argue are socially undesirable. The Treasurer had to get this extra income, and I think he has come up with a sensible and commendable solution. When people criticise the Premier for his constant warfare with Canberra, they should look at the Budget and at the task that confronted the Treasurer in preparing it. The income of the Government in Canberra has increased by 75 per cent. At the very maximum, the income of the Government of Queensland

will increase by 30 per cent. If that trend continues, it is obvious that the State Government will eventually have no significance.

If honourable members have any problems in their electorates, they will have to put the papers in their briefcases and race down to Canberra with them. From the difficulty I have in trying to make the Queensland Government move—the Government of which I am a member—all I can say is that the chances of getting a Government 2,000 or 3,000 miles away, with all its bureaucracy and all its people straight from the universities who have never confronted the realities of life, to move in a sensible direction would be a Herculean task. So I see the movement towards centralism, and the making of all decisions in Canberra, as a movement that will reduce all of us to powerlessness and helplessness, and result only in turmoil and disaffection by people throughout the State.

Let me turn now, Mr. Hewitt, to the question of where the Federal Government is spending the 75 per cent increase in its income. One must look immediately at the field of education. I know I have covered that field before, but I think it needs covering again and again. It needs to be hammered through the Australian consciousness that the money being taken in tax from every worker who toils in the sun or in a factory is going to the universities and tertiary education institutions.

The mania for education has reached a level at which it is dragging down the whole of society and slowly strangling it, and the position simply must be reviewed. However, the present Government in Canberra not only is not reviewing it and questioning the need for this juggernaut, but actually is sponsoring it at every turn and twist. In every speech that I heard Gough Whitlam make during the last Federal election campaign he skited about a seven-fold increase in spending on tertiary education. Admittedly, he was telling some untruths, because the Year Book that I looked up showed that about \$300,000,000 was being spent, which meant that Labor would have been spending on education about four times the total Australian budget. However, there certainly has been a tremendous increase in this sector of the economy.

Possibly one could think in terms of justifying that increase. But, as my able colleague from Barron River pointed out, what about the stupid, foolish and wasteful exercises that the Federal Government has carried out? It has provided \$100,000 for a study by Germaine Greer of a subject about which any simple-minded mother in the State of Queensland would have known long before Germaine Greer came to prominence. What about the expenditure of almost \$3,000,000 on abstract art that most critics suggest will be out of vogue within the next decade, and will be totally useless and worthless? What about the \$20,000,000 that

went not to popular sports in which people participate or go to watch, but to ridiculous things such as ludo and archery?

Let me return to a more serious plane. The State of Queensland depends upon two things for its wealth and prosperity, and they are—I am, of course, generalising and over-simplifying—the primary industries and the mining industries of the State. If any two sectors of the Australian economy have been subjected by the Federal Government to a continuous lashing and a continuous war of attrition, it is these two. Minerals are very valuable to the Consolidated Revenue Fund of this State because at present the mining companies are paying the Government \$29,000,000 annually for the use of the railway system. They are paying royalties of some eight-figure amount. They are paying another colossal figure in pay-roll tax. The mining companies are invaluable to the State in boosting Consolidated Revenue. Many times in this Chamber we have heard debate about three potential developments in the electorate of my colleague the honourable member for Belyando that have been stopped, forestalled and waylaid by the Federal Government, in particular by that person who will go down as one of the worst blunders in Australia's history, Mr. R. F. X. Connor.

Let me switch from minerals to the primary industries sector of the economy. Although wheat and sugar are floating high on the market, under a marketing system sponsored and developed by the Queensland Government—a system of which we can be very proud—let us look at two other commodities that are not quite so fortunate. First of all, I refer to wool. A terrible mistake was made by the wool producers of Australia in that they did not agree to any particular marketing system. In a desperate effort to help them, Mr. Douglas Anthony started buying in wool at a certain price. That was all very well when the wool producers had a fair-minded, honest Government in Canberra. In 1972, regrettably, the power and control of the Wool Commission fell into the hands of the present Federal Government. Earlier this year, it will be remembered, it wanted to break down the price from \$2.40 to \$2 per greasy kg. At that stage the Wool Commission had very large stocks of wool. If the Federal Government had any intelligence, and had it watched the graph of wool prices in Australia, it would have realised that that graph was reflecting its statements. World wool buyers were watching the Federal Government to see whether it was weakening in its resolve to hold up the price of wool and every time it appeared that the Federal Government weakened, the price of wool collapsed. All the Federal Government succeeded in doing when it contemplated bringing down the price of wool was wreck the world market and destroy the value of its own wool stocks. Apart from the wool-grower the only person who lost money out of the venture was the

Australian taxpayer. The stupid Government in Canberra destroyed the value of its own assets. It was an incredible thing to do, but it did it.

The Federal Government has not increased the price of wool. How many businessmen and wage earners in Australia have not had an increase in income since 1972? The wool grower has not had an increase since 1972, and I can assure the Committee that he was not particularly wealthy then. In the last week three people have come up to me and said, "I have made my first loss in 20 years on the land." That would include all the really bad years of the supposed wool crash. We are not in a wool crash now but in an economic crash sponsored by Canberra. That economic crash has been coupled with skyrocketing inflation. Costs to the wool producer have skyrocketed but the price of wool has remained static. The Federal Government is hell-bent and determined to destroy the Queensland wool industry, which is the fourth greatest income earner for the State.

As to the beef industry—it was a Labor Government in the 1920's that gave a 2s. a lb. subsidy on beef. That was quite a considerable sum of money in those days. Can honourable members imagine such a subsidy coming from the present Federal Government? The Labor Government in New Zealand has provided \$80,000,000 at 1 per cent, but what have we got from the present Government in Canberra? A lousy \$10,000,000 at 11 per cent. That is the sort of treatment the beef industry gets from the present Federal Government. But it's to be expected, I suppose, because the beef industry is, after all, mainly a Queensland industry. We have as many full-time beef producers as all the other States put together. Queensland is the State that is copping the caning. To those who criticise the Premier I would say that he is a very dedicated Queenslander and Northern Australian.

Mr. K. J. Hooper: He's a rat-bag.

Mr. KATTER: If so, it's only because he has defended the honourable member and others like him from outside attack.

Mr. K. J. Hooper: He puts himself first and Queensland second.

Mr. KATTER: That's a very interesting comment. Am I a Queenslander or an Australian? I came from Cloncurry and I would consider myself to be a Cloncurryite first, a North Queenslander second and a Queenslander third.

I can remember that in reply to the question, "Are you an internationalist?" John Gorton replied, "I am not an anything-ist. I see problems occurring in this country and my preoccupation is dealing with those problems. If I get around to solving all the problems in Australia, I will start worrying about those in other countries." That is a commendable attitude, and my answer to the interjection of the honourable member for Archerfield is that when I have cured the

problem in the Flinders electorate I will start worrying about those in the rest of the State and the rest of the nation. At the present moment all I can see is the desperate plight of people in my area, brought about by the policies of the Federal Government in Canberra. I commend the Premier on his anti-Canberra stand and hope that in spite of the criticism from the Press and the hypocrisy from the Opposition benches he maintains it.

In the years of the student upheavals on campus throughout the world one sound principle that was pushed forward constantly was that no distinction was drawn between capitalism as it is classically known and State capitalism. State capitalism is, of course, Communism in countries where the workers work for other people, the other people being the State. I hope that in my years in Parliament I will see a movement towards worker participation and worker ownership in industry. It will be a sad reflection upon this Parliament if, while most of us are here, movements in that direction do not occur. But is the Federal Government moving in this direction? Is it wanting to give the worker a say in company ownership and control? Is it giving him participation? Is that what the Federal Government is trying to do? Let us look at what it is doing in the mining industry, for example.

The Federal Government has set up the Minerals and Energy Corporation. But, no, we are talking about State capitalism and nationalisation; we are talking about Communism, as many people term it. When we are dealing with the activities of the present Federal Government we are talking about ownership by the State and the fact that the workers are given no say. Do the workers of T.A.A. have a say in the control of that corporation? Do they have any ownership of it? They cannot buy shares in T.A.A. In contrast, half the employees of Mount Isa Mines have shares in their company; they have a proprietary interest in it. They are able to acquire this interest by purchasing shares on the open market. But does anyone buy or sell shares in T.A.A.? Of course not.

At the present time the Federal Government is trying to extend its corporations into various areas, such as the legal offices throughout the State, the health centres throughout the State and the Minerals and Energy Corporation, which operates throughout Australia. The Federal Government is also trying to buy up all our national parks. In fact, it is trying to operate everything from Canberra.

In our current economic situation inflation pales into insignificance beside the ugly statistic of a 5 per cent level of unemployment. This is a new record for Australia, set by a Government that prior to the 1972 election criticised the then Federal Government on its unemployment level of 0.4 per cent. The election was fought on that major issue. Two Ministers of the Federal Government said that they would resign if the

unemployment figure rose to over 200,000. We are now looking at figures of over 400,000.

What has caused this unemployment? Statistics show a 45 per cent annual increase in taxation, which means that a lot of people are saying, "It is not worth my working in the afternoon; it is not worth my opening up my business; it is not worth buying new plant to extend production; it is not worth my starting again because I am 50 years old and I have made a packet. I will retire and will not continue to build houses or buildings." Because of the annual increase in taxation of 45 per cent, people have stopped working. Wages and salaries have increased 30 per cent annually. That is commendable, and must happen when we have a 20 per cent inflation rate. By the same token, when that amount of money is flowing to a particular sector, it means that the savings sector is drying up. Dividends are not being paid and no-one wants to invest money. I come back to the 5 per cent level of unemployment. Inflation has been running at 15 per cent, which means that people cannot shoulder the costs they have to meet at present. All these things add up to the 5 per cent unemployment blemish on Australia's history. That figure could have been avoided 100 times in the past three years. Not only has it not been avoided, but it has been exacerbated by the actions in Canberra.

Having spoken at length in praise of the Budget and the various ways in which the Treasurer solved the problems confronting him, I come now to two small items in the Budget that must be reviewed. The first relates to the iniquitous tax levied on wine and spirit merchants. I understand that certain retailers in Brisbane are undercutting various hotels by buying direct from breweries. While that may be so in Brisbane, wine and spirit merchants in North Queensland do not buy direct from breweries. They buy from wholesalers, as do hotel-keepers. They compete in the market place on an even footing with hotels and taverns. The 15 per cent tax levied on sales of wine and spirit merchants, as opposed to the 6 per cent tax on purchases by hotels, means that wine and spirit merchants simply cannot compete. They will go out of business. We are unlikely to raise any extra revenue in this way. This is a grossly unjust tax which will adversely affect a small section of the people. They are entitled to a fair deal and I think we should review their problem.

My second item of concern relates to rail freights. I shall now compare the Queensland Government's record with that of the Federal Government because both Governments are involved in the fields of communication and transport. As a result of the 40 per cent increase, rail freights over the last eight years have increased by about 7½ per cent a year. On the same basis, the equivalent figure for the Postmaster-General's

Department is 157 per cent. That is a good basis of comparison of the efficiency of the two Governments.

The concept that those receiving service should pay for it is applicable with rail freights. That is a very sensible idea, and is the only rational way to run the economy. However, the plight of the beef cattle producers is such that they have a very special case. It will be impossible for them to market their products if rail freights increase. That will mean a further oversupply of beef in the paddock which will mean a tremendous increase in price for the consumers in the cities.

[Sitting suspended from 6 to 7.15 p.m.]

Mr. KATTER: Before the dinner recess I discussed the State's rail freights and said that it would be most unfortunate if the 40 per cent increase in freights was applied to beef cattle at this stage. The other day I heard someone on the Opposition benches shout out that we were again requesting a subsidy for primary producers. If a person is putting a product on the market for less than it costs him to produce it, he is the one doing the subsidising. If he is asking for a bit of help, all he is doing is asking for someone to keep him working out there to subsidise the beef consumers of Australia. It should be firmly understood who is subsidising whom.

Mr. Wright: Are you happy with the arrangement that this Government has made for \$10,000,000 to be made available at 2½ per cent?

Mr. KATTER: The way it has worked out, I am most happy. I have no problems in my area. I have not had one single complaint. My electorate is in a big beef area. If I had had complaints, I most certainly would have been making a noise about it.

Mr. Wright: Are you aware that only a little more than half of the \$10,000,000 has been made available?

Mr. KATTER: I am aware of that. It has been discussed at great length with the Treasurer. I think the arguments that he put up were very sound and solid. I think loans are advanced a little more slowly than they could be, but one should draw the line between haste that would be wasteful and the proper distribution of the money. In most of the cases people who needed money have obtained it fairly quickly. I have been able to get it fairly quickly, anyway. If the honourable member for Rockhampton finds that the money is not coming through, he should deal with those cases personally. However, I do not wish to be side-tracked on that issue.

I move on to the subject of education and desire to speak about the equality of educational opportunities. On many occasions this year I have approached the relevant Ministers, requesting justice and a fair go for education in my area. In today's society

if a person does not have at least a senior education—it has now become almost a tertiary education—most of the doors are closed to him. We were fortunate to grow up in a society in which that was not the situation. This “educratic” society is a most unfortunate development. Doors are closed to a person unless he has a piece of paper saying that he has passed certain specified examinations and has reached a certain standard.

People in country areas simply cannot get senior or matriculation——

Mr. K. J. Hooper: Oh, I say.

Mr. KATTER: I am trying to keep the honourable member awake. My argument is going over his head and he will go to sleep again, as he did in the first half.

Mr. K. J. Hooper: As a matter of fact, I thought you had changed your sex.

Mr. KATTER: I am dealing with the subject of education and the situation in country areas where there are no secondary schools. In my electorate, there are boarding schools and a State secondary school in Charters Towers. Half the population in my electorate is in Charters Towers; but for the other half of the electorate not a single, solitary child who wants to do Grade 11 or Grade 12, which were formerly the sub-senior and senior grades, can do it unless he goes away to boarding school, the cheapest of which charges \$1500 a year, not including extras. The combined maximum amount of assistance granted by the State and Federal Governments is \$600, which leaves a shortfall of near enough to \$1000. Very few people in my electorate can afford \$1000 a year to send a child away to school. For people living in country areas there is no equality of education. There is simply no chance for them to open those doors that would later on allow them to take responsible positions in society. That is a very sad reflection on our present society. That is why I say I am most pleased with the veritable plethora of incentives—of goodies—that we have received in the Budget.

Mr. K. J. Hooper: You'd have to be joking.

Mr. KATTER: Certainly not. The remote area allowance has been increased by 50 per cent. It is interesting to note that the Queensland Government is once again the first Government in Australia to grant an increase in remote area allowance. We lead Australia. I hope that this increase will be adopted by our counterparts in Canberra as it was last time. But I very much doubt it because people of a different political hue are there now.

The allowance paid to bus operators who transport school-children has been increased; the remote area allowance has been increased by 50 per cent; the allowance paid to independent schools—and all boarding schools in my area are independent schools—has been increased considerably; there has

been a 15 per cent increase to scholarship holders; and lastly and probably most importantly, 500 scholarships worth nearly \$1,000 each are to be awarded so that children can complete what used to be the sub-senior and senior standard. I congratulate the Treasurer on alleviating what was a great injustice in this State.

Many people say, “If people want to live in country areas they have to pay the price of living there.” I go along with that logic but there is one other argument that can be raised. Like city people, country people pay taxes, but a person living in a city such as Charters Towers, which is in my area, has a secondary school at his doorstep whereas country people have no secondary school facilities available to them.

Mr. K. J. Hooper: Is that as a result of your representation?

Mr. KATTER: My representations have resulted in an increase of 50 per cent in the remote area allowance. I am proud of it and proud of what my Government has done. I hope that the honourable member's Federal colleagues do likewise. If he wants to have a little bet with me on what they will do, I will be only too happy to see him outside.

I commend the Treasurer and, in conclusion, should like to review a few statistics that I investigated. There has been a 75 per cent increase in the Federal Government's income while there has been only a 30 per cent increase in the State's income. At one time \$20,000,000 was allocated to rural arterial roads and, in spite of inflation, that figure has now fallen to \$16,000,000. We are responsible for the rail services of this State. We have been able to hold down increases in rail freights to an average of 7½ per cent annually whereas the Federal Government has been able to hold P.M.G. increases down to 157 per cent; 7½ per cent for us, 157 per cent for the Federal Government.

Queensland led Australia in bringing education to country children. Once again I am proud that we have again led Australia in being the first Government to increase the remote area allowance. My congratulations to the Treasurer and to the Government.

Mr. DOUMANY (Kurilpa) (7.23 p.m.): I rise to commend the Treasurer on a very fine Budget framed in very difficult times. Despite all the acrimony and frantic criticism that have emanated from the Opposition and particularly from the Leader of the Opposition, it is a balanced and responsible Budget worthy of a State Treasurer who knows the constraints and limitations that are imposed on State funding, who knows that States cannot run up \$2,500 million deficits, and who knows that there is not open-handed financing in the State Treasury system and that therefore State Treasurers have to be responsible if they are to be good Treasurers. They have to contain expenditure and estimate

revenue to keep them as nearly as possible in balance. That is the sort of Budget that has been presented.

Before discussing the Budget in detail, let me outline the backdrop against which the Treasurer had to frame the Financial Statement this Committee is considering. First of all we have unemployment at an unprecedented level—in excess of 5 per cent of the work-force. In fact, recent estimates, which include a real allowance for those who are on relief work and those who are actually out of work but are in some way or other not included in the statistics, show something like 5½ per cent or 330,000 unemployed throughout the nation. That 5½ per cent is quite remarkable against the current figure of one half of 1 per cent for New Zealand, which is only a hop, step and a jump away across the Tasman. We would hear all sorts of explanations from the Leader of the Opposition if we were to question him about that tonight, but the fact remains that whilst New Zealand has a Labor Government—

An Honourable Member interjected.

Mr. DOUMANY: If he were here, but I do not think we should concern ourselves with that because he has made his speech and does not have an opportunity to speak further. New Zealand does have a Labor Government, but the interesting thing is that it has been a pretty realistic government. For instance, the New Zealand Government eliminated the superphosphate bounty two or three years ago, but when the price of superphosphate escalated viciously about 18 months ago because of rocketing rock phosphate costs which increased from US\$14 a tonne f.o.b. to something in excess of US\$60 f.o.b., the Government promptly reintroduced the bounty and said that it would retain the bounty to maintain a certain maximum price, which was, I think, no more than \$25 Aust. equivalent a tonne ex works.

Mr. McKechnie: One of the New Zealand Labor members told me he wouldn't have anything to do with the Australian Labor Party. He reckoned they were a bunch of Communists.

Mr. DOUMANY: One can take the comment of the honourable member for Carnarvon fairly seriously in the light of that response. In economic management terms New Zealand has done a fine job in spite of facing the same commodity market problems as we do.

Mr. Wright: Would you condone the fact that Mr. Fraser received \$5,000 a year through the subsidy scheme for superphosphate? Can you condone that?

Mr. DOUMANY: I believe any bona fide user of the product was entitled to the receipt of the bounty within the terms being offered. That was a lawful payment.

Mr. Wright: Do you condone it?

Mr. DOUMANY: In answer to the point raised by the honourable member for Rockhampton, when we look at it objectively superphosphate has probably been one of the most important contributors to agricultural productivity during, say, the past 100 years. Probably it has been the most important single input. I believe if Mr. Fraser as a farmer, or as a grazier as people in Victoria like to be called, used and paid for his component of the cost and was prepared to invest that capital and that nutrient in his soil and if that benefit was available to the general farming community then, sure, I condone it because it has improved a capital asset of the nation.

Comparison between New Zealand and Australia brings up the point that we face a very parlous situation when we marry that 5½ per cent of adjusted unemployment which exists at the moment to the inflation rate, which is in excess of 16 or 17 per cent. We do not have any new estimate of the inflation rate for the last few weeks. I think everyone is fearful of doing the arithmetic, but it is certainly somewhere around the 17 per cent mark, and probably that is a modest estimate.

When one looks more fundamentally at the enormous erosion of confidence in the business community—I am speaking now not of B.H.P., C.S.R., or the breweries but of the little businessmen who contribute so much by employing so many people in the work-force and who are responsible for Australia's well-being and prosperity—and sees the fear and uncertainty of these people, there cannot be any doubt about the origin of the ills of Australia and the Australian economy.

Mr. Jensen interjected.

The TEMPORARY CHAIRMAN (Mr. Miller): Order!

Mr. DOUMANY: I do not mind the noise, Mr. Miller; in fact, it improves my treatment of the subject.

The question that must be considered at the moment is: how is confidence to be restored? How are people to be persuaded to trust the Government again? There is no doubt that the wolf's paw comes out from under the sheep's clothing in Canberra—and it is a very hairy paw indeed! No sensible businessman is going to put risk capital into new ventures or buy better equipment and upgrade productivity. No person who has left his business and simply closed it up—and many people have done that—is going to go back into business. That is a very serious situation, and it is the basic cause of the ills of the nation. It is the cause of unemployment; it is the cause of the decline of about 1.8 per cent in productivity; it is the cause of Government reaction. In Canberra, the reaction has been panic; but in this State the Treasurer has come forward with a constructive Budget.

Let us now look carefully at some of the headings and see what the Treasurer has done. Sure enough, Mr. Miller, as is the case with any pill, parts of it will taste a little bitter; but there is much of the pill that will do the patient a great deal of good and keep him going. You will recall that the Treasurer made it clear in his Financial Statement that he did not want to lose the impetus of economic development in this State or the impetus of improving the services that are offered to the community. He has striven in the Budget to maintain a forward movement in Queensland's development and not to hobble the State, and a price has to be paid for that.

Let me turn now to some of the individual headings that are contained in the Financial Statement. I believe I can sort out what is unpalatable from what is palatable and show more clearly the reasons for the difference.

The two big headings are education and health, and I shall look first at education. There have been positive moves to improve performance in the education sector. There has been no withdrawal, no stepping back. In quantitative terms, there is no question that the pace of development of Queensland's education services will be unabated. The measures that have been taken to assist people in remote areas, where there are serious problems in the field of education at the moment, contrast very vividly with the vicious assault on the independent school structure by the Federal Government over the last 18 months. I, for one, resent the gratuitous, crumb-like hand-out in the August Budget in Canberra increasing the tax deduction for education from \$150 to \$250 for each child but ignoring completely the fact that previously it was \$400 when money was two or three times as valuable as it is today.

Mr. McKechnie: The Federal Budget should be rejected completely.

Mr. DOUMANY: There is no question that there are very serious weaknesses in the Federal Budget.

