Queensland

Parliamentary Debates
[Hansard]

Legislative Assembly

FRIDAY, 14 NOVEMBER 1975

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

PAPERS

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

Report of the Trustees of the Queensland Art Gallery for the year 1974-75.

The following papers were laid on the table:—

Orders in Council under The Grammar Schools Acts, 1860 to 1962 and the Local Bodies' Loans Guarantee Act 1923–1973.

By-law under the Education Act 1964–1974.

Statutes under the University of Queensland Act 1965–1973.

Variation of certain trusts under funds bequeathed and donated to the University of Queensland by John Black.

QUESTIONS UPON NOTICE

1. PRE-SCHOOL CENTRE, CAIRNS

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

(1) Is it the intention of his department to site the proposed pre-school centre within the Cairns Central Primary School grounds adjacent to the principal's residence and, if so, in view of the total area of this school reserve being only five acres and serving 400 children, including the Opportunity School, will he give urgent attention to a review of this situation?

(2) Is he aware that alternative vacant sites in close proximity to the school reserve are available for sale or are Government-owned and, if so, will consideration be given to the development of any of those sites for the new pre-school centre?

Answers:—

(1) The recommendation on the siting of pre-school facilities at Cairns Central State School was made following full consultation with the principal of the school in June 1974.

(2) In view of apparent changes of view since that time, my department will re-examine the matter.

2. ALLEGED ABSCONDING BY MR. STEVE MONOGHAN FROM CAIRNS

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

Further to his answer to my question on 12 November concerning the absconding from Cairns with clients' moneys by Mr. Steve Monoghan, an insurance agent, has a complaint also been lodged by local officials of the National Party in Cairns, following the unexpected departure of Mr. Monoghan, who is a prominent member of that party, with some of the party's funds and, if a complaint was lodged, what was the result?

Answer:—

No complaint has been lodged with the Police Department. It is understood that Mr. Monoghan is not a member of the National Party.

3. SITE FOR NEW SCHOOL, MUNDINGBURRA

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

With regard to my previous questions on this matter, can any information be now given as to the possibility of building a school on the land acquired for such purpose at Bent and Thompson Streets, Mundingburra and, if so, what type of school will be built and when and for what enrolment?

Answer:—

This site of approximately 3.8 hectares is below present-day standards for a primary school. Since Mundingburra School is diminishing in numbers, the urgency of constructing further primary schools in this suburb at considerable expense has been minimised. Alternative proposals for the use of this site have been examined but no decision has been reached.

4. ALLOCATION OF SITES IN INDUSTRIAL ESTATES

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

Will he expedite negotiations between officers of the Lands Department and officers of the Department of Industrial Development, Labour Relations and Consumer Affairs, in order to expedite the allocation to applicants of industrial sites in State Government-sponsored industrial estates which have been established in country centres, so as to enable the applicants to relocate or establish industrial complexes which require to be placed in industrially zoned areas to comply with local authority town-planning, as some of the essential services, such as fuel distribution, are being restricted by local government by-laws?

Answer:—

I compliment the honourable member for Hinchinbrook for his interest and concern in these matters. Generally, the allocation of lands within industrial estates is a matter for the Department of Commercial and Industrial Development. My Lands Department acts as the leasing authority. However, I mention that the Ingham Industrial Estate, situated to the south of the Ingham Aerodrome, is currently being developed jointly by the Department of Commercial and Industrial Development and the Land Administration Commission, the commission being a partner on a cost-sharing basis. Action is proceeding to have the land in this estate surveyed, and to that end instructions were issued to an authorised surveyor, Mr. D. B. Thorsby of Ingham, on 7 October 1975. It is anticipated that there will be no delay in finalising the survey. When this survey has been completed, the commission will be in a position to make an offer of a priority special lease to Shell Company to allow relocation of fuel installations. I assure the honourable member that my Land Administration Commission will continue to liaise with officers of the Department of Commercial and Industrial Development for earliest finalisation of the Ingham Industrial Estate and of other industrial estates in Queensland.

5. WOOD-CHIP INDUSTRY

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

(1) What is the current situation in relation to the proposed commencement of wood-chip operations?

(2) Has the Government discussed this matter with wood-chip companies?

(3) If so, what are the names of the companies, what were the dates of the negotiations and what were the proposals discussed?

(4) What areas of the State have been considered or suggested by wood-chip operators?