In the field of education positive steps have been taken in the Budget we are considering, within the resources at our disposal, which are admittedly very limited, to tackle the problem and bring greater equity, particularly to those in remote areas. On the Brisbane scene I am very pleased to see the undertaking by the Treasurer to make up the school fare penalties on city council buses when children have to travel outside the prescribed hours. That is very heartening when one considers that the Brisbane City Council imposed that penalty last year in its so-called rationalisation of the school-bus system.

We have heard a lot about the Medibank injection. Before we consider the allocation to health in the State Budget, perhaps we should look at what happened in the Federal Budget. In 1973-74 the Commonwealth

Government allocated \$947,000,000 to health; in 1974-75 the allocation was \$1,284 million; the estimate for 1975-76 is \$2,778 million. What an enormous jump! One knows from business experience with new ventures that that sort of an estimate is usually very much understated. It is little wonder that the Federal Budget suffered so much in other areas when we see that massive increase in one particular item. By virtue of the fact that the Queensland Government agreed in the last fortnight in June to enter the Medibank scheme, as taxpayers we are entitled to get money under that scheme from 1 July. Let there be no mistake about that. All the hairy talk by the Federal Treasurer is just a lot of hog-wash. I have said it before in this Chamber: it is common practice in business for interim payments to be made when a large negotiation, such as this one was, is in progress. There is no reason whatsoever why the Federal Treasurer could not have advanced to Queensland an approximate interim amount each month. It could have been adjusted later when the negotiations were finalised. The reasoning of Canberra on Medibank is completely unacceptable. Meanwhile \$10,000,000 has gone down the drain because of the deliberate fooling around by Canberra to gain political advantage.

Despite that, in the State Budget we see an extra \$36,000,000 is to come out of the State's own resources. I am the first to recognise that health services must be upgraded, that new facilities must be provided and that we must keep abreast of modern technology. But \$36,000,000 is coming out of our own resources. Do not let anyone say that in this State we are sponging on Medibank. The extra expenditure is almost on a dollar-for-dollar basis.

Let me turn to the critical area of housing—an area of disappointment. Unfortunately housing does not rate much mention in Canberra these days because there is so much concern with Albury-Wodonga and grandiose projects of that nature. I understand that many of the civil servants in Canberra do not want to shift to those new centres of population. I do not blame them. No-one wants to be shoved around like a pawn on a chess-board. The expenditure on housing contrasts so dramatically with the expenditure on Medibank, which accounted for the enormous figures in Canberra. Over recent weeks the State Minister for Works and Housing has told us about the drastic effect of the cut back in the Commonwealth grant. It has been cut back by about 25 per cent.

A Government Member interjected.

Mr. DOUMANY: Mr. Hayden believes that we don't have to own houses. Apparently Mr. Riordan shares that new philosophy. It is reprehensible. It is one of the most pernicious planks in the current Federal Government's platform. Home-ownership is the basis of independence in our economy; it is the bulwark of our community; it has been

part of our culture. Anyone who can bust that is well on the way towards busting many other aspects of our community life.

Mr. Katter: Mr. Crean reckons we don't need cars, either.

Mr. DOUMANY: I think Mr. Crean still drives around with his chauffeur.

The tables accompanying the Federal Budget show that housing expenditure declined from \$702,000,000 in 1974-75 to \$633,000,000 estimated in 1975-76. Incidentally, the expenditure jumped from \$337,000,000 in 1973-74 to \$702,000,000 in 1974-75, showing that at that time the Federal Government recognised the need for welfare housing. I am not talking about housing for the affluent; I am referring to homes for the needy, the aged and those on low incomes. There's nothing fancy about this; I am talking about the ordinary man in the street. As I say the outlay on housing in 1974-75 was \$702,000,000, and we are asked to swallow the reduction to \$633,000,000 in 1975-76.

Mr. Glasson: The A.L.P. has forgotten the little bloke.

Mr. DOUMANY: Quite often he falls out of sight below the A.L.P.'s horizon.

The reduction in the outlay on housing from \$702,000,000 to \$633,000,000 is a scandal, particularly at a time when inflation is running at a level of something like 25 per cent. With the current high cost of housing a jump from \$72,000,000 to something like \$1,000 million would be expected—that would have been a natural progression—but no; we saw this drop to \$633,000,000. What a scandal that is!

Let us compare the outlays on housing with those on urban and regional development and the environment, where expenditure jumped from \$144,000,000 in 1973-74 to \$379,000,000 in 1974-75 and to an estimated \$448,000,000 in 1975-76. No thought has been given by the Federal Government to slowing down the rate of expenditure there. After all, it is in this area that the spectacular things are done. This is where the wares are displayed. It's not the place for the bread-and-butter issues that affect the ordinary person. The Federal Government displays its wares in the shop window; but they are going out of fashion, and I venture to suggest that very soon the Federal Government will find that no-one wants to buy the stock it displays.

The shortage of housing is a serious problem, and I hope that next year our Treasurer will be able to allocate more money to it from our own resources. I know this will be difficult and will call for massive commitments. Nevertheless, all of us are concerned about housing, which is one of the most important aspects of community life that we are called upon to deal with. We want to see something done about it, whether it is in Cloncurry, Brisbane or Bundaberg.

Mr. Wright: You haven't proved that by your actions.

Mr. DOUMANY: I beg your pardon!

Mr. Wright: Take a look at your Housing Commission figures. Look at them over the last five years. Just make sure you're in the Chamber when I am speaking.

Mr. DOUMANY: The honourable member can rest assured that I will be here while he is speaking.

In minerals and energy we see one of the most shameful episodes concerning the Federal Government. Our Treasurer lost \$6,000,000 through the imposition of the iniquitous coal export levy of \$6 a tonne.

Mr. Lester: The worst levy that has ever been put on.

Mr. DOUMANY: The honourable member has hit the nail on the head. Furthermore, under that assault on the mining industry in our State, four major projects are even more protracted than they were before.

Mr. Lester: They put 3 per cent of Federal money back into Blackwater; the rest has been put in by the companies, the State and the local authorities.

Mr. DOUMANY: I could well believe it.

We have heard from the Treasurer that tied up in those four projects were mineral royalties totalling \$40,000,000, not to mention all the jobs that would have been created by them both directly and indirectly. The prosperity that they would have given not only to Queensland, but to Australia was denied because of the perversity and stubbornness of "The Strangler", a man of 72 years of age who does not want to leave his job. He is one of the most stubborn 72-year-olds one would find in a long march.

Mr. Katter: What about the other day when he threatened to walk out of the House over the petrol crisis? And two days later the petrol price increased!

The TEMPORARY CHAIRMAN (Mr. Miller): Order!

Mr. DOUMANY: There is no doubt that we suffered very severely at the hands of the Federal Minister for Minerals and Energy. He has really kicked us in the teeth.

As if that were not enough, oil exploration provides another example. On 6 October "The Australian Financial Review" carried a headline, "Statistics Bureau details drastic fall in oil exploration". I could read one article after another in similar vein, but that one is current. It shows the enormous impact of the go-backward policies of the Federal Government in this area. In the 12 months that we are considering in this Budget, we are down \$6,000,000. As well, because of those projects that might have got off the ground, we have lost a

further \$40,000,000 in potential receipts. Consider the impact that sum would have had on the receipts side of our Budget. Just think what the Treasurer would not have had to do, and consider the prosperity that would have come to this State and nation. I am sorely disappointed, indeed most annoyed, because these things white-ant the foundations of the nation's economy. But we have had to put up with them.

I turn now to rural industry. I need say very little to show what the Federal Government thinks about rural industry; it has let us know in no uncertain fashion. The 3 October issue of "The Australian Financial Review" contains this headline, "Government likely to consider rural reports on total impact basis". That is a very nice way of saying, "We will defer consideration of all submissions indefinitely." By referring to "total impact", the Government could keep adding up every submission for the next two years and still say that it did not know what the total impact would be.

A Government Member interjected.

Mr. DOUMANY: He wants to convert them into a poor class so that they will change their vote.

I shall quote from this report in "The Australian Financial Review" because it is very important. One relevant paragraph is in these terms—

"Specific assistance to the West Australian new lands farmers and restoration of the superphosphate bounty—no matter what the IAC's final recommendations are—almost certainly are dead ducks."

For a start, what an indictment of the I.A.C.! What does it stand for if its reports are completely ignored? It costs a fortune to run the I.A.C. It is not staffed by \$5,000-a-year men.

A later paragraph reads—

"The fact remains that in the present climate of fiscal restraint, separate Cabinet submissions on rural assistance, except possibly of a long-term industry nature, are unlikely to be accepted."

That is not a bad summary of the Federal Government's attitude to rural industry.

If we look at our Treasurer's Budget and consider some of the expenditure he has had to incur and the concessions he has had to give, we see that these items have been forced on the Government by this recalcitrance, by this inability, reluctance or unwillingness to face up to realities in Canberra. Worse than that, because of the need to increase rail freights and the like, which affect businesses in the rural sector, the Treasurer has been forced to place an impost on rural industry.

Mr. McKechnie: That is blackmail by the Federal Government.

Mr. DOUMANY: It is, and it is a very painful business because it will add to costs and make their requisites dearer. That will increase their cost of production. We do not want to do that, but what else can we do when, within the very limited bounds of finance that are at our disposal as a State (which has no bank of issue and cannot run up deficits), we have to keep our Budget in balance? If we are robbed of about \$50,000,000 out of the field of coal and mineral royalties, what else can we do? We had to do it. However, that did not stop us from being honest and pointing the finger at the origin of the problem. That is what we have to do now. We must recognise that some of the unpalatable measures that will affect the private sector in the State have had to be taken by the Treasurer. He had no alternative.

For the benefit of small business the exemption level for pay-roll tax has been raised.

Mr. McKechnie: A very popular step.

Mr. DOUMANY: It is indeed a popular measure. I only wish we had more room to move so that we could have further increased the exemption limit. These are areas in which we have to help small businessmen.

Unfortunately some negative aspects have arisen, such as the increase in workers' compensation premiums and stamp duties. However, I am certain that, when the death duty proposal, the removal of spouse-to-spouse gift duty and the pay-roll tax deductions are taken into account, the good faith of the Government has been clearly demonstrated by the Treasurer. We are trying our best to give the small man a chance.

Mr. McKechnie: The A.L.P. says it will reimpose them this year.

Mr. DOUMANY: I am sure they will. We are still to see in the field of death duty any comparable change of heart in Canberra. They have not done it yet. They are just as likely to increase it to take up the amount by which we have reduced it. That is the sort of thing we would expect from them.

I would like to finish on a note that is perhaps slightly detached from the State Budget but which puts it in perspective by highlighting the sort of people that our Treasurer has had to deal with in Canberra and the sort of attitudes that they have manifested, by which they have imposed a tremendous strain on him in the execution of his task in preparing this Budget. I quote from an article by H. W. Arndt, which appeared in "Quadrant" of September 1975. It is entitled, "The Economics of the Loan Affair". Under the subheading "Purposes" he said—

"Not the least remarkable feature of the whole loan affair is that neither Mr. Connor nor Dr. Cairns nor anyone else

appears to have set out to borrow money with any clear purpose in mind. Both Mr. Connor and Dr. Cairns decided to 'explore' the possibility of borrowing \$4 billion because each was approached with an offer to find just that amount. The purposes came afterwards, in the first instance in connection with the Executive Council Authority to Mr. Connor.

"There is very little doubt that the phrase 'for temporary purposes' was used deliberately to evade the constitutional obligation to seek Loan Council approval and that the list of 'temporary purposes' was hastily concocted for the Explanatory Memorandum. It was a grotesque list that would make a good examination question for Economics I students. Of the four purposes listed, the first ('the exigencies of the current world situation') meant nothing, the second ('to strengthen Australia's external financial position') was causing no concern, the third ('protection for Australia's supplies of minerals and energy') was clearly long-term, and the fourth ('to deal with current and immediately foreseeable unemployment') while having a nicely 'contemporary' flavour was a preposterous reason for borrowing abroad. So absurd was the list that one would be charitably inclined to impute cool political cynicism to the Cabinet Ministers who perpetrated it, were it not for the fact that several Cabinet members in subsequent attempts to justify the venture gave even more striking displays of imperfect understanding of economic technicalities."

That is the sort of quality of economic management that we have witnessed in the Federal capital, and that is the sort of penalty and handicap that our own Treasurer had to bear on his back as he drew up this Budget. When one considers that he still managed to keep the Budget within striking distance of being in balance (at the same time as restraining increases to a level well below the inflationary effects that we have had to bear over the last three or four years) and looks at the concessions that he has managed to give to the people of Queensland, then he and his department are to be commended. I would add my own individual commendation to the list that has grown in this debate.

Mr. BERTONI (Mt. Isa) (7.55 p.m.): In rising to speak in this debate, I first commend the Treasurer on the Budget as a whole. Its virtues have certainly been expounded by those who have spoken before me. However, I would be remiss if I did not add my name to the list of critics of the intended 40 per cent increase in rail charges announced by the Treasurer.

I can appreciate the sentiment that rail freights have not been increased for 10 years and that the railways are running at a loss. However, I cannot accept that it is necessary to so maliciously slug our rural and mineral industries in these very depressed times. Nor

can I accept the thinking that gives priority to the expenditure of millions of dollars to create a cultural centre at South Brisbane over understanding and support of our troubled major producing industries. In my opinion this is a very serious, short-sighted misjudgment of our priorities.

It would probably be somewhat more acceptable if freight increases affected all Queenslanders equally; but this is not the case. The proposed increases will affect only the small, overworked, overtaxed and under-cared for minority of Queenslanders who produce the overwhelming proportion of the State's annual revenue. I am referring to those Queenslanders who live west of the Great Divide and have, during the past three years, suffered continuous degradation at the hands of the centralist Labor Government and now have to carry the further burdens imposed on them by our own Government.

My electorate of Mt. Isa is at the end of the line and, like all things at the end of the line, we get the worst end of the stick. We have to accept the heaviest burden of this Budget. When I criticise the injustice of this savage increase in rail freights I believe I can speak with knowledge and experience, for in my electorate the cost of living will again rise. The citizens of the Mt. Isa electorate and surrounding areas will pay more exorbitant prices for their basic essentials.

The increased rail charges will add 1c or 2c to the normal food item weighing more than 16 oz. This will mean an increase of more than \$1.20 per week in the average worker's family food order. The increase in rail freights will result in higher bread prices as flour has to be railed to our area. It will also lead to an increase in the price of petrol. At the moment we pay 10.9c a gallon more than Brisbane residents for supergrade petrol. The rail freight increase will add a further 5c a gallon, making petrol 16c a gallon dearer in Mt. Isa than in Brisbane. It will mean an increase in the price of newsprint, which will put up the price of a newspaper by 5c. I have it from reliable sources that the increase in rail freights will add \$11,000 to the cost of railing newsprint. There will also be an increase in electricity charges as a result of freight charges for the railage of coal from the central basin to our area. Add to this the increase of \$60 or more in the price of a normal size car which people in my area need to purchase and add to this again the increased price of materials required to build a house.

This increase in rail freights will mean that a normal house will cost \$2,000 more to build. Nearly every basic commodity in my area will increase in price and it has been estimated that these freight increases will cost the average working man in my area in excess of \$4 a week when all the ramifications take effect. The irony of it all is that the Federal Government will get a rake-off

from increased sales tax on certain items such as motor spare parts. Freight is added to the price of the parts and sales tax is then calculated on the total.

The cost of answering the call of our Government to decentralise in Queensland will again increase while our city cousins enjoy the pleasures of living in an agreeable climate and see their city and region come in for greater comforts and increased Government cushioning. To emphasise what I am saying, my city of Mt. Isa is paying 84 per cent of the cost of its cultural centre, some \$3,000,000, while the citizens of Brisbane simply get theirs handed to them as a present. The ratepayers of the Mt. Isa electorate, like most decentralised Queenslanders, pay their own way for virtually everything.

The increased rail charges will also add to the difficulties of the beef producers in Far Western Queensland. Beef prices have risen marginally in recent weeks and some producers have had cause for momentary optimism, but this new burden is more than any of them can shoulder. Any profit that there might have been in the price increase will undoubtedly be eroded by the increased rail freights, and our Government will have been effective in prolonging the very grave difficulties that beef producers in these areas have had to endure for the past two years. A few honourable members will shed tears in the customary fashion when I say that these increases will further detract from the viability of the mining industry in North-west Queensland. The Queensland mining industry has been a valuable milch cow for the State. Last year it was significant royalty increases that were imposed, and this year it is substantial rail increases.

Undoubtedly Mount Isa Mines will be able to afford such increases. This company is fortunate to have better than the average deposit. It has a good mine and certainly above-average technology, and it may be that its break-even point is around \$950 a tonne. However, if Mount Isa Mines is just breaking even with the present depressed metal prices, it is undoubtedly the only company in North-west Queensland which is. Most certainly the diminishing number of our local producers, who have been kicked from pillar to post by the depressive Federal Labor policies, are not.

Figures taken out in the past week since the freight increases were announced have indicated that freight will now take as much as 40 per cent of the income of the average small producer, who must rail his ore to the Mt. Isa smelters for treatment. Surely this is not conducive to encouraging Australians to participate in our mineral industries. Surely this is pushing mineral research and development further into the realms of being exclusively for the major corporations which have the advantage of international means of financing.

This increase in rail freight is not a wise decision in these difficult times. It will only stifle investment interest in decentralised

Queensland, and one by one people living in these remote areas will become fed up with carrying the burden. They will eventually see no purpose in living in these remote regions and, as they do and have done in every other country, they will stream towards the cities and impose even greater burdens on the Government.

Ours is a very young country. I should have thought that we would have had the wisdom to learn from the mistakes of others. Tax incentives will surely encourage decentralisation, and equally surely tax burdens will discourage decentralisation.

The National-Liberal Government has always had a strong belief in the need for decentralisation of development. In these troubled times, all Australians, even those in the south-east of the State, surely believe that the North must be populated and that Queenslanders in particular, and Australians in general, must be encouraged to live in the North. Surely one cannot believe that, on the one hand, and, on the other, continue unjustly to impose burdens on people who are prepared to put up with the difficulties that definitely are associated with populating and developing the remote regions of North Queensland.

I am serious in my belief that we must stop forcing Queenslanders who are making decentralisation possible to carry the burden of running this State. We must stop believing that the minerals and energy industries will always be able to stand just a little more taxing. We must understand that increased taxes and charges on the minerals and energy industries cannot be passed on to the consumer as is the case in most other industries. Every time another tax is imposed or another charge is increased, the feasibility and viability of many minerals and energy projects are reduced, particularly those involving small producers. Such thinking can only be detrimental in its long-term effects. The cost of producing and shipping the products will simply be more than the world is prepared to pay.

The copper mining industry is a prime example. The average cost of producing a tonne of copper in most Australian mines today would be about \$1,100, yet the market price is \$950 a tonne. Obviously these industries cannot continue to carry that burden. There must be a limit, and it would be a great disaster for the State if that limit were ever reached.

Similar thinking can be applied to all decentralised industries. In these difficult times, there is a definite limit to how much they can pay.

Undoubtedly, it is not too late for the Treasurer to reconsider this Budget decision. Last year the revenue obtained, directly and indirectly, from the Mt. Isa electorate was about \$90,000,000. Rail freights paid to the Government amounted to approximately \$7,000,000, and royalties amounted to a further \$7,000,000. The Mt. Isa-Townsville

rail link has paid for itself and has been self-supporting for a number of years, and the increased rail traffic resulting from phosphate shipments will certainly bring increased revenue to the Government.

I appeal to the Treasurer to reconsider any increase in freight on this line in particular, and also to encourage the people of Queensland to develop northern and western areas of the State by giving them additional incentives and concessions. Surely the aim of any responsible Government must be equality of rights and opportunities for all the people of Queensland. It should not penalise people in country areas for the benefit of people living in the cities. If the State needs to tighten its belt in these difficult times, let us see that all Queenslanders tighten their belts together.

Mr. LESTER (Belyando) (8.9 p.m.): The Treasurer's statement that this will be a "press ahead" Budget and that existing services will not be cut is good thinking in these difficult economic times.

Some people have complained about the State Budget. I remind them that it would not have been necessary to impose some unpopular charges if the Federal Labor Government had not let inflation run wild and then tried to get out of its difficulties by increasing coal levies, if it had not brought about economic destruction by crushing many Australians into the ground by imposing excessive charges, if it had not played "Pick a Box" with public money—

Mr. Wright interjected.

The TEMPORARY CHAIRMAN (Mr. Miller): Order!

Opposition Members interjected.

Mr. LESTER: Let them restrain themselves. They wouldn't know.

The Federal Government "snibbles" the money by raping country areas. That Government has taken away the subsidy for airlines; it has put up aircraft charges; it has put up petrol prices; it has put up beer; it has put up cigarettes; it has put up postal charges. Yet honourable members opposite try to say that we have not done the right thing by the people. They're the ones who have not done the right thing, and they know it. Their Federal colleagues have taken away from us our free milk; they have put up postal charges and taken away many postal services; they have taken away the cadet system; they have taken away the superphosphate bounty; they have taken away tax incentive for country people. Indeed they have taken away all incentive. One has only to look at the incentive of honourable members opposite. All they can think of is smut and having a go at someone who is trying to do something good for the country.

Let me be a little more serious for a moment, and look at what is happening about railway charges. Railway freight

charges are to increase by 40 per cent. Railway freights have not increased since 1966. In one hit they are going up 40 per cent. Let us compare that with what has happened with postal charges. In 1966 a stamp cost 5c; today it costs 18c—nearly four times as much. Over the same period rail freights have increased by 40 per cent, but that increase is only taking place now. Over those years people have had the benefit of lower freight charges. Even now freight charges in Queensland compare favourably with those in other States. Some A.L.P. supporters have said that it would be better if freights were increased at the rate of 3 per cent a year; but it must be remembered that people have had the benefit of lower freights over that period.

Mr. Wright: Do you support the increase?

Mr. LESTER: If the honourable member waits he will hear what I have to say.

Increased freight charges are not helping the cattle industry at this stage when things are not good. I would like to see a reduction in freight charges for people who are sending cattle to market. People in country areas who are battling to send their kiddies to school and to maintain themselves are finding it very difficult to pay existing freight rates. I hope that the Treasurer will consider the reduction of freights on the transport of cattle until such time as the cattle industry improves sufficiently to enable those engaged in it to get out of trouble. I ask that sincerely because many people come to my office in all sorts of trouble because they cannot pay their way. Many of them are paying off huge debts simply because they have tried to be good Australians and wanted to develop their country. They borrowed money and now have hit a bad time. We have to try to help those people, and I make that request. I am fair dinkum. I am quite sure that that request has the support of every member of the Committee.

The Queensland Government has lead the nation in the abolition of some death duties. It is an enormous help. People have come to my office and told me that they were unable to pay death duties. We might ask, "Why is this so?" Make no mistake; in many instances the death duties are extremely high and the deceased's family have not had sufficient money to pay them. Quite often properties have to be sold in order to pay death duties, with the result that families have been broken up. Our Government has made a valuable contribution towards helping to maintain family traditions and identities.

The Government has made a major contribution to education. It has increased the remote-area allowance by 50 per cent and has made more money available to boarding

schools. This will be of great help to those parents whose children attend such schools. Furthermore, 500 scholarships have been introduced for students in grades 11 and 12. An incentive to school bus proprietors to continue to operate their services has been provided by an increase in payments to them. This will ensure that country children will be transported to and from schools.

As to health—the Government's contribution to the Bush Nursing Association could be increased a little, and I am quite sure that with such assistance the members of the association would be able more easily to carry out their wonderful work. The Bush Nursing Associations are semi-voluntary organisations and any assistance that the Government saw fit to give him would be deeply appreciated.

The facilities in rail dental clinics could be improved somewhat. Today I received a letter from the Minister for Health stating that he was examining the matter with a view to having X-ray units installed in rail dental clinics. I can assure the Minister that his efforts in this direction, as well as the work that he does generally, are greatly appreciated.

The Budget provides for an increase of 8 per cent in the Police Force. No State can have too many police officers, so it is good to see that the Government is about to increase the strength of the force.

The 33 per cent locality allowance to Crown employees will be of great assistance to those in country areas. Many have asked me about this matter, and I commend the Government on having its ear to the ground and listening to these people.

Local authorities will benefit greatly from the 33 per cent subsidy paid to those who establish cultural centres. Subsidies such as that, which induce people and bodies to embark upon worth-while projects, are far better than straight-out grants to people to allow them to buy paintings such as "Blue Poles" or to be sent overseas on idiotic so-called cultural exchanges. The subsidies that are paid to sporting organisations, under one of the best schemes introduced by this Government, are to be continued. The Government is to be commended on its action in this direction.

The social development scheme implemented by the Federal Government has really had its ups and downs. It was going to revolutionise this country, but the people who are involved in it do not know whether they will have a job tomorrow. One such person came into my office and said to me, "Look, Vince, I don't know what I'm going to do. One minute I've got a job; the next minute I haven't. I don't know where we're going. We don't know what help we are getting from the Federal Government, and the only people I can rely on are the State people. With them I know where we are

going and I know what we are going to get. At least they are honest and fair dinkum."

The Federal Government's attitude towards women is disgusting. It has treated them as nothing more than idiots. Fancy having a person like Elizabeth Reid as the Prime Minister's adviser on matters affecting women! Of course, she no longer holds that position now that she and the Prime Minister had a fight. And I'll bet it was a beauty! I know what the language used by the Prime Minister and her would be like. I have spoken to someone who sat beside that woman while she was waiting to be served a beer in Canberra. Because a lady is present in this Chamber I cannot repeat the language that this woman used to the male bar attendant. I would not speak like that in front of a lady. Indeed, I would not speak like that whether a lady was present or not.

Mr. Gibbs: She would make a good bullock driver.

Mr. LESTER: I agree with the honourable member for Albert.

If ever the Federal Government squandered money, it did so on the Women and Politics Convention. It threw money away to bring in people to stir up strife in our country and to organise strikes. Why doesn't it bring in decent people to our country?

Mr. K. J. Hooper interjected.

Mr. LESTER: The honourable member doesn't like it. I'm a bit good for him. He can't take it. He doesn't like people coming here to do decent things. He wants to see our country destroyed. He wants to see destroyers here because he is trying to be a destroyer himself. And he knows it.

I shall now deal with the zone tax allowance. When the Prime Minister made his disastrous visit to the Belyando electorate during the election campaign he got booed all the way. At that time I asked him nicely and quietly, "Will you be able to do something to improve the zone tax allowances for country people? Will you be able to do something to help because the present ones are outdated and do not help the western people? A person in Mackay gets a better allowance than one in Jericho." The Prime Minister said to me, "Vince, if I try mucking about with that, I will get into so much strife I could lose the Government. I would rather leave it alone." But it did not worry him one little bit when the coal levy was imposed. The Prime Minister is concerned only about votes in the big cities like Brisbane—he will not get many there—Sydney and Melbourne. He was not prepared to consider the legislation on the zone tax allowance in country areas that might give an incentive to people to live in the country. God help us all; haven't

we had enough incentive taken away from us in country areas? We have had all the incentive in the world taken from us.

The TEMPORARY CHAIRMAN (Mr. Dean): Will the honourable gentleman please address the Chair?

Mr. LESTER: I shall address the Chair and I apologise profoundly to you, Mr. Dean, because you are a very decent gentleman.

Honourable Members interjected.

The TEMPORARY CHAIRMAN: Order! There is too much noise in the Chamber. I am finding great difficulty in hearing the honourable member.

Mr. LESTER: I point out once again that I disagree violently with the \$6 a tonne levy on export coal. That levy makes it so much more difficult for the Treasurer to balance the Budget. In the mining town of Blackwater we have not yet a proper post office; we have only a temporary building and a telephone exchange. The Federal Government has provided very little else. It is not fair that this money should be collected from the coal-mining towns and spread throughout Australia.

Mr. Wright: Tell us about your last phone bill.

Mr. Aikens interjected.

The TEMPORARY CHAIRMAN: Order!

Mr. LESTER: The honourable member for Rockhampton referred to my representations. He made it very clear that I am a very hard-working member. He cannot take it. He knows that I live in a country area and that I work harder than most people. He has been trapped into asking why my phone bill is so high. He knows that it is high because I work so hard. I will continue to work hard.

Mr. Wright: You send your press releases to the A.B.C.

The TEMPORARY CHAIRMAN: Order!

Mr. LESTER: The honourable member for Rockhampton may check. He may ask my private secretary how my Press statements go through.

Mr. Jensen: You waste money.

Mr. LESTER: I don't waste money. You know I don't, but keep it up.

The TEMPORARY CHAIRMAN: Order! The honourable member will address the Chair.

Mr. LESTER: Honourable members opposite are making it very clear that I am a hard-working member. They are making it easier for me to win next time. Good luck to them.

Mr. KAUS (Mansfield) (8.25 p.m.): It is indeed a pleasure for me to enter this Budget debate and to support our Treasurer. I congratulate him on his wonderful effort. With a Labor Government in Canberra, it has been difficult for him to produce balanced Budgets over the last few years.

I mention one of the reasons why he has had difficulty in formulating this Budget for Queensland. The Treasurer claims that grants under section 96 of the Constitution have been made as part of an insidious ploy. In an article in "The Australian Liberal" of July 1975 Sir Gordon said—

"The use of a simple device is bringing about the virtually unheralded and unnoticed destruction of the concept of the federal system of divided responsibility."

Everybody who read that article would understand what the Federal Government is doing to the States. Sir Gordon went on—

"This device is the Section 96 grant, which covers the tied funds coming from the Commonwealth to the States to finance areas of State responsibility on Commonwealth conditions."

When that is considered, it can be seen how hard it has been for our Treasurer to formulate the present Budget. He continues—

"Australians have demonstrated time after time at referenda that they want to preserve their Federal system of Government."

That is very true. However, in the future we will see, if we do not have a Federal election shortly, that through this open type of Government, as Mr. Whitlam once called it, a few more referendums will be pushed down the throats of the people in an attempt to grab a bit more power. Sir Gordon also said—

"They rightly fear centralised control to their lives from remote Canberra."

Personally I cannot see how any Federal Government, whether Labor or non-Labor, could control the States unless it be through financial strangulation. I do not see how it would be able to police any State legislation. The present Federal Government cannot even police the Trade Practices Act. I doubt whether it will be able to police the legislation it foreshadows on consumer affairs. Presently we have a very good Consumer Affairs Act. The Commonwealth has copied it and will possibly enlarge on it in some fields.

Sir Gordon continued—

"The first being that with our existing three-tier system of Federal, State and Local Government, the citizens already have access to their particular members and better control of that member in areas of local responsibility."

Honourable members know that we are closer to the people than Federal parliamentarians are. Possibly local aldermen are closer to the people than we are. From my

point of view, as the member for the Mansfield electorate I do my own work in addition to half the work of the local alderman. We on this side all have that problem. A great difference will be seen when the Liberal Party contests the next local authority elections in Brisbane. We will win quite a few seats and put a bit more democracy back into local government.

I will quote other sections of this article and would like the Treasurer to comment on them in his reply. He said—

"These grants are made then only if conditions that the Commonwealth apply, are observed.

"The Commonwealth, by this simple device, control the objectives, direct the programs, tie up the State budget, destroy State priorities, virtually take over the State responsibility—and do all of this in complete disregard of the Constitution and the wishes of the Australian people."

Mr. Jensen: Who said that?

Mr. KAUS: This was said by the Queensland Treasurer. It is something that the honourable member should read. I hope that the Treasurer will enlarge on these matters at a latter stage, possibly in his reply.

I congratulate the Treasurer on certain aspects of the Financial Statement, particularly education. He is assisting parents and citizens' associations to the tune of \$100 per school plus \$4 per student. This is wonderful. I do not have that much trouble, nor do my p. and c. associations, but a little extra does help. The p. and c. associations in most schools in most areas do a magnificent job. This small number of people pull together and organise well. The smaller the committee, the better it operates. But the people still support these schools and these committees.

This week-end I have to attend three schools where functions are being held. It is a pleasure for me to get along and talk to the people. This is the only way to find out what the people think. In a couple of months' time, if we have an election, I know which way they will move and I know that I will have a Federal Government member instead of a Federal Opposition member in my electorate.

The Treasurer is also raising the subsidy for swimming pools. The honourable member for Murrumba and I asked questions in the House on the raising of this subsidy. Cabinet saw the wisdom of our approach and increased that subsidy by \$4,000. That is going back a few years.

The subsidy has been raised for the benefit of the p. and c. associations and to give the children an opportunity to learn to swim in their own school pools. This is a very commendable advance on what was done in the past. The reason for this increase is inflation in building costs today.

Personally I have some other ideas on these projects but it is very gratifying to be able to attend schools and see most of the children learning to swim so that when they go on holidays there will be little chance of any tragedies occurring in any of their families.

We must commend the Treasurer on his efforts on behalf of small business, particularly in reducing pay-roll tax. This is great. Under the socialistic approaches and policies of the Federal Government, as the honourable member for Toowong mentioned earlier, something like 3,000 small business people have gone out of business. I believe in the free-enterprise system because it is the only system that will enable the ordinary citizen to have a maximum degree of both freedom and prosperity. While I am talking about freedom and prosperity, let me read to honourable members some parts of the Liberal philosophy. We believe that our own individual liberty is our most precious possession.

An Honourable Member interjected.

Mr. KAUS: Then the honourable member believes in Liberalism. But, of course, one cannot believe in this under the system of the present Federal Government. To Liberals the importance of man lies in the importance of every single human being and not in the State or in a power structure. Liberalism strives for a society in which individuals are free to choose their own way of life, to develop their own personality and to maintain their own dignity. We say that if a man is given power the chances are that he will abuse it. It is better therefore that power of all kinds, especially political and economic power, should not be concentrated in the hands of a few people but should be spread throughout the community. This is what I was talking about earlier when I pointed out how the Federal Government is using this insidious section 96 of the Commonwealth Constitution to cut down our civil rights, our rights as individuals, and to take over not only from the individual but also from the States and the local authorities.

Mr. K. J. Hooper: I do not want to interrupt your speech, but can't you make a speech without mentioning the Federal Government?

Mr. KAUS: I do not have to mention the Federal Government, but the point is that the Federal Government happens to be on everybody's mind at the moment. One thing everybody is sick and tired of is the Federal Government and its policies. I am talking about small businessmen and what the Treasurer is doing to assist them. If we do not help the small businessman today, the country will go broke. We do not have to rely on monopolies, we do not have to rely on multinationals; but they are a must. We must have them. But it seems strange that this is the only type of

business that the Labor Party seems to encourage, and yet on the other hand it seems to denigrate it, too. But, of course, the Labor Party is just waiting for these people to take over so that it can then take them over. This is its system for changing our way of life.

Another point I would like to raise is the assistance that the Treasurer has given to libraries. We do not have enough libraries throughout the State, particularly in the provincial cities. The basic aims and objectives of this Government are to create a general appreciation of libraries and create an atmosphere in which freedom can flourish, and this facility should be made available to all Queenslanders. I remind honourable members that the Prime Minister, Mr. Whitlam, once said that open government means freedom of information. That is a little bit of hypocrisy because we all know what Mr. Whitlam's open government means.

Mr. Doumany: Open-ended.

Mr. KAUS: It is open-ended all right! It has been up-ended over the last 18 months.

The Prime Minister said—

"As surely as the Parliament enshrines, defends and maintains freedom of speech, the library enshrines, defends and maintains the freedom of information."

He went on so say—

"... freedom of information is as vital to democracy as freedom of speech."

That is correct, but there is reasonable freedom of speech today. He then said—

"Yet the former has never attracted the same degree of attention or emotion as the latter."

That is a fact.

The point I make is that it is simply hypocrisy for the Prime Minister to talk about open Government. However, I do agree with his comments on the freedom of information in libraries.

Many people still think of libraries as merely "nice quiet places" where light romances may be read or borrowed. While this, of course, is often true, it is a particularly distorted picture of what libraries could be and, in a growing number of cases, are.

Many librarians are greatly disturbed that libraries, largely funded by Governments and therefore by the taxpayer, are used by fewer than three people in 10. Furthermore, the greater proportion of these users consists of students and an elitist group in the community who are aware of the benefits to be derived from reading and a general access to information. If libraries are to fulfil properly their rightful role as dynamic forces in the community—as bastions of freedom in the community—a far larger proportion of the public must be encouraged to use their local library and the State Library in ways they may not have thought possible.

Honourable members can see for themselves what has happened since the staff of the Parliamentary Library was increased. Even members of the Opposition are using the library more. With the influx of new members at the last State election, the Parliamentary Library is being used more and more, and the advantages of this are apparent in the debates in this Chamber.

Libraries of the immediate future should be able to offer for loan long-playing recordings, cassettes and tapes, art prints, educational toys, a full range of remedial reading materials for persons with reading disabilities, large-type books for elderly persons or persons with sight disabilities, talking books in cassette form for the elderly and for disadvantaged handicapped persons who cannot attend the library, books and tapes in languages other than English for non-English-speaking people. All these services will, of course, be in addition to those already offered by libraries.

It is pleasing to see that money for libraries will be utilised not only by State Governments but also by local authorities at their own discretion and for the benefit of the people of the areas under their jurisdiction.

I turn now to the sportsmen of this State, and I begin by offering my congratulations to any sportsman who has represented Queensland or Australia in cricket, football, tennis, or any other sport. However, I wish to deal particularly with public servants who represent their State at sport. This matter has concerned me over a lengthy period, and I have written to a number of States seeking information as to how their Public Service Boards approach the question of public servants representing the State at sport. Unfortunately I have never had the right answers back in time. If, as a public servant, I were picked to play in a particular cricket match I would have to forgo certain privileges. It must be remembered that not very many public servants would be playing football, cricket, tennis, and so forth.

Mr. Jones: You are talking about State representatives?

Mr. KAUS: Yes. I am not talking about people in the Public Service who play for a Public Service team interstate.

Mr. Yewdale: The State Government has not done much for them.

Mr. KAUS: No, it has not. This is what I am asking the Treasurer to look into. On such occasions public servants usually get recreation leave or leave without pay. Direct costs are involved because match expenses amount to only \$1 a day. Say I represented Queensland and I was granted recreation leave or leave without pay, financial considerations apart I am prevented at the end of the year from enjoying my fortnight's holiday with my wife and children. I should like the Government to take this matter up. We

have several first-class players, including at least one test player, employed by the State Government. It is their thinking that the goodwill and good public relations that would be engendered by their playing sport for their State would be sufficient to provide an argument for leave on full pay for four first-class matches without any reduction in recreation leave. Perhaps a submission could be made to the Public Service Board for those people to be granted two weeks' recreation leave for that purpose. In my opinion that policy should apply to all major sports. It would be gratefully appreciated by all concerned if major sports could be defined, a policy formulated and the situation clarified. I am asking the Treasurer to look into that.

I am not considering any members of Parliament when I make this request. As you know, Mr. Dean, we have a cricket match against the Press set down for 29 October. I do hope that all people interested will be available, but I can assure them that they will not be available for the State side.

I congratulate the Treasurer on the additional grants for sporting associations. I realise that the honourable member for Bundaberg is very upset because some of the grants are going to major sporting associations that have ways and means—

Mr. Jensen: The lion's share.

Mr. KAUS: He suggests that the lion's share is going to major sporting associations that can raise finance through selling liquor in the bar. In this day and age most sports clubs have their clubhouse and can sell liquor there. In football clubs, with the coaching schemes, the work of parents and citizens' associations, the young midgets and so forth, a tremendous job is done. I am very pleased that the Government is helping them in many ways. As a matter of fact I would like to see another \$1,000,000 channelled to them. I have made representations on behalf of those people in my area, and they have done well. It is such a fast-growing area that the number of "midgets" soccer teams doubled to 95 teams within 12 months. There are also 35 cricket teams and a large number of Rugby League teams. The organisers of these sports are doing a marvellous job, and will continue to do so.

The additional grants to National Fitness are much needed. Some of the National Fitness camps in provincial areas need to be upgraded. Last Sunday on my return journey from the South I inspected some development that was taking place at a National Fitness camp near the Leslie Dam. It is a beautiful area, and it would do a lot of members the world of good to get up there, away from the trauma of the Parliament, to breathe some fresh air. National Fitness camps in areas such as that are of tremendous value to the community, particularly the children—our future citizens. Camps are being established not only in the

environs of Brisbane but also in Rockhampton, on Magnetic Island, on the Atherton Tableland, and in other places that the council has its eye on.

Mr. Jensen: It's not bad when the women go out and do those physical jerks.

Mr. KAUS: These camps are provided for girls as well as boys.

Mr. Jensen: My mother used to polish floors and clean windows.

The TEMPORARY CHAIRMAN (Mr. Dean): Order!

Mr. KAUS: It's a shame that some honourable members cannot go out and get some exercise. It would do them the world of good; they might become enlightened and have their minds sharpened.

I congratulate the Treasurer on his approach to probate duty, but I am disappointed that he has not gone a little further.

Mr. Jensen interjected.

The TEMPORARY CHAIRMAN: Order! I am getting tired of warning the honourable member for Bundaberg.

Government Members: Throw him out.

The TEMPORARY CHAIRMAN: Order! Government members will come to order.

Mr. KAUS: Thank you, Mr. Dean. The Government has had a good look at this matter, and I hope that in the near future it will provide even more relief than that given at present.

Today I was made aware of the case of a man whose de facto wife died. He came to see me about the probate that was payable. I told him that a certain percentage must be paid and there was no way that he could get out of paying it. He told me that he had been paying his taxes over the years and that he had put most of the furniture and the house in the joint names of himself and his de facto wife. He thought he would not have to pay the full probate duty but learned that the law did not apply that way. Probate is an iniquitous tax. I know of another family in which the lady has to pay the Queensland Government approximately \$3,000. She had not received that amount of money from the property in one year. She paid \$700 in gift duty but that was given back. An immediate reassessment was made and she had to pay \$3,000. According to solicitors and barristers in another city, she did not have to pay that amount or any tax in Queensland.

In future I hope that people do not have to pay probate on furniture and effects. I do not know where we should draw the line with antique furniture, but 70 or 80 per cent of the people have old furniture, household goods and clothing. It is embarrassing when an inspector assesses these private items. That opens an old wound and causes the surviving

spouse emotional upset. I hope that, in future, we will be able to do without probate inspectors.

In dealing with one of my favourite subjects, I might say that history is repeating itself. History's time-table could be influenced by will, drive and dedication. There is no room for complacency. We need only drive, enthusiasm and unremitting personal evangelism. I hope that all people in the National and Liberal Parties come to this conclusion in the next few months. Political events are producing a situation parallel to that which prevailed in this country in the late '40s. Those involved in politics during that turbulent period will recall the great concern expressed freely about the onrush of socialist legislation and the penetration of Communism into many strata of economic and industrial activity. The latter culminated in the unprecedented action of Prime Minister Chifley in putting troops into the coal mines.

Mr. Wright: Is this a brief?

Mr. KAUS: No, it is not.

I believe that this could well have happened quite recently. Efforts to nationalise the trading banks in those days, together with the abortive attempt to compel local authorities to give the Commonwealth Bank their business, were milestones on the socialist road to national repression and industrial anarchy. Finally, the people cried, "Enough!" That is what they will be doing very soon. Wherever we go we hear comments on the highways and the byways and, as the Leader of the Opposition said, in the pubs. There is profound reaction throughout the whole of the electorate today. Indeed, Liberal and Country Party members are being embarrassed by offers of physical help and assistance. I do not know if the financial assistance is forthcoming, but I hope that it is. At this time the electorate is fearful about its rights and the nation. The electorate inspired the organisational momentum of the 1949 election that resulted in a far greater landslide than that which occurred in December 1972. Of course, if everything goes well in December 1975, we will experience a greater landslide victory and be back in power in Canberra once more. Clearly, given the issues, non-Labor supporters will react by emphatically and unequivocally rejecting the Federal Government. I believe that the issues are again at hand. The people are worried and anxious.

In the Budget that he introduced, the Treasurer was troubled with inflation, industrial problems, a crushing blow to the export industry that the honourable member for Belyando mentioned, and the levy on coal that will affect coal exports. It must not be forgotten that coal of just as high quality is to be found elsewhere. We do not have the only coal in the world. South Africa is developing coal mines and in 1976 will be delivering coal to Japan. Nor must it be forgotten that Japan has invested

\$800,000,000 in Russian coal mines. We have witnessed the folly and stupidity of industrial action in our mines and in electricity generation. That action is not helping us at all. We should be developing more rapidly than any of the other States, because that produces export income and creates jobs. It keeps our Government on its toes and promotes the State's development ahead of that of any other State. We have managed to keep ahead of the other States and I am sure that under the directorship of our Treasurer and the present Queensland Government we will continue to move ahead.

We have seen the headlong rush of the Federal Government to embrace Communist nations at the expense of old friendships. We have seen the emasculation of our armed services, as well as the appointment of hardline Left-wingers to key Federal Government policy-making committees and the overlordship powers of the Government by the A.C.T.U. and the ruthless moulding of the Electoral Act that could entrench Labor on the Federal Treasury benches for ever. I am sure we all hope the Senate rejects that legislation when it is again brought before it for consideration. We cannot afford to have the socialists any longer in power in Canberra.

Once again, with those few remarks, I congratulate the Treasurer on such a wonderful effort in view of the restrictive controls exercised over Loan Funds coming from Canberra. The Treasurer has done a magnificent job for the people of Queensland.