(5) What is the Government's current attitude in relation to the wood-chip industry?

Answers:—

I cannot recall the previous question in relation to the wood-chip industry by the member for Bundaberg, but reference is made to replies given on 15 April 1975 to the Leader of the Opposition and on 17 April 1975 to the honourable member for Cairns.

(1) Presumably the present question relates to proposals for the export of wood-chips from Queensland ports, and I am not aware of any export permit having been issued by the Commonwealth Government for such material from Queensland, and no such proposal has been accepted by this Government.

(2) There have been a substantial number of inquiries in recent years from people and organisations interested in the possibility of wood-chip export, and many of these inquirers have had discussions with departmental officers.

(3) Such inquirers have not been listed, but the projects considered relevant at the present time are as follows:—

Based mainly on sawmill residue from New South Wales and Queensland for export from Brisbane:

(i) Standard Sawmills of Murwillumbah.

(ii) Toyomenko (Australia) Pty. Ltd. of Sydney.

Based mainly on sawmill residue for export from Gladstone:

(iii) A consortium of Central Queensland millers headed by L. J. Hyne.

Based on material clear felled in advance of bauxite mining and supplementary selective felling, for export from Weipa:

(iv) Comalco Limited.

Each of these organisations would have made initial inquiries some years ago.

(4) See (3) above.

(5) Weipa is in a special category because any wood-chip operation there would relate largely to mining activity, and there is no sawmilling industry dependent on the area. Elsewhere a wood-chip industry could benefit the community by putting to good use part or all of the following:—Sawmill residue, logging waste, silvicultural waste and timber that would otherwise be burnt on areas being cleared for plantation establishment or development for other than timber production. If there is considered to be a viable project in any area using other than sawmill residue, the matter will be submitted to the Government for decision as to whether propositions should be invited for operation of the subject material. Apart from areas being cleared for development, selective felling only would be allowed on Crown land, and no proposition would be considered if it adversely affected the existing wood-using industries in this State. At the present time the Forestry Department is carrying out a survey of the hardwood forests on Crown lands in South Queensland to determine volumes which could be available for a wood-chip industry, and the results of this survey will be reported to me in due course.

6. RECONSTRUCTION OF SECTION OF ANZAC AVENUE, REDCLIFFE

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

(1) Is he aware that his department is being held responsible for the delay in the reconstruction of that portion of Anzac Avenue, Redcliffe, adjacent to the Kippa-Ring shopping complex?

(2) When did the Redcliffe City Council first communicate with his department and request engineering details, and when did his department reply to the council?

(3) When did the council next communicate with his department?

(4) When was approval finally given for the work in Anzac Avenue to be carried out?

(5) Who is responsible for the delay in the reconstruction of Anzac Avenue?

Answers:—

(1) No. The department has had no official advice to this effect.

(2) On 15 April 1975 a request for engineering details was sent from Redcliffe City Council. The information was supplied on 24 April 1975.

(3) Three months later, on 1 August 1975, Redcliffe City Council submitted plans and estimates. Council officers were advised by phone that the proposal had not been included by council on its Commonwealth Aid Programme. On 24 September 1975, council advised amended funding arrangements.

(4) On 26 September 1975, the scheme was released with a contribution of $118,645 from the Main Roads Department.

(5) Main Roads Department released the scheme within two days of finalisation of funding arrangements and did everything reasonably possible to allow the work to proceed.

7. OVERLOADED VEHICLES; BURPENGARY WEIGHBRIDGE

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

(1) How many vehicles were apprehended for bypassing the Burpengary weighbridge during 1974-75?

(2) How many vehicles were overloaded, how many prosecutions were launched against them and how many vehicles were apprehended using Old Bay Road, Deception Bay?

(3) Have any complaints been received from the Caboolture Shire Council regarding overloaded vehicles causing damage to council roads in Narangba, Burpengary and Deception Bay?

Answer:—

(1 to 3) The detailed information sought by the honourable member is not readily available from statistical records maintained by the department. I shall communicate the information to him as soon as it is available from a detailed examination of the 180 departmental files concerned.

8. SWEETENER, HIGH-FRUCTOSE CORN SYRUP

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

(1) Is he aware of the tremendous growth in the United States of America in the manufacture of a corn-derived clear liquid sweetener known as high-fructose corn syrup?

(2) Does the development of this sweetener represent a threat to Australian sugar exports to the United States?