Mr. GIBBS (Albert) (9.4 p.m.): I am very pleased to see you in the chair, Mr. Dean, especially as you have the member for Bundaberg under your thumb. We all know that he plays up a bit.

Mr. Wright: Are you seeking the Chair's protection?

Mr. GIBBS: The member for Bundaberg fairly terrifies me.

I rise to support the 1975-76 Budget, which is the 10th presented to the Queensland Parliament by the present Treasurer (Sir Gordon Chalk). Preparing a Budget with a cloud created by the Federal socialist Government hanging over the State Government like a praying mantis is quite a challenge. There is no doubt that the policies of destruction brought forward by the Federal Government have damaged this State.

For the first time in the history of Australian politics we have to examine almost every statement made by some Federal Ministers. Two of the worst offenders are the Minister for Transport (Charlie Jones) and the Minister for Urban and Regional Development (Mr. Uren). Many of their public statements are incomplete, which makes them factually incorrect and creates a false impression with the people of Queensland.

Many statements made by the Federal Minister for Transport have had to be corrected. Often the Queensland Minister for Local Government and Main Roads has had to go to bat in the Press to correct statements made to the people of Queensland. Many of the grants and the like announced by the Federal Minister for Urban and Regional Development prove upon close examination when the small print is read to be repayable at bond rate of interest. To say the least, those announcements are misleading to the public of Queensland.

All of these factors make it difficult for Ministers to submit estimates for the Budget and reflect directly on the Treasury. The Treasurer said that he had to keep altering the Budget because of the continual changes and insecurity in Canberra. There is no doubt that one of the greatest blows to Queensland has been the \$6 a tonne coal export tax. This is one of the greatest rip-offs ever in the history of Queensland. Apart from the short-term money side, which no doubt has affected this Budget—

Mr. Jensen interjected.

Mr. GIBBS: I will have to ask Mr. Dean to call for order.

The **TEMPORARY CHAIRMAN** (Mr. Dean): Order! The honourable member for Albert should ignore interjections.

Mr. GIBBS: He is trying to provoke me. Thank you, Mr. Dean. He does frighten me.

Mr. Aikens: Take out your thumper and thump him.

Mr. GIBBS: I do not want to rub him out so soon. That will be done at the next election.

Apart from the short-term money side of it, we must consider the long-term effects that this will no doubt have on our mining and development programmes. Who in his right mind would risk capital in Queensland today with the Federal Government that we have? Who in his right mind would risk the great amount of capital required to create these mining ventures, employment, export trade, taxable incomes for people and the advantages for support industries and service industries? Who in his right mind would bring these things to Queensland or in fact any other part of Australia while the Whitlam socialist Government is in Canberra?

With Mr. Rex Connor as the Federal Minister for Minerals and Energy, it is impossible to measure the long-term damage that has been done to our mining industry. Consider the direct tax loss to the Federal Government and the State Government, the employment situation that could be improved by these new ventures, the export trade and the benefits to all the service industries when they obtain work from these big companies.

When speaking of Mr. Connor, let us think about the search for oil in Australia. What a sad and sorry state it is in at present. The Federal Government has chased away everyone except B.H.P. from the search for oil in Australia. Other companies have gone to the four corners of the world—anywhere but Australia. In the long run we will not have enough fuel to service this country. We must find oil in our own country, yet the Commonwealth Government has chased away from Australia all the oil search companies by calling them nasty multinationals. What better way is there of finding oil than using multinationals who can get money and talent from all over the world and harness them together in one great force? They are able to produce risk capital and work at a very low percentage of profit. It is amazing that anyone would take on the role they play.

We had Gough Whitlam, our own Prime Minister, while he was overseas when he was trying to destroy the car industry, yelling out at the top of his voice, and reported in every national and international newspaper, about this filthy low American company. What a great Prime Minister we have to be reported in such a fashion!

But that is the whole Labor attitude—to destroy anything that is successful, to knock anything that is successful, even small business.

Small business is the thing that really keeps Australia going, and we as a Government assisting small business are the equivalent of someone planting seeds and watching the crop grow. The result is the creation of new employment and subsequently more taxes to both the State and Federal Governments, and so free enterprise goes on. The most important person on the business scene is the small businessman; the little guy, the little Australian who is willing to get up and go. He leaves high school, becomes an apprentice, learns a trade and then gets up and has a go on a shoe-string. Where is the incentive for him today to go into business? Where is the incentive of any long-term security in Australia at this stage of the game with the present tax structure and all the other things the Government threatens him with if he dares to go into private enterprise and create something? The little guy who starts in business in the back streets all over Australia, the little guy who goes onto a Government industrial estate established by the Department of Industrial Development and creates something new is the one who should be encouraged, but he has been knocked to leg, and this can be seen in the number of small businesses which have gone out of business in recent years.

Mr. Jensen: What about pay-roll tax?

Mr. GIBBS: Pay-roll tax is certainly something that has not helped in the past, but this Government is taking a realistic view of

it in this Budget. I will talk about that later on without the help of the honourable member for Bundaberg. We do not need his help because it is people like him who have created this chaos in Canberra, although I do not think he is anywhere near as far Left as his friends down there. He is more to the centre; nevertheless he has to put forward their views whether he likes it or not.

We have heard a lot recently from Labor Party members about private enterprise running to the Government in times of trouble as being to a degree socialism, or asking to be nationalised. This, of course, is not correct. There is nothing wrong with it in certain circumstances if it is in the interests of the people of Australia to assist an industry over a rough time. It happens from time to time and probably it will continue to happen whichever party is in power.

But if we analyse the present situation in depth we see that most of the problems are caused by the policies of the present Labor Government in Canberra. Those policies are affecting people all over Australia and, I am sorry to say, they are having a terrible effect on the people of Queensland, a big State with a small population which is greatly decentralised. Of course, the wonderful decentralisation which has taken place was initiated by this Government. The results of some of those policies have had a direct effect on the Queensland Budget. I instance the destruction of the clothing industry last year. It came to an end throughout Australia but the effect was felt particularly in Queensland because it was a young, growing industry trying to make its way, having broken away from the southern States.

One enterprise on the Gold Coast employing 100 people ended up employing only 15 people. A fortnight ago on the front page of "The Australian" it was reported that the Federal Government is going to open the door again and allow clothing in from overseas. The Gold Coast company I referred to has built its staff up to 60 again but it is being told in effect, "We are about to destroy you again. Down the drain you go." Up goes the unemployment. So where is the little guy in Australia? He keeps getting knocked down as soon as he gets up. Where does he end up? Back in the gutter on the dole, along with the people who worked for him. This is a great free-enterprise country and by heck I'll fight to keep it that way as long as I've got breath in my body.

The Federal Government is not satisfied with destroying the clothing industry, of course. Its policies affected the shoe industry drastically. Now we see so many imported shoes in the shops that it's just not funny any more. Over many years the Australian shoe industry had been built into a reliable and solid industry.

The building industry has also been destroyed by Federal Government policies. Although there was a big credit squeeze in the 1960's, it was a planned squeeze and there was a light at the end of the tunnel. There is no light at the end of the tunnel at this stage. Certainly there is a minor improvement in the building industry at present, but it is only the result of natural growth.

Then there is the part destruction of the motor-car industry, and I have mentioned previously in this Chamber some statements made by the Prime Minister. He certainly says stupid things at the wrong time, and I am sure that some of the Labor members of this Assembly fairly quiver when they wake up in the morning and read the newspapers and then wonder what will appear in the newspapers the following day.

The alteration in the value of the dollar has created a situation in which it is difficult for both Australian primary products and manufactured goods to compete on world markets. In fact, there must be fewer export opportunities at present than there have ever been in the history of the country.

As I said earlier, the clothing trade is beginning to recover. However, it is now being said that the Government intends to again open the gate to imports, and this will make it even more difficult for the industry to get back on its feet. I am speaking of the clothing industry not only in Queensland but in Australia as a whole.

I have no hesitation in saying that all the things to which I have referred have happened by design, not by accident. The Government speaks about assistance and says, "You come to the Government." If someone knocks you down in the street, Mr. Hewitt, and gives you a good kick in the ribs, and then, a few minutes later, picks you up and dusts you down, what do you do? Do you thank him for picking you up, or do you give him a good punch in the jaw for knocking you down? If he has knocked you down by design, I think you would give him a good punch in the jaw. People are demanding a Federal election, and I believe that we, as the representatives of private enterprise and the democratic way of life, steering the country away from socialism, should give them one. As honourable members are aware, communism is the next step for countries that have adopted socialism. The Communists are there awaiting an opportunity to do what they have to do.

Unemployment is three times higher than it was in 1973-74, and when school-leavers come onto the labour market, it will be higher than it has ever been before—even higher than it was in the 1930's. Although I am not in favour of the R.E.D. scheme as such, I concede that it provided employment for many people, and I am grateful that it kept people in employment. It is going to be eliminated, but I am sure that it will be necessary to introduce some scheme to keep people on their feet and enable them to do some useful work.

The Financial Statement indicates that police strength is to be upgraded, and it is pleasing to see that foot patrols are to be reintroduced as soon as possible. I am sure that is something to which all honourable members look forward. There is a shortage of police in many areas, and I am pleased that the strength of the force is to be increased.

Bookmakers' turnover tax is to be increased by half a per cent. Although no-one likes to see taxes increased, in this instance nearly all the increase will be returned to the racing industry and so will assist the sport. Racing is a very big industry in Australia, and in Queensland in particular, and it will become bigger and better than ever. Perhaps the punters will get their money back, anyway.

Much has been said about rail fares and freights. I believe that the increase in freights is necessary but consideration should be given to people in western areas. The honourable member for Mt. Isa put their case very well. The Government must support some sort of relief on those railway lines to keep down living costs in western areas.

The usual hackneyed idea is to derive extra revenue from taxing petrol and tobacco. It is good to see that on this occasion the Budget has no effect on the price of either of those commodities.

The lifting of road transport fees will be a great thing for Queensland. I have waited a long time to see that happen. When the Minister for Justice and Attorney-General was Minister for Transport he took a beating over road transport fees, as have other Ministers for Transport. Although it was perhaps a necessary tax in the past, it is good to see it being removed over three years. The Premier and the Treasurer are honouring election promises made in their policy speeches.

Road tax has discriminated against Queenslanders. A truckload of timber could be purchased cheaper in northern New South Wales than in Maryborough or in western areas. Although it was always said that road tax would offset losses on the railways, I believe that over all its removal will have a remarkable effect on the decentralisation of industry. It will be a great boost to western areas.

Pay-roll tax exemption for small businesses has been doubled from \$20,800 to \$41,600. I do not think we have gone far enough, but it is a start in the right direction. If we can do the same next year and further increase the exemption it will certainly help the small businessman in Queensland.

The removal of death duties was promised during the election campaign. I am very pleased to see that that election promise is being honoured, and the first step has been taken by providing total exemption from death duties of estates passing from husband to wife and wife to husband. This will prevent much of the worry that is caused to people as they

get older and wonder what they should do with their estate. They do not know whether to split their estate or what to do. A good friend of mine who was 20 years older than his wife made everything over to her, but within months of his doing that she dropped dead. It was ridiculous to think that that situation with death duties could arise in the 1960's. It is very good to see the new exemption.

It is known statistically that at the age of 65 years eight men die to every one woman who dies. So over a long period of time death duties are working, in betting terms, 8/1 against women. It is quite significant to make this change in Women's International Year. It should give great relief and comfort to many people. Over a period of three to five years, I should like to see death duties totally abandoned in Queensland. While death duties are levied, people will try to take advantage of the law or will be dishonest in some way in order to get their estate in order so that those duties can be avoided. It is a ridiculous situation. All sorts of extra insurance are taken out to keep an estate solvent or to ensure that beneficiaries do not lose everything that the testator worked for. Inflation is working against insurance policies. In fact the whole system is working against the average Australian, particularly the small businessman.

Gift duty has not been referred to a great deal, but the relief given here by way of exemption from duty on gifts passing from spouse to spouse is of equal importance. I am quite sure that in the long term this step will help preserve many business and family units. The imposition of gift duty works against the Government in the long term, so it, too, will benefit from the exemption provided for in the Budget.

As to education—provision is made for an increase of 2,000 teachers in primary, secondary and special schools, with a resultant reduction in the pupil to teacher ratio. Further teacher aides are to be appointed to primary schools, thereby allowing teachers to get on with the job of teaching their pupils.

Mr. Frawley: Under this Government education has progressed by leaps and bounds.

Mr. GIBBS: Despite the cut-back by the Federal Government in funds provided to the State, education in Queensland has progressed at a rapid pace. This year it was hoped that the State would embark upon an ambitious building programme, but I am not too sure what will happen now that the allocation of Commonwealth funds has been reduced.

Payments to non-State schools will be increased from \$81 to \$111 per year for primary students and from \$132 to \$177 for secondary students. Such assistance is to be commended, because non-State schools are finding it increasingly difficult to provide teaching facilities for children. They

do a wonderful job throughout the State. The church schools particularly are staffed by dedicated people who devote their time to teaching children.

School transport operators are to receive further assistance by way of increased payments to cover operating costs. This is good news. Provision has also been made for the full operating cost of education services for handicapped children to be met by the Government. This, too, is a wonderful thing.

On the health side, a tremendous building programme is to be undertaken in the provision of new hospitals. Southport is fortunate in that it is to have a high tower block at a cost of millions of dollars. It is interesting to note that the expenditure programme has been increased from \$18,000,000 to \$45,000,000. The Budget also provides for assistance to the Blue Nurses. The other night I attended one of their meetings, and said to those present, "God forbid that the Federal Government will walk in one day and try to take over your service. I hope it never tries to take away your dedication and your participation in the service and turn it into a cold, bureaucratic set-up." Let us hope that the State Government can keep the Blue Nursing Service afloat for the benefit of the people of Queensland.

I am not too sure about the concession to be provided for pensioners who travel on urban private buses. I should like to know whether this concession will be extended to cover pensioners on the Gold Coast. They have no rail service and would greatly appreciate the opportunity of having a comfortable ride at concession fares on a bus from their homes to the city of Brisbane. Such a bus service is far better than a rail service in that a bus passenger is not obliged to travel by taxi five or six miles from his or her home to a railway station. Whereas the rattly old trains used to take two hours to travel from the Gold Coast to Brisbane, a bus covers the distance in approximately half the time.

The Budget has made ample provision for sport and recreation.

Expenditure on roads is an unknown quantity until we know how much we are to get from the Federal Government by way of return of petrol tax.

Unemployment is still a very serious problem in Queensland and Australia. The Queensland Government has adopted a realistic attitude by once again maintaining its grant for local authorities at about \$5,000,000. I was very pleased to see that item because in recent months it kept many of our work-force employed. I do not know how we would have survived without it. Subsidies are always helpful in maintaining our work-force. As distinct from the R.E.D. scheme money, no strings were attached to the State money. R.E.D. work had to be labour-intensive. Grants without strings would

allow us to do work of an important nature. Under the R.E.D. scheme we returned virtually to the era of the stonemasons. We used about 80,000 yards of stone on the Gold Coast, all of which was moved by hand about three times. In these days stones do not have to be cracked with hammers, but the employees had to pick them up to use them. I am amazed when I consider the things we built in the area. We even built a fort right on the border—we might have to fight Gough off.

Mr. Frawley: The Federal Government wants to get rid of all local authorities and divide Queensland into 10 regions.

Mr. GIBBS: It wants a regional type of Government but it will never make it.

I look forward to a very vigorous school-building programme this year, especially in areas with a high growth factor. I should also like to see the pensioner bus scheme extended to the Gold Coast.

Mr. Frawley: And into Caboolture.

Mr. GIBBS: Trains run up there, but they are too slow, aren't they?

I congratulate the Treasurer on a job well done under very difficult circumstances. His task is certainly not all milk and honey, but in this life we cannot always expect milk and honey. We must take the good with the bad. Considering the bad things he had to contend with, this is an excellent Budget for Queensland and it certainly has my support.

Mr. YOUNG (Baroona) (9.33 p.m.): I rise to speak in favour of the Budget and to support the Treasurer, who has had to present to the people of Queensland a realistic Budget which, in some ways, might appear to be a little harsh but, over all, is a genuine attempt to keep Queensland a productive and progressive State at a time when Australia is suffering its greatest economic hardships since the Second World War.

Mr. Frawley: The Leader of the Opposition said that it was no good.

Mr. YOUNG: He does not always know what he is talking about.

The Treasurer has shown the people of Queensland the leadership and responsibility that the Federal socialist Government is sadly lacking. He has the strength of his convictions and does not resort to the Federal Government tactic of attempting to buy votes. When a Government through its actions attempts to buy, bully or intimidate people into supporting it, I feel that its fate is sealed. The people of Queensland will not tolerate a Government at any level that does not have the strength of its own convictions.

One of the main criticisms levelled at the Budget concerns the 40 per cent increase in rail fares and freights. However, since the last rail freight increase in 1966 wages have

increased by more than 184 per cent. The people of Queensland are extremely reasonable and are always prepared to accept a justifiable situation. As wages have increased by 184 per cent, an increase of 40 per cent in rail fares is easily justifiable in the electorate.

The people of Baroona are very appreciative of the Treasurer's efforts to assist them, firstly with the subsidy for school-children travelling to and from school in Brisbane City Council buses. That is a vital issue in the inner-city suburbs of Brisbane and fulfils another election promise by the coalition parties in Queensland.

Mr. Miller: That would be a necessity, though, wouldn't it, with the Brisbane City Council fares being as high as they are?

Mr. YOUNG: That is correct. The Brisbane City Council has shown no consideration whatever for the children of Brisbane who have to make their way to and from school by council bus.

Mr. Doumany: The buses are never on time.

Mr. YOUNG: The bus time-table is another problem.

Another promise kept by the coalition parties was the abolition of death duties on estates passing from spouse to spouse and of gift duties on gifts passing from spouse to spouse. Surely that must be applauded even by the few Opposition members in the Chamber tonight.

Opposition Members interjected.

The CHAIRMAN: Order! There is too much noise in the Chamber.

Mr. YOUNG: That is a tremendous step in the right direction. Sir Gordon is leading Australia in death duty reforms. On that point alone I feel that the Treasurer must be applauded by all members in the Chamber.

Just because the people of Queensland in December 1974 dared to reject the Prime Minister in favour of our Premier, Queensland has been subjected by the Federal socialist Government to political retaliation by a reduction in Federal Government money that is urgently needed for housing, road works and other areas. The Prime Minister now uses every means at his disposal to show his wrath to the Queensland people who dared to reject him in December 1974.

With State housing accommodation at a premium, the Federal Government has reduced the State's allocation of money for use in vital State housing programmes. The Federal Government has stipulated also that only 30 per cent of State Housing Commission homes may be made available for purchase. People wait for long periods to obtain a State Housing Commission home and now find, because of the unfair restrictions placed upon them by the Federal Government

through the Housing Commission, that they can no longer purchase the home, as they initially planned.

Mr. Tenni: Gough is going to charge a rent tax now, anyway, if you own your own home; so what's the use of it?

Mr. YOUNG: That is right.

Not satisfied with limiting the number of Housing Commission homes to be made available, the Federal Government has entered into the field of pensioner units and placed a vicious means test on applicants. Pensioners and senior citizens in our State are no longer eligible for a pensioner unit merely because they receive a pension. They must also be in receipt of a rent allowance. Any pensioner or senior citizen who is living with a relative is automatically barred from obtaining a pensioner unit, unless the daughter or family of that pensioner or senior citizen is charging the pensioner rent, and the pensioner or senior citizen has applied for and obtained the Federal Government's rent allowance.

The Federal Labor Government has imposed a vicious means test on applicants for pensioner units. The Federal Government appears to be determined to reduce private home-ownership and increase rental homes. That is totally unacceptable to me. It is our responsibility as a Government to make homes available either for rent or for purchase depending on the wishes of those who occupy them. Ownership should not be reduced to only three out of 10 houses.

Mr. Miller: Do you think it is true that the Federal Government intends to impose a special tax on all houses over 12½ squares?

Mr. YOUNG: That would definitely be true.

When one sees the major housing problems associated with inner-city developments and the lack of Federal Government assistance that would make available a greater number of Housing Commission homes, one can only feel greatly disappointed with the Federal socialist Government, which is playing politics in an area of such vital need as housing. I must deplore the Federal Government's action in relation to the housing problem. It is obvious that the Federal Government has a complete lack of understanding of the average Queenslanders.

Probably the most deplorable aspect of the Federal Budget is its attack on voluntary welfare agencies throughout Australia and particularly in Queensland. The Queensland Council of Social Service has the responsibility of co-ordinating the voluntary welfare agencies and compiling data for general usage throughout Queensland.

Mr. Miller: How much did the Queensland Government give to Q.C.S.S. last year?

Mr. YOUNG: About \$10,000.

Mr. Miller: How much did the Federal Government—

The CHAIRMAN: Order! I suggest that the honourable member for Baroona continue with his speech.

Mr. YOUNG: Thank you, Mr. Hewitt.

What has happened on the Federal scene? The Federal Government has taken away the \$10,000 annual subsidy paid to the Queensland Council of Social Service. A mere \$10,000, but the Federal Government has taken away the lifeblood of the Queensland Council of Social Service and the council is now placed in jeopardy. The only conclusion that can be reached is that by taking away this \$10,000, which is nothing on a Federal scale, the Federal socialist Government is attempting to undermine the voluntary welfare agencies in Queensland and replacing them with Government-controlled agencies.

Mr. Miller: What could the Federal Government do with \$10,000?

Mr. YOUNG: It could buy three motor-cars, possibly deliver "Blue Poles" to one location, or use it as one-tenth of what it has granted to Germaine Greer. They are just a few that come to mind.

From my own personal experience I consider that we must act extremely quickly in the defence of voluntary agencies. No Government department can replace the dedication and devotion to duty of voluntary welfare agencies. I offer no criticism of Government welfare and social workers, but the work of voluntary agencies cannot be estimated in monetary terms.

As I have said, the Federal Government is placing the voluntary agencies in Queensland in danger. The first move to replace these agencies by Government-controlled bodies is the withdrawal of the subsidy to the Queensland Council of Social Service. I am sure that all honourable members would not criticise the worth-while contribution that Q.C.S.S. has made to Queensland over the past decade. The socialist Federal Government will stop at nothing to have the people of Queensland completely dependent upon it. Because we in Queensland stand firmly behind voluntary welfare agencies, we will be endeavouring to assist Q.C.S.S. as much as possible.

Returning now to the Budget—I have found that the increase in stamp duty from 6c to 10c is being readily accepted by the people in my electorate. They realise that people in most States of Australia are already paying 10c stamp duty on cheques and that the Treasurer is genuinely attempting to keep Queensland progressing through these difficult times.

I personally welcome the increase in police strength and the return to foot patrols in city areas generally. There is no better way to control the streets of any city than to have police foot patrols in personal contact with

the public. By this action we are keeping another election promise. In our policy speech it was stated that the Police Force would be increased and that there would be a return to foot patrols. The people of Queensland realise that when the National-Liberal coalition makes a promise, it keeps it, whereas the A.L.P. promises the people everything, gives them nothing and takes it away before they get it!

I am personally disappointed at the way in which Opposition members are always ready to attack and criticise the police and never praise them, yet when their houses are broken and entered or when their motor vehicles are stolen, they do not hesitate to immediately call upon the police for assistance.

It is about time we all stood up and were counted for our attitude to the Police Force. I had the pleasure of attending a recent police swearing-in parade at Oxley and I was very impressed and very proud to have been associated with the Force for some years. We are indeed fortunate here in Queensland to have such a fine body of men and women serving in the Police Force. I must congratulate the Treasurer for providing for an increase in the police strength as it is greatly appreciated within my electorate. The parents and friends association at St. Ambrose's Convent are extremely grateful for the return of a police officer to the school crossing at Kelvin Grove Road. It is an extreme pity that there has to be a police officer there; traffic lights have been approved and are awaiting Federal Government finance. An extremely dangerous situation exists at this crossing over four lanes of traffic, but thanks to the consideration of the police administration a police officer is now available at the convent before and after school to keep the children of Newmarket safe while the Federal socialist Government withholds vital money and plays politics with the lives of our children.

Mr. Tenni: They gave \$100,000 to Germaine Greer.

Mr. YOUNG: That's right, \$100,000 and they wouldn't give \$10,000 to the Queensland Council of Social Service. Shame! Education is another area where Queensland is showing its true concern—with a total of approximately one-third of the total Budget allocated for the education of the State's children. I feel we must all be extremely proud of the genuine endeavours of the Treasurer in this regard. With two colleges of advanced education, one State high school, one adult evening class, one private high school, two State primary schools, three convent schools, one opportunity school and one independent primary school in my electorate, I can fully appreciate the importance of a growing education Budget. A current programme of development within my electorate entails the expenditure of over \$250,000 on two specific projects.

I must take this opportunity to thank the Treasurer, the Minister for Works and Housing and the Minister for Education for their constant interest in education in the electorate and in particular the extensions to the Baroona Opportunity School, which will eventually cost over \$200,000. The construction of the much needed pre-school centre at Petrie Terrace also reflects the concern and the genuine endeavours of the Queensland Government in providing the best educational facilities for the children of our State. There are so many good points in the Budget that it is impossible to name them all so, like previous speakers, I applaud the Treasurer on a difficult job well done. All Queenslanders are once again in his debt.

Progress reported.

SECURITIES INDUSTRY BILL

INITIATION IN COMMITTEE

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

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General) (9.50 p.m.): I move—

“That a Bill be introduced to consolidate and amend the law with respect to the regulation and control of trading in securities, the licensing of persons dealing in securities, the establishment and administration by stock exchanges of fidelity funds and for other purposes.”

The Interstate Corporate Affairs Agreement was, as honourable members will be aware, entered into early in 1974 by the Governments of New South Wales, Victoria and Queensland and subsequently adopted by Western Australia in March 1975.

The agreement recited, amongst other things, the intention of the Governments of the participating States to achieve uniformity in the law relating to companies and the regulation of the securities industry and trading in securities, and to increase the protection the law affords to the investing public, and, in order to achieve its objects, expressed the agreement by each participating State to submit legislation to its respective Parliament in order to implement recommendations made by the Ministerial Council constituted under the agreement.

The Bill is the culmination of deliberations which have taken place between myself and my colleagues on the Ministerial Council since its formation and is yet another example of the co-operation which has been achieved between the participating States in the area of corporate and securities law.

As will be the case in Bills being introduced in the Parliaments of the other three participating States, the Bill provides for the repeal of the existing Act and the adoption, on a uniform basis, of an Act which takes into account the experience gained in the administration, over a period of almost five years, of legislation of a type never previously enacted

in this country. Regard has also been had to the revelations of the Senate Select Committee on Securities and Exchange (the Rae report) and various comments made by professional and business organisations in relation to aspects of the Commonwealth Corporations and Securities Industry Bill, presently under consideration by a Senate select committee.

The legislation would have been introduced at a much earlier date but for the stultifying effect of the announcement by the Commonwealth Government of its intention to introduce legislation to provide for the establishment of a Securities and Exchange Commission, which has become embodied in the Bill presently being considered by the Senate committee, and a National Companies Act, which has yet to see the light of day.

The Standing Committee of Attorneys-General, both State and Federal, was well advanced in the preparation of a uniform Securities Industry Bill in 1972 when the Commonwealth Attorney-General indicated his Government's intentions, as a result of which the work of the standing committee did not go beyond the preparation of an initial draft Bill.

It is an indication of the reliance placed by the Commonwealth Government on the work initiated by the standing committee that the initial draft Securities Industry Bill, prepared at the direction of the standing committee, was heavily borrowed from and its influence is readily apparent throughout the Commonwealth Bill.

Following suspension of the activities of the standing committee, the initiative has been taken up by the Ministerial Council, which revived matters upon which the standing committee had been working, in the area of corporate and securities regulation.

In pursuing its functions the Ministerial Council has the benefit of the advice, through the Interstate Corporate Affairs Commission, of a consultative committee, provided for under the Interstate Corporate Affairs Agreement, which comprises a wide representation of the professional and commercial organisations concerned in the area of corporate and securities law. The members are drawn from the Institute of Chartered Accountants, the Australian Society of Accountants, the Chartered Institute of Secretaries and Administrators, the Law Council of Australia and the Australian Associated Stock Exchanges.

Thus the void left by the suspension of the deliberations of the standing committee has been filled most capably. The machinery provided through the Interstate Corporate Affairs Agreement has proved to be, and is continuing to be demonstrated as, an entirely appropriate vehicle for the continual oversight required for so dynamic an area of our commercial activity.

The agreement has opened up exciting possibilities for a continued reform of the

law and administration relating to corporations and the securities industry, and for those reforms to be made in consultation with commerce and the professions with proper regard to the needs of the investing public.

It is a matter of some regret, then, that the Governments of South Australia and Tasmania have not seen fit to become parties to the Interstate Corporate Affairs Agreement, in order that those States could share in the benefits of uniform legislation in this area.

The Bill is designed to widen the scope of the existing Act by considerably extending the powers and authority of the Commissioner for Corporate Affairs that he might more readily perform the policing function assigned to him. It eliminates certain deficiencies which have become apparent in the Act, extends the legislative control over the activities of the stock exchanges, requires greater disclosure by licensees, strengthens the existing offence provisions and includes additional offences.

The participating States already have adopted in their Companies Acts the concept of "recognised companies", the adoption of which eliminated the necessity for registration, as foreign companies, of companies incorporated in any one participating State and carrying on business in another. This avoided the necessity for the multiplicity of document lodgment in the participating States, and was received with considerable enthusiasm by companies which operate across the State borders.

The concept of mutual recognition is extended in this Bill in relation to licensed persons who carry on business interstate, who should welcome this provision with equal enthusiasm.

Regard is had in the Bill to revelations made in the Senate select committee's report, and provisions are inserted to avoid repetitions of reprehensible behaviour disclosed by that committee as having occurred during the mining boom.

The Commissioner for Corporate Affairs is given wider powers of inspection and power to ensure observance and enforcement of business rules and listing rules of a stock exchange.

The Commissioner for Corporate Affairs and his officers have been placed under the same criminal and civil liability as insider traders in relation to the misuse of confidential information obtained in the course of the performance of their duties.

The provisions enabling the appointment of inspectors to investigate matters concerning dealing in securities have been extended consistently with similar powers presently provided in the Companies Act.

The offences relating to trading in securities, including false trading, market rigging, false and misleading statements and insider

trading have been redrafted in order to overcome practical difficulties which have emerged in the course of investigations.

The accounts and audit provisions relating to dealers have been considerably extended in scope consistently with corresponding requirements of the Companies Act.

I propose to have the Bill lie on the table of the House with a view to proceeding to the second-reading stage early in November, and thus provide interested parties and organisations with the opportunity to consider the provisions of this important regulatory measure. I hope it will be possible to have the Bill printed tonight so that members of Parliament and other interested people in the community will have an opportunity to study it and make submissions that can be considered at a later date.

Mr. WRIGHT (Rockhampton) (9.59 p.m.): During 1970-71 action was taken in this Parliament to introduce legislation that would ensure adequate protection for the public in the field of stock-market investment. If one looks at the record of legislative acts in that year, one will clearly see that that legislation was designed to ensure that the stock-market operated in a fair and open way and that unscrupulous people were not able to manipulate the market by illegal means for their own profits. Everyone will admit that those were very worth-while goals. While one might think that at that time the Government tried to take singular credit for the measure, it should be known—in fact I think it is known by most members—that that legislation arose out of the deliberations of a standing committee which met in New Zealand in 1970, whereupon it was agreed by all States to introduce protective legislation.

Everyone realised that the security industry could no longer be trusted to regulate the industry itself. There was certainly a need for some distinctive form of statutory control. That was accepted, and it was certainly accepted by this Parliament in 1970-71. The message was rammed home, not only to members of Parliament but also to the public generally, that something had to be done. The newspapers were full of reports of the mining share rorts that had been perpetrated. That became loud and clear from the public exposure of the massive rake-offs made by investment advisers who hopped in and bought particular shares and then advised people that those shares were on the go. Naturally they held many of them themselves and then sold them at a massive profit.

While there has not been what one might term a great boom in shares since the introduction of the legislation, it has been put to the test and I believe that over the years it has failed. This fact can be appreciated from a reading of the comments made in the Rae report on the Australian securities market. I suggest that those members who

intend to speak to this Bill at the second-reading stage peruse the report. It certainly was enlightening for me to do so some weeks ago.

I do not have time tonight to quote from the report. I do have with me, however, copies of editorials that I obtained from the Parliamentary Library, one of which appeared in "The Australian Financial Review" on 19 July 1974, following the publication of the report. In that editorial this was said—

"The Rae Report on the Australian securities market and their regulations is an indictment of the securities industry. Its handful of case studies unfold a tale of avarice, deception and double dealing that reaches into some of, what have been up to now, the most respected offices in the country.

"So damning is the evidence produced by the committee that it is impossible to imagine anybody now seriously arguing against the necessity for some national regulatory body to police the securities industry with a view to protecting the investing public.

"The committee's remarks that it found the performance by the exchanges of their regulatory responsibilities with respect to their members to have been 'seriously wanting' is memorable for its under-statement.

"The committee, which was dominated by Opposition members from what is in name anyway a State's Chamber, sees the need for a national regulatory body—an Australian Securities Commission.

"The evidence made one point abundantly clear. It was that the securities market is a national market.

"The committee argues that there should be a single, national, governmental regulatory body to administer proposed legislation in this field. It argues for a statutory corporation rather than a body set up within a department.

"The legislative proposals the committee has in mind are sufficiently embracing to cover all aspects of the securities industry.

"It wants legislation to:

"Maintain, facilitate and improve the performance of the capital market in the interests of economic development, efficiency and stability.

"Ensure adequate protection of those who invest in the securities of public companies and in the securities market."

The editorial concludes by saying—

"Fortunately, the Leader of the Opposition, Mr. Snedden, appears to agree with the idea that there is a clear need for legislation to take account of the national nature of the Australian securities markets.

"Let us hope this spirit of bipartisanship on this policy principle is not eroded under the pressures of those people who have

gained so much from the anomalies, inefficiencies and loopholes of the existing state of the securities market."

That editorial sums up much of the argument against what we have seen tonight, that is, the result of four States getting together as a group and bringing down what could be described as pseudo uniformity in legislation dealing with the securities industry.

Mr. Lowes: What would you suggest—that one goes to South Australia and Tasmania?

Mr. WRIGHT: No. I agree that there are deficiencies in Tasmania and that there are difficulties also in South Australia. I would hope that those States, instead of waiting for the national legislation, which may be delayed as a result of the Senate report, try to improve their legislation.

I quote now from the Rae report, as follows:—

"The main finding of this committee is that the regulation of the securities markets, of the intermediaries which operate in these markets, and of some of the activities of public companies and investment funds is in need of fundamental reform.

"Our essential recommendation is that an Australian Securities Commission be established forthwith by the Federal Government to carry out this reform. Securities markets have an important part to play in the development of Australia, and effective regulation is required to ensure that the markets are functioning to achieve this objective."

I could quote other articles. I have one here by Professor Robert Baxt entitled "The Rae Report—Quo Vadis". In it, he deals with the need for reform and emphasises the importance of a national approach.

When we consider the public exposures and revelations that hit the news with the failure of Patrick Partners and the Patrick Group, Budget Finance Corporation Limited, Queensland Mines and the Barton Group—I could go on and on—we can readily understand why there is no hesitation on the part of many people in saying, "Yes, it is not good enough to have this matter attacked by the States. We need a uniform approach." This is an important matter in the light of the announcement on 15 August 1975 by Justice Minister Madson, who revealed that 78 public companies and 218 private companies were being investigated by commission inspectors in his State alone. We obviously have a real problem to contend with. When we add to this the statements by the Sydney Stock Exchange chairman, John Valder, and the Brisbane corporate solicitor, Mr. F. W. Lippiatt, we realise how serious the problem is and has been.

The best possible evidence of what I am saying about the need for radical changes comes from statements by the Premier of

New South Wales, Mr. Lewis. In "The Australian Financial Review" of 27 September 1975, he said that the new legislation had been designed to correct certain deficiencies that had become apparent. Obviously these deficiencies have occurred although the Act was introduced only in 1971. Even though the States got together at that time to bring down uniform principles, he said quite clearly that legislation was necessary to remove the deficiencies that had become apparent. In the same article, in dealing with legislation similar to that which we are discussing tonight, he said—

"Matters covered by the proposed Securities Industry Bill 1975 which involve substantial changes from the current NSW Act include:

Licences and licensing.

Disclosure of interest in securities in writing by dealers and investment advisers.

The powers of inspection by officers of the Corporate Affairs Commission.

Offences relating to trading in securities."

On going through the Act we find that we have already provision for these matters. I suggest that the provisions have failed to work not because of the lack of expertise of the officers concerned or the way in which the law was drafted (with the exception of section 73) but because companies do not acknowledge State boundaries—because companies are not kept in by territorial rules. They are nation wide and only nation-wide legislation can cope with them.

It is also obvious from that article that other changes seem to be needed. Many of these come from the Rae report itself. Mutual recognition of dealers, investors, agents and representatives generally is needed, just as we have under the Companies Act.

I believe that there are two arguments. The first relates to whether we need to improve the law relating to the securities industry. I suggest there is no argument on that. We have proof from the exposures in the Press that this is necessary. The second argument concerns whether it should be done on a State or national basis. I think we have to realise that the existing Acts are inadequate. They have proved the value of having statutory control over an industry and the value of registration, licensing, and inspection of books, records and so on. They have also proved that the so-called Commonwealth-wide approach which this legislation was supposed to introduce has failed. I am always amazed that it should be a Commonwealth-wide approach when the Liberal and National Parties are in power and that when the Labor Party is in power we cannot possibly look at the matter on the basis of a Commonwealth-wide approach—only from the parochial attitude of the States. We should remember

that the market-rigging activities of the last decade were not confined to one or two States, but were nation wide. The fictitious transactions, the false rumours, the misleading and false appearances of active trading were never tied to one stock exchange alone. They, too, were nation wide. Companies do not recognise State boundaries.

Mr. Knox: It didn't happen in Queensland.

Mr. WRIGHT: We can talk about some of the companies that have gone bad here. I remember that the former member for Brisbane (Mr. Davis) raised the matter of Weedmans with the Minister.

Mr. Knox: You name any instance in the categories you have just mentioned that happened in Queensland.

Mr. WRIGHT: I accept that, but is the Minister saying there have been no problems for companies in Queensland?

Mr. Jensen: What about Palmers when they went broke?

Mr. Knox: What about their going broke?

The CHAIRMAN: Order!

Mr. WRIGHT: Obviously other members know of other instances.

I suggest that companies do not recognise State boundaries. Large commercial activities generally are rarely confined to one State. It is ridiculous for people to insist on State superiority when it comes to securities industry laws.

I accept, however, that there are numerous areas of Government that are better handled by the State. We all agree with this. One could cite areas such as education and regional development. Let us leave those in the hands of the State.

Surely the securities industry does not fit into that category. I have read from some of the important articles in "The Australian Financial Review" that point that out. I also accept that the original Bill proposed by the Labor Government had its defects, but what legislation is ever perfect? How many times has legislation been introduced into this Chamber only to be amended a short time later? That has happened with legislation time and time again; so that is certainly not a valid criticism of the Federal effort.

Mr. Burns interjected.

Mr. WRIGHT: The present Minister for Justice is not the only one. One has only to go back through some of the amendments that have had to be made in local government and other areas.

I return to the main reason for tonight's debate. It is not because uniformity is best obtained by the States. It is because it is desired to oppose the Federal Government, to be parochial, to oppose anything that might transfer any State power to Canberra, regardless of its value to the community.

Mr. Frawley: Why shouldn't we?

Mr. WRIGHT: People such as the honourable member for Murrumbidgee are prepared to have multiple laws relating to securities and companies rather than have a single companies law and a single securities law, regardless of the enormous advantages, regardless of what the economist might say and regardless of what is said by people in the know. They are anxious to preserve their bureaucratic power structures. It seems that they are afraid to hand anything over. It seems to me that they revert to the 1940's when they had to hand everything over to the Taxation Department, and they never want to see it again.

The States will not recognise the irrelevance of State boundaries in commerce and trade today. They refuse to acknowledge the need for strong and effective national laws governing the conduct of business activities and the protection of the investing public. They are not interested in seeing improved efficiency in the securities industry generally. They refuse to recognise that uniform State legislation has been tried and has failed.

One goes back to the Companies Act itself and to 1971 when we had our own securities industry legislation. It has been tried and it has obviously failed. If it had not failed, we would not be trying to improve it tonight.

Moreover, where we have had some uniformity however partial it may have been, problems have always arisen. Therefore, there is a need for a national approach. That was stressed in the Rae report, which said—

“Our essential recommendation is that an Australian securities commission be established forthwith by the Federal Government.”

It was not to be established by the States but by the Federal Government.

“The Australian Financial Review” said—I quote it again—

“It is impossible to imagine anyone now seriously arguing against the necessity of a regulatory body to police the securities industry.”

Professor Baxt also stressed that need. The New South Wales Law Society—and one could quote at length from the photostat I have—went on—

“The society's suggestions were made in the hope of achieving a workable solution in overcoming lack of Commonwealth legislative powers in areas where uniformity and Commonwealth-wide authority has been demonstrated to be at least desirable, if not essential.”

They may have been half-hearted in it, but still they came back on this important point.

There is no argument about the need for change and there also should be no argument against a national approach. A positive effort has been made by the Australian Labor Government. One has only to go back through the explanatory memorandum that was put out by the Attorney-General's Department in Canberra. It explained what

the aim of this legislation was. If one goes through the specific duties of the Corporations Exchange Commission, one will see that it fulfils all the purposes, principles and provisions that the Minister has been talking about and that Mr. Lewis espoused in “The Australian Financial Review” only some weeks ago.

I do not intend to spend time on the events in the House of Representatives. We know what happened. The legislation was introduced and was passed on the numbers. It went to the Senate and the Liberal and National parties in the Senate did not reject the Bill. They obviously recognised the importance of a national approach. They did not reject the Bill but they suggested that there should be further inquiry. They accepted the importance of a national approach but said that they believed there could be complications, that it would not simplify the problems of the companies and that it might not overcome all the difficulties that had been talked about, so they wanted further inquiry.

A special Senate select committee was established with Senator Georges as chairman. Whilst it has not brought down any report, from what I have read there is a general consensus among Liberals, National and Labor party members alike that the present situation in the securities industry is highly unsatisfactory and that stricter nationwide controls are needed.

A recommendation has been made that a joint Commonwealth-State authority should be established under the authority of a ministerial council. I notice in the article by Mr. Lewis that Mr. Enderby was not even told what was going to happen here. At least the Senate, which is made up of all parties said, “We see the political problems of the Commonwealth doing it. We see the difficulties of the State doing it. So let us have a compromise. Let us get together and let us have a State-Commonwealth approach to this matter.” Unfortunately the non-Labor States are not interested in co-operation and are determined not to give one inch on this issue.

The problems that have been caused by the States are well known. We had legislation in 1971 to insert a special provision in our law to allow for certain acts that may have occurred in Queensland to be prosecuted if there was a law in other States that could be used to carry out such a prosecution. We knew of the territorial limitations and we knew we had to have special provisions. When we were supposed to have uniform legislation in 1971, New South Wales and Victoria differed from us. They did not have the same provisions relating to the keeping and freezing of trust accounts. So obviously uniformity had not been achieved. I suggest that the only approach is a national approach and I urge this Assembly to think of this.

(Time expired.)

Mr. HANSON (Port Curtis) (10.18 p.m.): The Minister introducing this legislation comes fresh from overseas after spending quite a considerable sum out of the State's purse in chasing London lawyers and London brokers in the hope of getting the best advice. In his typical cynical fashion he now casts personal disparaging remarks about a member of the Legislature. His entry into this Parliament signalled the day that he became known as "Knox the knocker". He ran around claiming that there were Communists under the seat of every A.L.P. member in the Assembly.

Perhaps one of the most beneficial statements that he has made for some time is that this legislation will lie on the table for quite a considerable period to allow people with expertise to study it and to suggest various amendments to it.

With other members of the Opposition, I firmly believe that it is very desirable that there be some uniformity in this country in regulations appertaining to the securities industry. Of course, the mere fact that certain States have decided to set up an Interstate Corporate Affairs Commission indicates that they have at least recognised the completely ineffective and hopeless situation that presently exists because the States have different Companies Acts. By their very action in setting up this Interstate Corporate Affairs Commission they gave credence to the belief espoused by members of the Opposition over a long period, that is, that in dealing with crooks in the securities industry the Companies Act is a complete farce.

The fact that four States consider it necessary to unify their legislation proves that it is necessary to have an Australian Companies Act and it is about time that this Government and the others on the Interstate Corporate Affairs Commission did something. Incidentally, at the birth of the Interstate Corporate Affairs Commission the then Attorney-General of New South Wales, Mr. McCaw, was in favour of an Australian Companies Act until such time as the Minister and his counterpart from Victoria got hold of him, took him by the coat and told him that he had to obey the dictates of the great free-enterprise system in the Liberal bible and that they had to do something about forming themselves into a little triumvirate, as it was then. Of course, if three of the States—New South Wales, Victoria and Queensland—had a need to unify their legislation, then clearly it does not stop there; there should be uniformity Australia wide. Anyway, I will leave that submission at that point.