(3) Does the Commonwealth-State Sugar Agreement prevent the import into Australia and use of the corn syrup by consumers, soft-drink and confectionery manufacturers and, if not, is there any evidence that there have been such imports?

(4) Are there any Commonwealth laws which prevent the import into Australia of canned goods, drinks or confectionery from the United States which could contain corn sweeteners or from E.E.C. countries which contain subsidised beet sugar and, if not, as these constitute a threat to large sections of the Australian home-sugar market and certain manufacturing industries, will he take this matter up with the Commonwealth Government with a view to extending the protective powers of the Commonwealth-State Sugar Agreement?

Answers:—

The House will recall that yesterday morning, prior to the honourable member's asking the question, there was a little backslapping across the Chamber because of the political situation in another place, and the honourable member facetiously—or, more correctly, half-smartly—suggested that the House return to order and that the Government get on with the job of governing this State. I want to assure the honourable member and the people of Queensland that this Government governs the State!

(1) The Sugar Board and the sugar industry have been closely following the developments in the United States concerning the manufacture of high-fructose corn syrups. This material is manufactured from corn syrup or glucose. The final product is a clear, sweet liquid comprising approximately 50 per cent glucose, 42 per cent fructose and 8 per cent polysaccharides. The current production of this

material in the U.S.A. is about 700,000 short tons or about 6 per cent of the total sugar market.

(2) In the long term it is possible that high-fructose corn syrups could absorb a more significant proportion of the total sugar market in the U.S. depending upon the relative price of sugar and high-fructose corn syrups. The price of corn syrup is dependent in turn upon the price of corn. The present growth rate of high-fructose corn syrups in the U.S.A. is expected to continue for some time and to diminish the total import requirement of raw sugar into the U.S.A. Currently exports of Australian sugar to the U.S. are at an all-time high following the expiry of the U.S. Sugar Act. The Australian sugar industry has a reputation for being a reliable supplier of a high-quality product and it is confidently expected that there is an excellent future for Australian raw sugar in the U.S. market.

(3) The embargo under the Commonwealth-States Sugar Agreement does in fact prevent the import into Australia of high-fructose corn syrups as this product is directly substitutable for cane sugar. However, it should be noted that this material is a liquid containing about 71 per cent solids and requires specialised and expensive transport equipment. Consequently, freight costs on this material over long distances are high as compared with bulk raw sugar. For these reasons it would not appear that high-fructose corn syrups constitute any problem for the Australian domestic market.

(4) The Sugar Board maintains a close watch on the quantities of foodstuffs containing sugar which are imported into Australia. The quantites of such foodstuffs imported into Australia are comparatively minor and are relatively unaffected by fluctuations in overseas sugar prices. The import of these products is not regarded as a threat to the Australian domestic sugar market. In addition to providing the above answers, I should like to advise honourable members that the Sugar Board and the sugar industry are also very alive to the possibility that high-fructose corn syrups could be produced in Australia using wheat starch rather than corn starch as the raw material; at the present time the domestic price of sugar is such that the production of high-fructose corn syrups in Australia is not economic. However, this possibility of competition from the domestic production of high-fructose corn syrups does mean that the industry must consider its position very carefully before deciding upon further increases in the domestic price.

I might add that these answers were provided by the Sugar Board and that a gentleman very well known in this Chamber and now Agent-General in London, Wally Rae, has been alive to this problem and has written to me about it and, at the same time, has asked me to convey his kind regards to all honourable members of this Assembly.

9. BOATING AND FISHERIES PATROL, BOWEN

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

(1) How many different persons have occupied the position of officer of the Boating and Fisheries Patrol at Bowen since the first appointment approximately five years ago?

(2) How many of the officers were transferred to other areas and what were the reasons for the transfers?

(3) Is he aware that the short duration of appointment of most of the officers has prevented them from gaining a proper knowledge of the fishing grounds and fishermen's habits in their areas, particularly in the islands of the Whitsunday Passage?

(4) Have they been able to properly carry out, when due, all surveys on the boats operating in the Airlie Beach-Shute Harbour area and, if not, what is the backlog?

(5) During 1974-75, how many prosecutions against boats not in survey (a) were recommended by the Bowen Patrol officers, (b) were proceeded with and (c) were dropped, and for what reason, and in all cases were the boats licensed to carry passengers and, if not, which ones were not?