The formation of the commission shows that it is necessary to have some form of uniformity, but mere political pettiness is keeping the Governments involved from giving the public of Australia at long last the benefit of some honesty in the securities industry. I believe in licensing in the securities industry, the disclosure of interest in

securities by investment advisers and dealers, and greater power of inspection by Corporate Affairs Commission inspectors. On the surface the tabulating of extensions in the offence field are desirable amendments indeed. We in the Opposition believe it is necessary for us to study the Bill very comprehensively and I pay homage to the Minister for deciding to allow us sufficient time to do so.

Some years ago I spoke of the apparent laxity in the securities industry of this country and I made a submission then that in comparison with other countries Australia ran a very bad last in the control of the industry, and by Australia, happily or unhappily, I mean this State. It would be a very happy State if we had a different form of State administration. I would like to reiterate some of the points I made on that occasion, which could be of interest to the Committee. If one goes to the United States of America and looks at the laws governing the securities industry there, which are regarded by the industry as a big bad wolf, we find there is a provision governing solicitations of proxies from security holders for the elections of boards of directors. How does that grab the members of the Government? How would that grab them at plebiscite time? When we think of some of the rorts that go on at plebiscite time in the Liberal Party and in the National Party and that get many members into this Chamber, we wonder how many of them would be here if we had some provision governing solicitations. It is the old story, "I'll scratch your back if you scratch mine."

The CHAIRMAN: Order! The honourable member will come back to the Bill.

Mr. HANSON: Whether such solicitations are by management in the particular corporation or by minority groups, disclosures must be made of all material facts concerning the manner in which holders may vote or be asked to vote. I am not speaking of the shirt factories and the shoddy-droppers of the west—the traders who have gone out over a long period and robbed people by charging them excessively high prices for pieces of dud cloth. I am interested in the small people who have some investments and who are concerned with those investments. Australians as a whole, and Queenslanders in particular, are entitled to a fair go and should not be subjected to considerable deceit.

Incidentally, in the United States of America, when the opportunity occurs, shareholders are asked to vote plainly "yes" or "no" on particular issues. Where a contest for the control of a corporation is involved, rules require as statement of the names and interests of all participants in the proxy contest, if I may put it that way.

Mr. Frawley interjected.

Mr. HANSON: I know how far the honourable member for Murrumbidgee would get. As a matter of fact, he would not even get a service station, seeing that he has been a pawn in the hands of the multi-nationals over a long period.

It also is of paramount importance in this country when a Bill pertaining to securities is before Parliament to ensure that shareholders are given equal opportunities to think and be advised. It may be commercially healthy and important that normal take-over exercises for the whole of a company's capital should continue. Although that may not always be desirable, on occasions it may be a desirable practice, and I do not think anyone has any argument against that. But the doubts that exist in the minds of members of the public at present, the widespread discontent that one reads about in the media, the personal losses endured by many and the bad image created abroad lead us to the stage where provisions must progressively be included in the legislation to provide investors and all interested parties with material, financial and other information concerning securities offered for public sale and to prohibit misrepresentation and deceit in the sale of any securities. These provisions should be broadened and extended. If the proposed legislation embodies some of the matters I have mentioned, I believe that honourable members should be ever vigilant to ensure that it is constantly reviewed and amended.

If we go a little further and note some of the provisions of the United States legislation of which I spoke earlier, we see when we apply our thoughts to the registration of statements by companies issuing any forms of securities that it is a requirement that all registration documents give more detailed financial information than is seen in almost any prospectus issued by an Australian company—intricate details of capitalisation, earnings, including sales and subsidiary sales, with commentaries on accounting methods, summaries of actual business operations of the company concerned, giving sector sales in multi-industry companies and providing information about properties owned by the company and its subsidiaries.

Incidentally, the registration documents give detailed information about senior executives, including their backgrounds. The honourable member for Murrumbidgee certainly would not be on a board of directors if that were so here. They also give information relative to their remuneration, their superannuation schemes, and their shareholdings and their options. The honourable member for Flinders, who is sitting next to the honourable member for Murrumbidgee, would not be on a board of directors, either. The registration documents include auditors' reports, which are far more explicit about such matters as intending litigation and associate company results. Furthermore, insiders are prohibited. That would stop a lot of members of the Liberal Party and not only their friends

in Parliament but their friends outside Parliament—the people who contribute to their slush fund at every election. It would prevent them from making short sales of their company's equity security.

Mr. Knox: Is it true that your beers have the biggest collar in Queensland?

The CHAIRMAN: Order! The interjection was irrelevant and the answer will be, too, so I suggest that the honourable member do not give it.

Mr. HANSON: The temptation would be there but I am an honest man. Consequently the Minister would get over the odds if he got a drink from me. He would need a food taster, too.

I have spoken about the legislation in the United States. Some people in the Chamber talk about the United Kingdom. What a lousy place, it is! How it has deteriorated and how the old British lion has had its teeth pulled! Look at that country's company legislation of 1974. The crime of insider-dealing is clearly defined. Naturally the disclosure of shareholders is a very comprehensive one as demanded by the legislation. It gives a clear guide-line that the Companies Act will hit at one of the commonest perks given to executives of public companies, that is, mortgages at subsidised interest rates once a person becomes a director. That would take the sting out of a lot of members of the Liberal Party.

The practice of giving directors shares in subsidiary companies as an incentive will be banned by the United Kingdom Act. It defines the duties and powers of directors. What has always been implicit in the United Kingdom company legislation is now explicit. Directors have to exercise the utmost good faith towards their company. Directors are hit by severe insider-trading laws. The Act clearly states that if a director is guilty of an offence he could be given a very healthy fine or land in gaol for seven years for taking financial advantage of insider information. Naturally the Government would put a stop to the law of the jungle that was being practised by Slater Walker and the people of Industrial Equity who tried to take over Industrial Sales and Services. Our gentleman friend from New Zealand was well known to members of the Liberal Party, including a few Liberal members of Parliament, not so long ago.

Under the United Kingdom legislation shareholders with 5 per cent of the company will have to declare their 5 per cent holding within three days of acquiring that percentage. That is designed to obliterate disquiet in the public mind.

Disclosure is one of the main themes of the United Kingdom Act. No doubt that applies in great detail to directors. It contains provisions pertaining to accounts and various other matters that would be very beneficial in the public interest.

We have travelled a very sad and sorry road in this respect over a long period. Not so many months ago we had the take-over bid for Scottish Australian. That particular bid caused a great smell in the noses of many people.

A senior stock exchange executive in London stated that, compared with the regulations operating in Great Britain, the United States, Canada and South Africa, those in Australia would come at the bottom of the list. He spoke of the ramifications of the Marra and Tiera bids for Scottish Australian and the practice of buying shares on the market well above the formal bids. A most strange state of affairs existed there. If it is looked at in broad relief, it indicates the necessity for some form of national and uniform Companies Act.

The first that the London Stock Exchange officially knew of the Scottish Australian affair followed an approach to the City Takeover Panel by Scottish Australian. As exchange officials tell it, Scottish Australian requested the panel to suspend London listing; but as the request was made outside its brief the panel passed on the request to the exchange quotations department. The department contacted a London broker acting for Scottish Australian to acquaint itself with the details of the take-over struggle. Whilst there was ready acquiescence on the London Exchange to the complete suspension of trading there, the secretary of the committee, on contacting the Sydney exchange on the matter for the first time, learned that Sydney would take no action to suspend the Scottish Australian listing. There was no provision in the New South Wales Companies Act to allow that to be done. Incidentally, if Queensland had been contacted it would have been in the same position; no such provision appears in our Act.

There was clear evidence to the effect that the public were being fleeced and that a take-over bid of the most savage proportions was being made by people acting like ravenous wolves to gain control of equity in this company. In spite of that, however, the Minister and his counterparts in other States scorn the desirability of establishing an Australian Securities Commission. This does not augur well for the future.

It is necessary that a comprehensive and microscopic examination be made by the Opposition and also by Government members—not those on the Minister's committee nor those who are politically ambitious—of these proposals to ensure that the public are safeguarded to a much greater extent than in previous years.

Mr. JENSEN (Bundaberg) (10.38 p.m.): When I entered Parliament in 1969, I spoke about securities.

Mr. Lane: Are you trying to pretend that you can understand the jokes in "Punch" now?

The CHAIRMAN: Order! I propose to hear the honourable member for Bundaberg.

Mr. JENSEN: He has just learned some of this language in Italy, Mr. Hewitt, and we don't want him to bring it into this Chamber.

Mr. Burns: In the massage parlours.

Mr. JENSEN: That's for sure.

As I was saying, when I entered Parliament I spoke about the rorts and rackets on the stock exchange. A few years prior to my election to Parliament I invested in a couple of hundred shares to learn about the operations of the stock exchange. In fact, I borrowed £800 on my A.M.P. policies so that I could invest in shares. My father had told me that I should learn something about the stock exchange, and added that it was the greatest capitalist rort ever instituted in our Western world.

In my younger days I had been a bit of a gambler. In fact I was a mug gambler, because I was afraid to lose money. I often had bets on horses, and in the 1930's I was even an S.P. bookie for a mate of mine. I always had an urge to get into this game. When I decided that I would enter Parliament, I wanted to learn something about the stock exchange. I thought that it was useless to talk about the stock exchange, gambling on the races and liquor (like the honourable member for Sandgate, who speaks about liquor and gambling although he knows nothing at all about them) without knowing something about them. I therefore borrowed £800 of my insurance policies and invested a couple of hundred pounds in certain shares.

I think it was in 1969 that I spoke in this Assembly about the stock exchange. It was not long after the former Minister for Justice (the late Dr. Delamothe) brought down a Bill dealing with securities similar to the amending legislation now introduced by the Minister. This Bill will be as useless as that introduced by the Minister's predecessor. The stock exchange and the securities industry are nothing but rorts and rackets. People can gamble on racehorses two or three days a week, but the big rich companies and institutions gamble on the stock exchange each morning and afternoon. There is no reason why shares in Woolworths, Ampol and other companies should move one cent or two cents between the morning and afternoon, but they do. As I said in 1969, once a company has declared a dividend, the price of its shares, as determined in the next fortnight, should stand for three months. No company should be allowed to alter the paper value of its assets from one day to the next.

Mr. Knox: If you bought some shares today and they dropped in value tomorrow, do you think that you should get your money back?

Mr. JENSEN: No. You could have backed Cap D'Antibes in the Epsom—

The CHAIRMAN: Order! I am sorry, I do not know about that.

Mr. JENSEN: He was quoted at 5 to 2 favourite two days before the Epsom, but paid 4 to 1 on the tote for running a place. Depending on whether a person backs a horse before the race or at the time of the race, the price may differ, but why should company shares vary from one morning to the next? The price of a company's shares should be determined by its assets and the dividend it pays. As I said in 1969, the declaration of a dividend shows how a company is doing and the prices of its shares should stand for the next three months, until the directors make a further report.

Mr. Frawley: Rubbish!

Mr. JENSEN: The honourable member may call it rubbish. I am not talking to the rat-bags in the Chamber.

The CHAIRMAN: Order! That is an unparliamentary remark. The honourable member will withdraw it.

Mr. JENSEN: I withdraw it, but I thought he was one.

Throughout my career in this Chamber I have asked why the stock exchange should be a gambling institution for the rich, where the paper value of the shares in a company can be altered between morning and afternoon. Why should the shares of a company move in that way?

Mr. Frawley: You tell us why.

Mr. JENSEN: Only because of the gambling by big institutions and public companies—the banks and insurance companies. They buy in the morning and sell in the afternoon. It's mugs like the honourable member for Murrumba and me—and he is a bigger mug than I am—who go along to sell a couple of hundred shares who have to take notice of the price and the dividend. They are the only indications we have. I am not informed by the Minister that a company has a certain asset backing. I do the wrong thing every time on the stock exchange. I have said that before. Every time I buy or sell a share, I do the wrong thing.

Look at Con Mining. It went down the hill. I sold Con Mining shares when they were 72c. What happened? They went down to nothing. What about Poseidon? In 1969, when Poseidon shares were selling at \$6, I said in this Chamber, "Look at them go for Poseidon." What has Poseidon done? It has wrapped itself up; that is all. The shares went to \$500. What are they today? They went right down to below \$2.

Mr. Frawley: How much did Mutual Home Loans kick into your last campaign fund?

Mr. JENSEN: I can't take any notice of that, Mr. Hewitt. We don't get the slush funds that the Liberal Party and National Party get.

I say to the Minister that all he is doing is keeping this stupid racket going. He is trying to make amendments that will mean nothing, just as the late Dr. Delamothé did back in, I think, 1971. The securities industry is an international game, and the Minister has no chance of beating it. All the little amendments he makes to this Act will not matter one iota to the bigger companies. If the Minister were to look at quotations on the stock exchange, he would notice the changes between the morning and the afternoon calls. How will he stop that? How will he stop the false reports and the rumours? A company's shares may jump for no reason at all. In fact, they jump because somebody has heard of a contemplated take-over offer, or the declaration of a bigger dividend. Although it may not happen, a rumour to that effect is circulated. Look at H. C. Sleigh shares, which went from 60c to 33c. They did not pay a dividend. They lost \$2,000,000. That happens from company to company.

Anyone who reads company reports is aware of this. The Minister comes into the Chamber to alter the Act; this happens every two or three years. "The Australian Financial Review" has a heading, "New State Laws on Securities". New State laws! Four States are to alter some small part of the securities law. How will that help the Minister or me? How will it help the poor person who has 200 shares in a company? We would have to look at the company report and what the paper says is to be the dividend. How would it help us if we saw that the company was to pay a 12 per cent dividend? We would think that those shares were a fair buy. We might have worked it out that 12 per cent on that figure was pretty good, but the next day things could have changed.

The Minister is not helping anybody with legislation of this type, which he will have to keep amending. That has been going on for the six years that I have been in this Assembly. If the Minister wants to amend the securities legislation, he should fix the price of shares when the dividend is declared, and that price should remain for the following three months till the directors' report. An announcement by the directors in the following week that they are taking over another company should not be permitted. That price should be made to stand for the next three months or till the directors make a report.

Mr. Katter: That is just not reality.

Mr. JENSEN: That is not reality? It is factual for the poorer people. It is all right for the rich people who get the inside information. The honourable member gets information through his old man in Canberra, so it might be all right for him. The main

thing is what I see, and what the ordinary person sees, as reality. What they read in the Press as their dividend is reality, not the fact that the honourable member knows that next week they will take over another company.

Mr. Gygar: Is this drivel you are talking official A.L.P. policy?

Mr. JENSEN: If he shaved his mo off he might be able to understand a bit better.

When I entered this Parliament I studied this matter for one purpose, and I spoke about it. I have been hit about it.

The CHAIRMAN: Order! I remind the honourable gentleman that he has spoken about it four times already tonight, and he is sounding repetitive.

Mr. JENSEN: And I might speak about it again, Mr. Hewitt, until you sit me down.

The CHAIRMAN: Order! The honourable gentleman will not if I say he will not. He should stop being repetitive.

Mr. JENSEN: I came into this Parliament and spoke about it. I told you that, Mr. Hewitt. I am now trying to tell some of the new members. We can go into any of these cases, such as the investigation into Patrick Partners. We could investigate many companies. I spoke about Palmers, Reid Murray and others going down in 1969. I pointed out how they crashed, and how Korman crashed. I have 800 Korman shares if anyone wants them. I bought my first lot at 6s., and when they dropped down to 1s. I bought some more. I thought they would go up and I would get out of them. But I lost £800 on them. That was my experience with Korman, the great racketeer.

There have been some other failures in recent months by big firms similar to Korman which crashed in the same way. Korman was the great one in the 1960's. Menzies crashed that firm with the 1961 Budget, and he crashed a few other firms as well. Everyone is blaming the Federal Government now for crashing some of these big building contractors. But we had it with Palmers, Reid Murray, Korman and the rest of them in 1961. I said in this Chamber that they had crashed, and they did crash. It is in the record for anyone to read.

I have spoken before about companies that can put out this rubbish and the poor investor who, in a decent manner, invests in companies thinking that he is helping this country. He could put his money into oil, mining, manufacturing, or anything else, and think that he was helping this country. But what happens? The share market—this racketeering mob of capitalists—can change the situation tomorrow.

I invested in oil. My father was a geologist. It is on record that he was the only person to say there was oil in Queensland. When I invested, he said to invest in

this section. I invested in a few oil companies and sold my shares. Then I invested in A.O.G. What happened when they found oil? I bought shares at £2 and when the company struck oil, the shares dropped to £1, then to 10s., and they are now worth a few cents. When it was a prospecting company, the shares were worth £4. That is an indication of the racketeering that goes on. When a person invests money and thinks he is doing something for Australia, what happens? It is a racketeering investment in the stock exchange.

The Minister will do no good by bringing this legislation into this Chamber. He is bringing in legislation, as Dr. Delamothe did, but it is useless because the companies can put it over the people all the time. Every day of the week they can change and alter things. The big investors determine what the shares will be worth on the market tomorrow. The big investors will determine it—nobody else—and the little alterations that the Minister is making are not worth worrying about in this Parliament.

This article is headed, "This year the accountants pull rabbits out of the hat." It is the same here. The Minister is trying to pull rabbits out of the hat. He is trying to make rabbits of honourable members by altering this legislation in some minor detail because it will not affect companies that carry on rackets in the share market today one iota. The share market is the greatest capital gambling racket that has ever been instituted. Everybody talks about the poor working man who has a couple of bob on the horses, bets on two up or goes to bingo; that is gambling. But if we go to the stock exchange that is not gambling; that is investing. There is no investment at all on the stock exchange; it is the worst form of gambling that has ever been instituted in this country.

An Honourable Member interjected.

Mr. JENSEN: As the honourable member says, it is a sucker's paradise and we, the poor people, are the suckers because we are roped in by the big capitalist propaganda—"This year the accountants pull rabbits out of a hat." Accountants can make or break a firm. They can put up the price from 50c a share to \$1 a share just by rigging the price of the stock on hand and where the firm stands. Securities legislation would not have saved Patricks. Securities legislation could not save any company and it will break every poor investor who comes into it except the big banks and insurance companies which fix the price of securities on the market every day.

(Time expired.)

Mr. GREENWOOD (Ashgrove) (10.58 p.m.): The honourable member for Bundaberg was very anxious to do some good for Australia—.

Mr. Jensen: For the working man.

Mr. GREENWOOD: And for the working man. His great problem was that he did not know how. He is a decent man who is a victim of his own socialist prejudices. He knows so little of the stock exchange he is not quite sure whether he wants to be a bull or a bear, but he certainly is determined not to be a rabbit. Whatever fate he ultimately chooses, he is going to have the good fortune to live in a State which will, as a result of this Bill, have a much more efficient capital market than it had previously.

The Minister proposes to allow the Bill to lie on the table so that the whole of the securities industry can have a close look at it, see how it is going to work in practice and then make a contribution. The Bill that finally becomes law might have quite a number of changes from that which, hopefully, will be printed tonight. But the overall result will, I am sure, be a desirable one.

It has been said that the stock exchange is some sort of "a capitalist rort" and that it takes no account of the little man and his savings. That is how much the honourable member has understood of the purpose of the stock exchange. The stock exchange is one of the most significant institutions to mobilise the savings of ordinary men and women that we possess and it is through institutions like the stock exchange that people can be encouraged to save and that their savings, although perhaps tiny in themselves, can be aggregated together and made available to large industrial concerns and put to use. But in order for that to be done, confidence is needed. The ordinary men and women who do the saving have to be confident that the money they invest in shares will be there for them when they need it.

Mr. Jensen interjected.

The CHAIRMAN: Order! The Committee listened with rapt attention when the honourable member for Bundaberg was speaking. I suggest he now does the same for the honourable member for Ashgrove.

Mr. GREENWOOD: They have to be confident in the honesty and the commercial integrity of the boards, and they have to be confident in the honesty and the commercial integrity of the exchange itself. Given that confidence, they will be prepared to invest.

Mr. Wright: What about Patrick Partners?

Mr. GREENWOOD: The honourable member for Rockhampton talks about Patrick Partners. It is incidents of that type that prompt legislation such as this. If the Government were to sit here and do nothing when misfortunes and scandals occur in this country, it would be criticised by honourable members opposite. But, of course, when the Minister introduces a Bill to overcome such problems and make sure that they do not happen in Queensland, all the honourable member can do is say, "What about Patrick Partners?"

We have seen, Mr. Hewitt, the barren contribution that members of the Opposition have made to the debate so far. What members of the Opposition should realise is that the fundamental problem that faces Australia, as it faces every other industrial nation today, is a chronic shortage of capital. Whatever Keynes said at Bretton Woods has been proved to be wrong. He thought that, as industrial nations developed, they would develop more and more plant, that the demand for capital would decline and a stage would be reached at which there would not be a demand for new investment such as we have seen occurring.

Of course, he failed to appreciate the technological explosion that has occurred since 1946 and which increasingly in recent years has meant that the whole of the industrial world is confronted with a chronic shortage of venture capital. The penalty of failing to get a fair share of the world's venture capital for Australia is stagnation, and that is the penalty we will pay unless we are able to ensure that our capital markets are efficient and allow the free flow of savings into this country, whether those savings are generated in Australia or generated overseas, to be used by Australian businessmen to develop industries and to supply jobs.

Honourable members opposite are paying the penalty in the Chamber this year because they as a party failed to appreciate the importance of providing jobs for Australians. In this decade the Australian workforce is going to increase from a little over 5,000,000 to a little over 6,000,000. It is imperative that the economy provides jobs for these Australians and that they do not begin their adult life the way so many people are beginning their adult life this year and will begin their adult life next year—on the dole. The Australian Labor Party has not faced up to that problem, and the debate that has taken place in this Chamber tonight makes it obvious that it does not understand the first thing about facing up to the problem or solving it.

What this Bill is doing in its own way is creating a climate in which businessmen—

Mr. Jensen interjected.

The CHAIRMAN: Order! I ask the honourable member for Bundaberg to cease his constant interjections.

Mr. GREENWOOD: It is creating a climate in which ordinary businessmen can work with some measure of confidence. Confidence is the key to the whole operation. Governments cannot by passing Acts direct people to save; Governments cannot by passing Acts persuade people who have saved to refrain from hoarding their money and to put it to use. What Governments can do is provide a legislative framework that will increase in many small ways the confidence that ordinary men and women can

feel in the safety of their savings. By doing that they will increase the volume of money being saved and being put to a useful purpose throughout capital markets. That is one of the objects of the Bill that will be before the Committee, and for those reasons I support it.

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General) (11.5 p.m.), in reply: The debate has covered some of the matters which traditionally come from the socialists, and we have got a bit used to that over the years. The honourable member for Rockhampton spoke of the failure of State legislation, pseudo uniformity, the need for a national approach and the failure of a number of companies in this country for various reasons over the last few years. That is the sort of thing we expect people to say when they are critical of a system that has grown up in our community, but nobody is claiming that it does not have its failures or that there should not be changes in the relevant legislation from time to time.

The States have no special virtue in relation to this matter, any more than the Commonwealth Government has in its field of endeavour or jurisdiction. It is interesting to note that some of the big companies in this country that failed were registered in the A.C.T. I am not saying that the Commonwealth legislation or the supervision of affairs in the A.C.T. is any more or any less effective than that of the States. Indeed, there will always be people who will fail. Fortunately we still live in a community where people are allowed to fail.

What this legislation attempts to do—as it did in 1971, and which I believe it will do more effectively now—is to provide adequate supervision, which apparently is needed because of changed circumstances. Whatever those changes may be prompted by, they are there as a reality, and there is a social need for supervision of the industry. It probably does not matter very much whether that supervision comes from one central authority or from a number of authorities. But it so happens that this country is a federation in which the individual units have authority in this field. It so happens that the power that goes behind that authority—this Parliament in this State and the Parliaments in the other States—is adequate and sufficient to supervise the industry.

Mr. Hanson: Section 92 of the Commonwealth Constitution. You had better remember that.

Mr. KNOX: Perhaps the honourable member would like to recite it for our benefit.

Nevertheless there is a multitude of Governments capable of providing for this country a national approach to the supervision of the industry. Whether that national approach comes from that source or from the Commonwealth, it probably does not matter very much to the people in the industry, as

long as there is uniformity—not pseudo uniformity—and identical legislation running through the nation. I believe as others in this country do that the States are capable of providing that legislation. We are going to demonstrate that in the next few weeks. It surprises me that the Opposition in this Assembly, with the Opposition in other State Parliaments, and the Governments of Tasmania and South Australia, is trying to find every reason why this should not occur. They talk, as did the honourable member for Rockhampton, about the need for a national approach and the need for uniform legislation. We are introducing such legislation; but why is it that we find the A.L.P. in this country so dedicated in its opposition to it?

Mr. Wright: I'll answer that in the next Bill.

Mr. KNOX: I won't even wait for the honourable member's answer; I will provide it now. The reason is patently clear. It does not suit the socialists to have several Parliaments involved in this operation. They do not want to see the State Parliaments in this field. They want to see only one Parliament, not one State Parliament but the central Parliament, exercising these powers.

Mr. Dean: Australia is one country, isn't it, not 45 countries?

Mr. KNOX: Indeed it is, and the founding fathers of this nation were determined in their view that it would be one country. That is why the Constitution is designed as it is, to allow the Parliaments of the respective States to administer and control those matters that they are best able to administer and control. This happens to be one of the matters that they can handle, and we will see more evidence of this.

As I say, the A.L.P. is dedicated to the prevention of the implementation of this legislation, in spite of the fact that ultimately this nation will have one piece of legislation that is not merely uniform but identical. Indeed I believe that South Australia and Tasmania will be forced to come into the picture, because this legislation will govern well over 90 per cent of transactions entered into in the nation.

The background to this shows that the differences in this Parliament as in other places are philosophical ones. Obviously the A.L.P. wants to see control of national securities, as we do; but its motives and reasons call for examination.

That is the situation that confronts us at the moment. There will in fact be a single law on this subject. While it is true that this Bill is identical with those in the participating States, it will not be the same Bill in a few weeks time after various amendments are considered and proposed. These amendments will be identical and ultimately an identical Bill will be proclaimed in each of the States. I believe it has a far

greater chance of success than the Bill currently before the Senate, which does so much to hinder and inhibit private enterprise in Australia.

The honourable member for Port Curtis made a number of irrelevant remarks and repeated a speech that he made some years ago. He only has one speech on this subject and uses it on every occasion such as this. But that is quite in order; this practice is followed by a number of members who are not prepared to introduce new thoughts into the Chamber. Nevertheless, the honourable member for Port Curtis referred to all these things that have occurred in other countries. It may surprise him to know that several of the things he referred to have happened in this country under our legislation.

Mr. Hanson: I'm not denying that.

Mr. KNOX: No doubt the honourable member supports the view that this Parliament should not legislate in this field.

The honourable member for Bundaberg, who has retired from the Chamber, asked how this legislation would help us. That was the only useful question asked by him, and it was answered very effectively by the honourable member for Ashgrove.

No matter what legislation we have in this field, in the future there will be failures. They will have nothing to do with the effectiveness of the legislation, because there is room in the nation for failures. There will be an opportunity for those who are prompted by anti-social motives to perform acts that are not in the best interests of shareholders or the public generally. Human beings, being what they are—

Mr. Hanson: You'll get Canberra companies if you get Fraser.

Mr. KNOX: The honourable member is trying to suggest that it is possible to have no failures and no misconduct in this field in the future. I say these things will happen no matter how careful or thorough we are in dealing with these matters.

The measure provides a check or balance in the system, which is desirable. Indeed, the stock exchanges seek it, the public demand it and members of Parliament want to see it. For that reason, if for no other, it is desirable that this legislation should proceed. I trust that honourable members opposite will see fit to support it, that they will change their policy—

Mr. Wright: Because it is at least one step in improving the legislation, we do not intend to oppose it.

Mr. KNOX: I am very pleased to hear that the Opposition does not intend to oppose the legislation. Possibly it may submit some amendments. If it does, I shall be happy to consider them and be pleased to see the legislation progress.

Motion (Mr. Knox) agreed to.

Resolution reported.

FIRST READING

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

COMPANIES ACT AMENDMENT BILL

INITIATION IN COMMITTEE

(Mr. Miller, Ithaca, in the chair)

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General) (11.19 p.m.): I move—

"That a Bill be introduced to give effect to an arrangement made under the Interstate Corporate Affairs Agreement for the reconciliation of differences in the Companies Acts of the States that are parties to that agreement, and for that purpose to amend the Companies Act 1961–1974 and the Evidence (Reproductions) Act of 1970 and for other purposes."

The principal object of the Bill is to reconcile the differences which have crept into the Companies Acts of the participating States, eroding the substantial uniformity which was achieved upon enactment of the uniform Acts in 1961.

The Interstate Corporate Affairs Agreement, entered into by the Governments of New South Wales, Victoria and Queensland early in 1974 and adopted by Western Australia in March of this year, has provided the impetus for a restoration of uniformity. That agreement provided for the establishment of an Interstate Corporate Affairs Commission appointed by the Ministerial Council of Attorneys-General of the participating States.

The first task of the Interstate Corporate Affairs Commission has been to review the Companies Acts of the participating States for the purpose of recommending amendments to the respective Acts so that all significant differences might be eliminated. The Bill is the end result of that review, which identified comparatively few differences of substance, none of which proved an obstacle which could not be overcome in the spirit of co-operation which has prevailed between the officers and between the Ministers of the participating States.

As I pointed out when introducing the Securities Industry Bill, the Standing Committee of Attorneys-General, both State and Commonwealth, was working towards the goal of uniformity when their deliberations were suspended following the announcement in 1972 by the Commonwealth Attorney-General of his Government's intention to enact a National Companies Act.

This area, vacated by the standing committee, is now occupied by the Ministerial Council, and the Bill is a further indication of the success that can be achieved by the encouragement of a system of co-operative federalism. The standing committee, since 1958, had made a signal contribution to producing substantial uniformity in many

important areas of commercial law in Australia, of which The Uniform Companies Acts of 1961 and the Securities Industry Act 1970-1971 are examples. While the standing committee has ceased to function in this area, the Ministerial Council is determined to ensure, in the public interest, that company law is kept under constant review and is administered on a uniform basis by the participating States.

While the review undertaken by the Interstate Corporate Affairs Commission has indicated that the extent and the impact of the differences in the State Acts have been largely overstated, it is apparent that the Acts do contain unnecessary and, doubtless, irritating differences which are sought to be eliminated by the Bill. A further source of legitimate complaint has been the failure of all States to co-ordinate the commencing date of amending legislation. It is intended that the Bill and its counterparts which are being introduced in the Parliaments of the other participating States will operate from a common commencing date early in 1976, and the Ministerial Council will remain constantly on the alert to prevent the uniformity which these Bills will achieve from being gradually eroded by independent action of any of the participating States.

That significant results can be achieved through co-operation by the States is already evident in the introduction by the participating States last year of uniform amendments to the respective Companies Acts providing for the concept of "recognised" companies. This concept, by which a company need comply only with the law of the State of its incorporation, and lodge documents in that State only, has reduced to insignificant proportions the practical impact of differences in the State Acts. The Bill will eliminate those differences.

I wish to stress that the Bill is designed primarily for the purpose of reconciliation and does not purport to introduce any radical changes. There are one or two innovations of a non-contentious nature which remedy defects and cope with changing circumstances. Apart from these, which I will expand upon in my second-reading speech, the Bill, complemented by the Bills being introduced in the other participating States, reconciles existing differences, even to the extent, so far as possible, of achieving uniformity of numbering of sections and subsections.

It is acknowledged by the Ministerial Council that there is a need for a number of amendments of a substantive nature and it is intended that a comprehensive Bill be introduced on a uniform basis next year to cater for this need.

By the end of 1972, the States had given, or were giving, effect to the important company law reforms suggested by the Eggleston committee in its First Interim Report (Accounts and Audit); Second Interim Report (Takeover Bids and Disclosure of Substantial Shareholding) and Third Interim

Report (Special Investigations). The drafting of Bills to give effect to the Fourth Interim Report (Sharehawking) was well advanced. The Seventh Interim Report (Registration of Charges) was awaiting consideration. The announcement by the Commonwealth Government of its intention to bring down a National Companies Act and to legislate to establish a Securities and Exchange Commission, coupled with the refusal of South Australia and Tasmania to consider any further proposed amendments to their Companies Acts in the face of the Commonwealth Government's announcement, was the reason for the curtailment of further deliberation of these important matters. The announcement also led to the dissolution of the Eggleston committee although a number of significant areas of company law falling within the committee's terms of reference remained unexplored.

It should be clearly understood that the States which now seek to rectify this situation—as a first step by reconciling their Companies Acts, and subsequently by giving effect to various recommendations of the Eggleston committee—were in no way responsible for the abandonment of discussions between the Commonwealth and the States.

In July 1973, following a meeting of representatives of the Commonwealth and certain of the States, a paper was presented to the Standing Committee of Attorneys-General outlining the basis upon which a joint Commonwealth-States legislative and administrative scheme in the area of companies and securities industry legislation might be developed. While it cannot be said that the proposals contained in the paper were necessarily acceptable to all or a majority of the States, as the contents were not discussed by the standing committee, it was nevertheless the fact that a clear undertaking was given by the then Attorney-General for the Commonwealth that he would advise the other members of the standing committee of his views on the paper. That undertaking was not honoured and nothing further was heard from him prior to the receipt in December 1974 of a copy of the Corporations and Securities Industry Bill, which had been tabled in the Senate a day or two before.

The participating States under the Interstate Corporate Affairs Agreement thus feel it incumbent upon them to proceed independently of the Commonwealth, but jointly and uniformly, so that the work begun by the Standing Committee of Attorneys-General might be continued to the benefit of the commercial world particularly and the public generally.

The Interstate Corporate Affairs Agreement has shown that co-operation is possible and effective. The needs of the Australian public and business community could be met more efficiently, effectively and economically by a joint approach by the Commonwealth and

the States than by a fragmented approach inherent in any unilateral initiative undertaken by the Commonwealth.

The participating States invite the Commonwealth Government and the Governments of the remaining States to co-operate with them in developing a comprehensive legislative and administrative scheme to ensure the proper control and functioning of corporate and securities law in this country.

I propose to have the Bill lie on the table of the House with a view to proceeding to the second-reading stage early in November together with the related Securities Industry Bill.

I commend the Bill to the Committee.

Mr. WRIGHT (Rockhampton) (11.29 p.m.): I think it is fairly obvious to all honourable members who have considered both Bills presented tonight that one could adopt an identical approach to each of them. The Securities Industry Bill and this one are interdependent. Both are based on this parochial parish-pump philosophy that espouses the idea that the States should control the law relating to companies and to the securities industry. We could spend hours simply debating this philosophy as to what is right and what is wrong. I firmly believe that the Minister's attitude is based on false premises and that what we are doing tonight is unnecessary, and I hope to prove it.

A Bill was introduced in the New South Wales Assembly on last Thursday, 2 October, by Mr. Maddison, the New South Wales Attorney-General. I have a copy of that legislation. No doubt our legislation will be identical. I would think therefore that the Minister's attitude will be identical to Mr. Maddison's.

The Bill is very interesting. From the quick glance I have had at it, it seems to incorporate many of the amendments that Senator Murphy put forward and gave notice of approximately two years ago.

It is interesting to read Mr. Maddison's first-reading speech. He said that the principal object is to reconcile the differences that have crept into the Companies Acts of the participating States and generally eroded the substantial uniformity that was achieved upon the enactment of the uniform Acts of 1961. After all, this was the underlying principal that Senator Murphy spoke about so it seems that we have a similar purpose here. But what an understatement! The Attorney-General in New South Wales talked about the substantial uniformity and the sort of erosion that has taken place.

To go back to what happened in 1961—we introduced a uniform Act and this was done in the various States, yet in 1962, less than 12 months later, Victoria amended its Act. Here in Queensland in 1964 we amended the Act. So the New South Wales Attorney-General certainly understated the

whole issue when he talked about erosion. It has just been torn apart. I think honourable members will realise, as they look at the Companies Act and the various amendments that have been put forward at State and Commonwealth level, that it has taken on the appearance of a legislative patchwork quilt.

Mr. Lowes: Are you speaking for the Bill or against it?

Mr. WRIGHT: I did not get an opportunity earlier to state the Opposition's attitude, but, as on the previous Bill, we will be supporting the introduction of this legislation. We oppose the method and the motive behind it. I intend to follow that line. This patchwork effect has been the result of this approach so many times. One thinks back to the Reid Murray episode and the collapse there. Straight away we have some type of legislation or amendment. The Minister himself mentioned the Eggleston committee. There were about six reports, and after they were published we had amendments in each State at different times, so again we have this lack of uniformity, lack of co-ordination and lack of co-operation in trying to upgrade and improve the Companies Act in the various States. According to the old saying, the road to hell is paved with good intentions.

In the States the road to corporate skulduggery and white-collar crime on a massive scale is paved with statute after statute and, unfortunately, very few of these have ever been effectively policed. I think the Government's record when it comes to corporate affairs leaves a lot to be desired. It is always quick to gaoil the car driver but it gives the blind-eye treatment to corporate crooks and often no action is taken against them. I asked a question in this Chamber not so long ago about the increase in requests by liquidators—

Mr. Lowes: Do you favour the drink-driver?

Mr. WRIGHT: No. Come on, now, that is not in the scope of this debate so don't come at me with that. I'm just in the mood to chew you up.

Mr. Alison: You're in a dangerous mood, are you?

Mr. WRIGHT: No; it is just that the honourable member is trying to destroy a sensible debate. If he wants to make a contribution, let him prepare some notes and stand up and have his say.

Not long ago I asked a question in the Chamber about the 21 requests that were made to the Minister by liquidators against firms in this State and I was pleased that he answered my question. He said that seven were eventually referred to the Solicitor-General for investigation.

Let us have a look at some of those. "Carrigans Pty Ltd.—Report of enquiries referred to Solicitor-General for further advice." I can recall getting representations from constituents of mine about Carrigans over a year ago and I am sure other honourable members have had this problem. The answer continued—

"Esguards Security Service Pty. Ltd.	Report of enquiries referred to Solicitor-General. Enquiries continuing
Rose Investments Pty. Ltd.	Director unable to be located. Assistance in locating director requested from Police Department
Cullen (Prefabs) Pty. Ltd. . .	Directors unable to be located. Assistance in locating directors requested from Police Department
B. J. Investments Pty. Ltd.	Director unable to be located
Colray Constructions Pty. Ltd.	Enquiries continuing
Goleby Pty. Ltd.	Enquiries continuing
M. F. L. Pty. Ltd.	Enquiries continuing
Trusko Home Developers Pty. Ltd.	Enquiries continuing
R. & R. Kerbing Pty. Ltd.	Enquiries continuing
Robinson Electrical Pty. Ltd.	Enquiries continuing
Gazelle Pty. Ltd.	Enquiries continuing."

Certainly the inquiries are continuing, but what action is really being taken against the corporate crooks in this State?

The Minister asked me earlier to name some of the problems that have arisen in Queensland. I was not able to name them then, but I have since had a few minutes to think about them. Let us go back to Weedmans. I remember the former member for Brisbane (Mr. Davis) pursuing this matter time after time in this Chamber, but the Minister did not take any action against the insider-trading by the interests associated with Sportcraft—various directors on the board of Weedmans—which enabled them to buy shares at well below the price paid in the take-over offer made by them a little later. No action was taken against the directors of Weedmans for their seriously misleading statements in breach of sections 374 (2) and 375. It will be recalled that some of the statements made by the honourable member—and they were not refuted by the Minister at the time—showed that the directors said that there was no change in the financial conditions of the company; yet they must have been aware of the spectacular improvement in trading conditions that had converted results from a loss at an annual rate of \$96,000 to a profit of \$62,000 only four and a half months after the take-over.

The Minister also ignored the comments of Mr. Justice Lucas in the Supreme Court of Queensland, who stated that "the take-over offer was based upon a lie". The Minister referred to some of the problems that have arisen in Queensland. Perhaps he is prepared to answer that case again, because he said in November 1973 that the recommendation that action be taken against Weedmans was being considered. It is now October 1975—almost two years later—and no action has been taken.

As I said earlier, the Government is always ready to prosecute the person in the

community who steals a car, but it refrains from prosecuting the white-collar crooks and corporate pirates who rob, and have robbed, the investing public of millions of dollars.

Mr. Katter: Korman went to gaol.

Mr. WRIGHT: Finally.

Mr. Katter: I am not familiar with legal procedures, but—

Mr. WRIGHT: We heard the honourable member's speech. Obviously he does not keep in touch with what is going on.

The point is admitted by Mr. Maddison as to the approach of Governments, especially State Governments, in his speech on 2 October, in which he said—

"I emphasise that this Bill is designed primarily for the purpose of reconciliation and does not purport to introduce any radical changes."

After all the debates we have had in this Chamber about the need to bring about changes, Mr. Maddison said, "It is not on. This is not what our intention is."

But the most important statement—and I have to quote this one because it is a beauty—is—

"It is acknowledged by the Ministerial Council that there is a need for a number of amendments of a substantive nature, and it is intended that a comprehensive Bill be introduced on a uniform basis next year to cater for this need."

What are we doing tonight, Mr. Hewitt? We are talking about uniformity and the importance of this whole issue. The various Attorneys-General have met on this and a special ministerial council has been set up. We know the cost that has been incurred by the various States. Yet we find that tonight legislation is being introduced that is not going to last. That is what has been said by Mr. Maddison. And if it is to be uniform, no doubt that is exactly what the Minister intends. He did not say that. No doubt we will find when we read the "Hansard" pulls that he did not give any notice of that. But Mr. Maddison did. He said straight out that it is not comprehensive and that a comprehensive Bill will be introduced at a later date. Therefore, this is not comprehensive.

I again ask: What are we doing here tonight? We are wasting the money of the taxpayers of this State and we are wasting the time of this Assembly by fiddling around and introducing temporary legislation. It is obviously stop-gap legislation. Perhaps one could call it "stop Federal" legislation. That is what it is. It is nothing to do with improving the Companies Act; it is simply one of the Government's efforts to try to stop the Federal Government.

The political aspect also emerged from Mr. Maddison's speech when he said—

"The participating States under the Interstate Corporate Affairs Agreement thus feel it incumbent upon them to proceed independently of the Commonwealth."

Mr. Lowes: Whose speech are you making?

Mr. WRIGHT: Unlike the honourable member for Brisbane, members of the Opposition do some research before they come into the Chamber. I know that he fuels himself in other ways; we fuel ourselves by preparing the information we need.

I repeat, Mr. Miller, that we are wasting our time. Queensland would have been far better off co-operating with the Commonwealth. I realise that there have been problems, and I accept that the original legislation leaves a fair amount to be desired and can be improved. But surely it is up to Queensland representatives in the Senate and in the House of Representatives to do something about it. The main area of disagreement here tonight is not so much the need for change or the need for improvement, as the method of improvement. The Minister said that it comes back to the socialist philosophy that we support a national approach. That is a lot of poppycock.

Let us come back to the important advantages of a national approach. First of all it gives nation-wide uniformity and coverage, not the patchwork approach of the States. It allows for a central administrative agency, and therefore the whole Act is cheaper to administer and also to amend. The Minister himself said, "You can't have perfect legislation." We are going to have to amend and improve. If there is one piece of legislation and one administrative authority, surely that makes it cheaper for all concerned.

We have been talking about States' rights. I have heard the Premier talk about the Senate and how it is the States' House. If that is so, surely the States' representatives in the Senate would have their say when it came to amending the legislation and protecting the interests of the States. The persons responsible for administration would also have direct access to information in all parts of Australia. It would be nation wide. It would remove the pointless frustrations, delays and unnecessary costs that the corporations across the length and breadth of the Australian continent have to put up with. It would also do away with the State and territorial problems that arise. We know the difficulties. In the debate on the previous Bill I mentioned that special provisions were included in the legislation so that arrangements could be reciprocal. That would certainly not be necessary with national legislation. I suggest also that the effort to achieve uniformity with a number of States and authorities is very slow, and rarely do we get the uniformity desired. Usually it is only part uniformity. We have noted from the Companies Act, which was introduced in 1961 and amended the next year and again in 1964, that uniformity rarely lasts. Even if uniformity is achieved, problems immediately arise. There are parochial approaches by various States. Something does not apply here and something else does not apply there.

States then amend without consultation, so again there is this idea of the States running away from each other.

Mr. Lowes: What are you—a centralist?

Mr. WRIGHT: No, I am not. I believe there is a role for a central Government and a role for a regional Government. Obviously the honourable member has no definite thoughts on the whole subject.

The Interstate Corporate Affairs Commission is not really aimed at uniformity. Instead, it is a last-ditch stand by the States to retain company law and the law as it relates to the securities industry. That is what we are talking about. It is a political fight here. The Bill is not in the interests of investors or companies but a last-ditch stand to try to hold out and say, "This should be the States' prerogative." I do not hear the Minister trying to do something about bankruptcy law. We do not see him trying to set up his own family law courts. He has accepted those as matters that can be handled on a nation-wide basis, so why not accept that principle here? Companies do not recognise territorial boundaries. They do not say, "You're Queensland and therefore you have to have special recognition in New South Wales." Under the securities industry legislation the investors' advisers will be recognised in other States. We are saying that it is ridiculous to have these boundaries. A national approach would give national protection regardless of where a company operated.

The Minister spoke before about difficulties in the A.C.T. I am not trying to protect the A.C.T. Look at the problems that Canberra Television caused. That company was registered in Canberra. I agree wholeheartedly with the Minister, but I suggest that what he is doing is backing up my point. With one uniform Act we would overcome most of the problems and also remove the jurisdictional problems that arise with territorial boundaries when decisions have to be made.

Above all we recognise the need for a strong and effective national law to govern the conduct of business activities and to protect the investing public. That is what we should be talking about, not the political advantages of opposing the Federal Government. We should be talking about advantages to the investor and advantages to people involved in companies from a management point of view. It is worth considering. A quotation from the New South Wales Law Society sums it up admirably and I think it is very important. It reads—

"Noting that the initiative of four States—N.S.W., Victoria, Queensland and Western Australia—in forming an Interstate Corporate Affairs Commission (I.C.A.C.) was welcome, the society said it fell short of uniformity and lacked the advantages of a unified Commonwealth approach."

Those are not A.L.P. members talking. They are fellows who live in the ivory tower of the law society. They are men who are supposed to know what is best when it comes to the law in the various States—in this instance, the State of New South Wales.

It goes on—

"The society said: 'We do not think it makes sense (for the Commonwealth) to deal only with stock exchanges and securities dealers and securities dealing generally without also dealing with prospectuses, take-overs, investment corporations, unit trusts and corporate disclosure so far as it bears on securities regulation.

'No provision is made even for liaison or co-ordination with the State Corporate Affairs Commissions.

'It is proper to ask whether this duplication is not wasteful both of money and scarce expertise in this area.

'There is ability to achieve a single code given collaboration between the Commonwealth and the States.'

"The society suggested that subject to a reasonable time limit (unspecified) the States should be invited to participate in making constructive comments on the proposed bill so that it could be a model of its kind suitable for adoption throughout Australia for all public companies.

"If satisfied with the legislation, the States should pass adoptive legislation which would enable the proposed bill to apply to all public companies and to all companies which had issued securities to the public as well as to stock exchanges, dealers, investment advisers and their representatives."

I believe States have the right to a say and that it was wrong of the Australian Labor Government not to invite the States to be involved when it brought forward its initial legislation. I say straight out that Senator Murphy was wrong in not going to our Minister and the Ministers of other States saying, "This is what we intend to do. What are your views?" But two wrongs don't make a right. It is time that we had some co-operation and threw away the political partisan ideas and instead gave consideration to what is best for Australia and the Australian people. This will be achieved only by the introduction of a uniform Act that is nation wide in its approach.

As I said before, we do not intend to oppose this measure; we see the importance of improving the legislation. We accept the Minister's suggestion that he will give us time to examine the Bill in detail. We will be sending it to our advisers. However, we strongly disapprove of the motive behind the legislation and, moreover, of the method of its introduction.

Mr. W. D. HEWITT (Chatsworth) (11.48 p.m.): It seems to me that the honourable member for Rockhampton has been fulminating rather needlessly about certain matters.

He complains that the Bill is lacking in substance. The Minister at no time suggested that the Bill had a good deal of substance in it. In fact, he said the main intention of the legislation was to attain uniformity with those States with which we are presently collaborating.

The Minister added—

"I wish to stress that the Bill is designed primarily for the purpose of reconciliation and does not purport to introduce any radical changes. There are one or two innovations of a non-contentious nature which remedy defects and cope with changing circumstances."

The Minister then indicated that more important amendments would be forthcoming next year. He said—

"It is acknowledged by the ministerial council that there is a need for a number of amendments of a substantive nature and it is intended that a comprehensive Bill be introduced on a uniform basis next year to cater for this need."

To complain that the Bill does not contain matters of great substance is to admit to not listening very closely to the Minister's introductory speech. The Minister agreed quite readily that the sole intention at this stage is to attain uniformity with Acts that exist in the member States.

Uniformity has been sought in company law for many years. Mr. Justice Eggleston submitted a number of reports to continuing conferences of Attorneys-General and over this period the States have sought uniformity with varying degrees of success. I am bound to say that if we are now moving towards that happy day when we will get uniformity, the corporate law in this State and in this country will be infinitely better and the practitioners of company law will be infinitely relieved. The varying requirements in the different States have caused enormous inconvenience to such practitioners and other people.

It is fair comment to point out also that we see before us evidence of the attainment of uniformity without the surrender of power. We see a wonderful example of how States can come together, reach agreement and enjoy uniform legislation without surrendering any of their corporate powers to a central authority. The uniformity that is attained here can be attained on a host of different items when all the States see the good sense in moving towards that goal.

I have referred to the problems that have beset corporations. For too long there have been different prospectus requirements, different registration requirements, different scales of fees and different forms of documentation. They have imposed enormous problems, inconvenience, and delay and costs on corporations that function in more than one State at the one time. We have had a definition which has always seemed a little offensive to me in that a

company registered in New South Wales is, from Queensland's point of view, a foreign company. I hope that we can dispense with that term for what is, after all, an Australian domestic corporation.

I have mentioned one matter to the Minister privately on two occasions and I wish to place it on the record. We bring down this measure because we seek uniformity with other States. The last time such a plea was entered, it was urged by the late Dr. Delamothe, the Minister's immediate predecessor. On that occasion the Minister brought in sweeping amendments and said that all of the other States—

Mr. Jensen: They were useless, too.

Mr. W. D. HEWITT: I think I can do without the help of my friend.

On that occasion the Minister said, "All the other States are in agreement. We will pass this legislation here and there will be uniformity in all of the States that are in agreement." That sounded wonderful and, with great enthusiasm, we raced in and passed our amendments first. In the light of experience we learnt that in other Parliaments the impediment of Upper House consideration prevented some of the measures going through. The desired uniformity was therefore not attained; we did not enjoy the uniformity that Dr. Delamothe set out to achieve. It seems to me that the lesson learnt from that experience should be that, on this occasion, we ought to be the last State to pass these amendments and not the first. The Minister should have a clear assurance from the other States that this has passed the trial in both Houses. When he has that assurance we should then—and only then—consider this matter here. Otherwise, once again, Queensland will have acted and the other States will not be in line.

Mr. Wright: Why do it now? Why not wait?

Mr. W. D. HEWITT: The simple answer to that is that the Minister is affording the Queensland Parliament and the practitioners of company law the courtesy of advising them what the intentions are.

Mr. Wright interjected.

Mr. W. D. HEWITT: How many times have we heard the honourable member for Rockhampton complain that Bills are not printed and made available to people who are interested in their content? On this occasion, when the Minister is doing just that, the honourable member is being critical. He is being a little inconsistent. The Minister is to be commended on taking the Bill so far. I am saying that we should not proceed further until we know that the Bill has in fact been passed by the Lower

and Upper Houses of the member States of the Interstate Corporate Affairs Commission.

The Minister indicated that the time-table provides that these amendments will become operative by early in 1976, and he hopes to have the second reading in November. That is a reasonable time-table so long as the other States comply and show that they can in fact do what they have undertaken to do.

Mr. Wright: Do you trust them?

Mr. W. D. HEWITT: I believe that there is evidence of good faith.

I could speak at great length on the need for corporation law, but that is not necessary. We all understand the necessity for laws to control companies. In the final analysis, one of the things that will make company law work is a strengthened fraud squad. There is nothing better than a fraud squad that can detect that something is not quite right, that can approach people and that can make close inquiries. Right at the outset, if there is any suggestion of a snide deal, fraud or bad practice, a report can be made to the Office of the Commissioner for Corporate Affairs and, if need be, the people involved could be told that they will not obtain registration or that they are not welcome in Queensland. I am quite sure that, with the best legislation in the world, we still need an effective, fast-moving, efficient fraud squad. I would hope that the Minister would look very closely at that.

Certainly, if we are to have uniformity in corporation law, we should know who the crooks and the frauds and the shysters are, and make sure that, as they move from State to State, they can be identified. In making that observation, I remind the Minister of a case I brought to his attention some 12 months ago, when a person was clearly acting outside the provisions of this State's company law. Fortunately we nailed him, but in six months' time he was setting up bogus companies in New South Wales. I wanted to be satisfied that that man's dossier had been sent to the office in New South Wales so that he did not enjoy in New South Wales the opportunity that was denied him in Queensland. I would hope that that would be the practical way in which the uniform company law would work in all of the States. I think that is extremely important.

On occasions members in this Chamber have been critical of the working of the Corporate Affairs Office. I compliment the office for entries I have noticed in the Government Gazette in recent weeks. Section 308 of the Act is being invoked, and defunct and redundant companies are now being deregistered. In the last few weeks a couple of hundred have been delisted. That is timely. It clears out the books. It shows quite clearly that companies that are not

functioning are not registered and are in fact being expunged totally from the records. The office is to be commended for that action.

I make one other observation to the Minister. I do not know how he will respond to it. I have always been concerned about questions in this Parliament relating to companies. How often do we hear members asking the Minister, "Who are the shareholders of such and such a company? What is the paid-up capital? What are the other details about it?" I wait in vain to hear any subsequent follow-up to such questions. One therefore gets the impression that a person has approached the member and asked him to find out something about the company that he would like to know.

It is my opinion that the Minister should be reluctant to answer those questions. He should be reluctant on two grounds. I do not believe it is the proper interpretation of a question in Parliament. Questions in Parliament are to glean from Ministers information that is not readily available from other quarters. That sort of information is available from other quarters. But more important is that the mere mentioning of a company in "Hansard" can cause people to have some concern about it. They say, "Why are questions being asked about it?" The question might have been asked for the most innocent of reasons, but I sometimes feel that the company is placed under some cloud because of it. I believe that on occasions such as that the Minister should simply refuse to supply the information or indicate to the member asking the question that the information would be made available to him if he contacted the Commissioner for Corporate Affairs.

I am firmly of the opinion that, unless there is a substantial reason why the question should be asked and why it should be answered, the Minister should discourage it. While we must be vigilant in dealing with companies and their activities, we should not willingly or unwillingly place legitimate, honest companies under any cloud at all. I have been greatly concerned about these questions and the consequence of them, unintentional though it may be.

My purpose in rising tonight was generally to commend this legislation, and particularly to sound a note of warning to the Minister about avoiding the situation where we would be the first to pass this legislation and be left high and dry, as happened on another occasion.

[Wednesday, 8 October 1975]

Mr. HANSON (Port Curtis) (12 midnight): I want to take up the time of the Committee for only a few moments. The honourable member for Chatsworth said that he was vitally concerned with matters covered by questions asked in this Chamber relating to the Companies Act. Many months ago I asked a question relating to the matter under dis-

cussion—the Interstate Corporate Affairs Commission. I hope, in view of the Minister's snide remarks during the passage of another piece of legislation tonight, that he might have some misgivings and naturally give due recognition to the submission I made in a series of questions some months ago. He would be well aware of it because he has said that in this particular piece of legislation there are certain phases of co-ordination in the Interstate Corporate Affairs Commission appertaining particularly to the commencement date of legislation, or amending legislation, to ensure a common starting time so that the public will not be inconvenienced.

In that particular question and the matter I raised on that occasion I asked whether it was the intention of the Interstate Corporate Affairs Commission to harmonise the law, or to inflict upon the public a multiplicity of legal jargon and jingoism so as to further confuse the public mind. As parliamentarians, we must consider people. Unfortunately, in recent years, we have seen not only in legislation but also in many of the regulations proclaimed under legislation a whole build-up and multiplicity of laws to the extent that people today are finding the law somewhat anathema to them. This is very regrettable indeed. A profession that should be noble, and of which we should feel justifiably proud, is being constantly condemned and criticised by the public at large. There should not be confusion in the public mind. We should have people who, in the true spirit of their profession, use their various talents and qualifications to give the people an adequate service. At times it is impossible for the legal practitioner to do so because of the political ramifications of the administration in charge of a State that decides to inflict a multiplicity of laws upon the people, and so put the public at considerable disadvantage. As I said, it is very regrettable indeed.

Of course, in looking at this matter and at the uniformity that is possibly required in the incorporation of companies, the registration of properties, the approval of trustees and trusts, the requirements for accounts and audits, as well as individual exemption power appertaining to fund-raising or take-overs, are matters of vital concern. They all need some form of uniformity if the administration decides to proceed along this path and further enlarge and amend the law in an attempt to be cohesive with regard to the Interstate Corporation Affairs Commission.

Naturally, if it is the desire of the administration to proceed along this path and to try to get some form of uniformity among the States, it owes it to the public at large to give a comparable service to that given in the other States. I have a high regard for the people who constitute the Corporate Affairs Office in this State. Some very fine men have been charged with this responsibility and have carried it out effectively.

In New South Wales and Victoria, innumerable legally qualified people administer the Companies Act. However, in Queensland, because of the parsimonious attitude of this Government, people are driven almost to the point of desperation in trying to give the public a service. No doubt the legal men in this Chamber have on occasions gone to the Corporate Affairs Office to make a search. What do people find there? Many times they find absolute chaos because the staff is inadequate to service the office. This is very regrettable. If the Government wants to get into the true spirit of the Interstate Corporate Affairs Commission, it is obliged to offer the public a service.

I was interested in the remarks of the honourable member who has just resumed his seat. He spoke of the position of a legal firm which may from time to time be instructed by a client to prepare documents for lodgement in another State, and he outlined the difficulties that would be encountered. I have a statement on record by the Minister that legal firms have no difficulty with these revised arrangements. I am very sceptical of the Minister's advice in that regard. I think the Minister in his opening remarks mentioned that he would have discussions at a later stage on amendments to the Oaths and Evidence Acts in the various States. I posed a question along those lines to him some months ago. I do not come up with something that is years old, or pull a speech out of the drawer. As a matter of fact, some of the matters that have been raised which are very pertinent to this issue could possibly have had their genesis in a question I submitted to the Minister some time ago.

The legislation relating to exempt proprietary companies and the anniversary dates of these companies, which are most important points, varies between States, and these things must also be taken into account. I do not entirely agree with this part of the Bill because, as I explained when speaking to an earlier Bill, there are grave difficulties concerning the Interstate Corporate Affairs Commission. Naturally I, and all other right-thinking people, see them. Nevertheless, if the administration proceeds with this legislation it is obliged to give the public an adequate service comparable with that given in other States. The Government should come up with revised arrangements to see that the public of this State and this nation are given the best legal service available. They should have a system that is not confusing, and which they can easily comprehend and understand.

Mr. JENSEN (Bundaberg) (12.8 a.m.): I was very concerned to hear the honourable member for Chatsworth query the asking of questions in Parliament about the directors of certain companies. Time and time again over the past few years I have asked the present Minister to make a statement about certain companies engaged in cladding or painting. I am concerned about these \$2

companies that can be registered here. I have asked the Minister to make a statement about these companies, and he has done the right thing.

These companies move north from Brisbane to Cairns and return doing cladding and house painting which they say will last 20 years. The paint they use might be guaranteed for 20 years, but the application is a different matter. When it comes to a 20-year guarantee, the householder has no claim whatever. Within 12 months the firm has gone out of business, and the householder is passed over to a hire-purchase firm or finance company. If a householder wants to make a complaint about painting or cladding, he is passed over to a finance company.

Mr. Alison: What has this to do with the Bill?

Mr. JENSEN: It has a lot to do with the Companies Act. These are the people who are affected. I have asked the Minister about these matters and he has done the right thing by me. As soon as the firms have come to Bundaberg, I have raised the matter and the Minister has made a statement in the House. When that statement has appeared in the newspaper, they have moved out.

Mr. Yewdale: The honourable member for Maryborough has allowed the people of Maryborough to be "touched".

Mr. JENSEN: I know that the honourable member for Maryborough will allow his constituents to be "touched". He is a capitalist who looks after the firms who do this dirty type of business in his city. The first time I see an advertisement in the newspaper indicating that they are in Bundaberg, I come into this Chamber and ask the Minister to make a statement. I ensure that that statement appears in the newspaper, and they soon move out of Bundaberg.

Mr. Wright: We can thank you for cleaning up that Fiesta firm.

Mr. JENSEN: The Fiesta firm was a beauty, wasn't it?

Mr. Wright: Yes.

Mr. JENSEN: The honourable member for Rockhampton brought the matter up in this Chamber. Every time the Opposition asked for information about the directors of that firm or the names of the people who were registered, the same names cropped up. In spite of that, the Corporate Affairs Commission continues to recognise \$2 companies with the same directors but under different names. Although the matter has been raised time and time again, the Minister does not do anything about it. In our capitalist society, a person is allowed to rot anybody in this community.

Mr. Hanson: The free-enterprise system.

Mr. JENSEN: Yes, free enterprise. The Minister is not a bad sort of person in certain respects. He says, "We have to try to protect people." But the honourable member for Toowong and a few other Tories—the honourable member for Maryborough is one of them—say, "We can't pass laws to protect everybody." Certain laws can be passed to protect the ordinary, decent person in the community. We cannot protect dills like the honourable member for Maryborough—

The TEMPORARY CHAIRMAN (Mr. Miller): Order!

Mr. JENSEN: But we can protect the decent people. The Minister has done that time and again.

It is about time that the Companies Act was amended. There must be some way of altering the law to provide that all the assets of the people in these \$2 companies—everything that their families own—will be taken from them, and they will be made bankrupt.

Mr. Wright: They should have a personal liability.

Mr. JENSEN: That is the point I am making. They have no personal liability at present.

I know of a firm in Bundaberg that owes about \$18,000. I think my son-in-law lost about \$800 to that firm. It built for one of the companies that was building houses for the Housing Commission when the Minister for Police was Minister for Works and Housing. It took on contracts and walked out owing about \$30,000. The principal's house was sold for about \$50,000, and he had nothing. Some people who were contracting for him, like my son-in-law, lost about \$800, and others lost a couple of thousand dollars. There was no way in which they could take legal action against him, because he was the principal of a \$2 company that just walked in and built houses for the Housing Commission.

If the Minister for Justice wants to do something, why does he not get down to the nitty-gritty or the grassroots and attempt to deal with the crooks and the rogues who are cutting poor, decent people to pieces? I am not talking about silly mugs who would not understand even if statements appeared in the newspapers every week; I am speaking about the decent, honest people who think that a company is a good company.

Many people think that a good company is one that has good guarantees and recommendations. Only too often they find out later that it is a \$2 shyster company that the Minister has allowed to be registered in the Office of the Commissioner for Corporate Affairs. Within 12 months that company might be out. As a painter, Mr. Miller, you were not a shyster but there are plenty of ordinary painters around Queensland today who are real shysters. They mainly bludge

on pensioners. They are like the \$2 companies that the Minister allows to be registered. Among them is the roof painter who catches the poor pensioner. Then there is the cladding applier who does a job that is supposed to last for 20 years. You, Mr. Miller, would know that you would not put coating of that type on a house and then guarantee it for 20 years if it goes mouldy in nine months. When a person tries to take the firm on, he finds it is out of business. I tried to take a firm on four years ago but I found it was out of business. The honourable member for Sherwood was the Minister in charge of the relevant portfolio at that time. He tried to catch the firm in New South Wales, but it was out of business. Everything went wrong with the job. The surface went mouldy and cracked. The job was paid for through a finance firm. Through the finance firm the job that was supposed to cost £350 cost £900. You would know what I am talking about, Mr. Miller. As a painter you would never have done these crooked deals that companies are permitted to enter into today. A painter like you did not have to form a company. You were a painter. Today a \$2 crooked company is registered in the Office of the Commissioner for Corporate Affairs.

Mr. Frawley: You are cranky because you were a sucker. You bought the wrong shares and got touched.

Mr. JENSEN: We have had to put up with the honourable member for Murrumba, who carried on a crooked garage for years. He did not form a company but carried on on his own as a crooked proprietor.

I am concerned about the companies that are allowed to be registered. The Minister must do something about the matter. We cannot allow it to continue year in year out. Are we going to allow companies to keep coming in with \$2 and preying on people? How long is that going to continue? Is the Minister going to say, "We will stop this. We will not allow this racketeering to continue."? This is a free-enterprise Government. It allows any racketeer to take people down. It says that it is not here to protect everybody.

Mr. Young interjected.

The TEMPORARY CHAIRMAN (Mr. Miller): Order! The honourable member for Barooka must not interject from other than his usual place.

Mr. JENSEN: We have had that sort of thing going on for many years now. We have had pyramid-selling and racketeering in every form.

The TEMPORARY CHAIRMAN: Order! There is too much audible conversation in the Chamber.

Mr. JENSEN: The Government introduces such a ridiculous Bill at this hour of the night! The Business Paper states—

“Mr. KNOX to move, That the House will, at its present Sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to give effect to an arrangement made under the Interstate Corporate Affairs Agreement for the reconciliation of differences in the Companies Acts of the States . . .”

Fancy coming here to discuss something like that! We are not interested in differences in the Companies Acts of the States. We want to line up the crooks who are getting into the public every day of the week with their \$2 companies. Why doesn't the Minister introduce a Bill to protect the people of Queensland? Why introduce a Bill concerned with arrangements? What is wrong with the Minister and his Government?

The Minister has moved that the Committee consider the introduction of this Bill. Why should we consider it? Why don't all honourable members rise to their feet and say they will not consider it? We want to see a Bill that will get rid of these rotten, stinking companies that rob the people and bludge on the poor old pensioner and the fool who cannot understand the newspaper advertisements. Why doesn't the Minister introduce a worth-while measure instead of one that will protect the racketeers? What are we here for? Are we here only to discuss an arrangement?

The TEMPORARY CHAIRMAN (Mr. Miller): Order! The honourable member has made his point and is now engaging in tedious repetition. I hope he has some other points to make.

Mr. JENSEN: My final point is that nearly all members indicated that they would agree with me and throw out the Bill. It is a waste of time discussing the introduction of this measure, which does nothing for the people but helps to protect the racketeers who have carried on in this State for far too long.

Hon. W. E. KNOX (Nundah—Minister for Justice and Attorney-General) (12.22 a.m.), in reply: We have indeed been treated to a veritable feast of oratory. I do not intend to try to answer all the questions that have been asked. Perhaps I could deal with the comments on another day. I hope we may now proceed to the printing of the Bill.

Motion (Mr. Knox) agreed to.

Resolution reported.

FIRST READING

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

The House adjourned at 12.25 a.m. (Wednesday).