Answers:—

(1) Three officers have held the position of officer in charge, and one officer has held the position of second officer since a Queensland Boating and Fisheries Patrol vessel was stationed at Bowen.

(2) Two. One resigned; the other was transferred to gain experience in a larger station with a view to promotion. The transfer of the second officer is pending. This officer, because of his experience in the Bowen patrol vessel, will be a suitable man to take charge of a still larger 7 metre patrol vessel which will shortly be based in Cairns.

(3) Apart from the officer who resigned, one officer in charge was stationed at Bowen for two years and three months; the other has been at Bowen since June 1974. The junior officer due for transfer has been there since July 1974. Officers have an opportunity of achieving a good working knowledge of their area. It is agreed that a more detailed appreciation of any area can only come with the passage of time. Transfers of officers are kept to a minimum, consistent of course, with the efficient operations of the patrol throughout the State, which must take account of resignations, retirements, promotions, the relief of officers in remote stations, the

training and general experience of officers and the need for changes in local supervision from time to time.

(4) Patrol officers are not required to carry out surveys. This function is the responsibility of the marine surveyors based at Townsville.

(5) (a) Two. (b) One.

I would just like to say that when problems exist in an area, as in this case in the Whitsunday electorate, I discuss the matter with the member. I have discussed the matter thoroughly with the Minister for Mines and Energy who keeps a close watch on his electorate.

(c) A case against Country Style Developments, owner of the vessel "Reef Wanderer". The owner claimed that "Reef Wanderer" carried passengers from Shute Harbour to Daydream Island only because the regular launch was unavailable, and it was necessary to provide a service to passengers who would otherwise be stranded at Shute Harbour. The explanation was accepted and the charge withdrawn. Neither vessel had been issued with a certificate of survey authorising carrying of passengers.

10. LOCAL-AUTHORITY RATING OF CROWN RESERVES OCCUPIED BY R.S.L.

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

In a case where R.S.L. memorial buildings are on land dedicated as Crown reserve, is this land subject to council general rating?

Answer:—

The matter raised by the honourable member involves an interpretation of the relevant provisions of the Local Government Act 1936-1975. I am having the matter examined and will advise the honourable member further as soon as possible.

11. NATIONAL HERITAGE COLLECTION AT QUEENSLAND MUSEUM

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

(1) Has he read the report which quoted Dr. A. Bartholomai as saying that much of the National Heritage collection at the Queensland Museum was deteriorating?

(2) As Dr. Bartholomai has suggested that many of the wooden specimens are splitting and cracking and that items in the collection have been affected by atmosphere, dust and insects, what steps can be taken to protect these valuable national collections prior to the moving of the museum to South Brisbane?

Answers:—

(1) Yes.

(2) The collections of the Queensland Museum are currently stored in non-air-conditioned premises and, as a consequence, are subject to damage by dust, insects, mould and, more particularly, rapid changes in humidity and temperature. The deteriorating effects on the vulnerable parts of the collection are being progressively reduced by provision of dust-proof, insect-proof and air-tight wooden cabinets. Such cabinets reduce the level of environmental fluctuations and permit chemical treatment of insect and mould problems. Some areas of the building have been force-draught ventilated to further aid in the removal of heated and stagnant air. The only permanent solution to the problem, however, lies in the planned transfer of the entire collection to the new building to be constructed within the South Brisbane Cultural Complex.

12. PORT DOUGLAS HARBOUR

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

(1) When will work commence on the development of the Port Douglas harbour?

(2) What project will be commenced at first?

(3) When will the total allocation of funds be expended?

Answer:—

(1 to 3) Funds for the first stage of the Port Douglas small boat harbour have been allocated in the small craft budget for 1975-76. Proposals to proceed with development will be considered further by Cabinet at its next meeting. I will advise the honourable member of Cabinet's decision in the matter as soon as it is available.

13. WORKS AT MABEL PARK SCHOOL

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

(1) Following his answer to my question on 24 October regarding the large open drain running through the grounds of the Mabel Park School, will he have the drain bridged and fenced on both sides?

(2) If he is prepared to have this work carried out, when could it be undertaken?

Answers:—

(1) I refer the honourable member to my advice to him by letter dated 6 November 1975 of the extent of work to be undertaken by the department in this regard.

(2) Quotations for the work close on 18 November 1975.

14. SEWERING OF SOUTHPORT HIGH SCHOOL

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

(1) Is he aware that the Southport High School, which has approximately 1,500 students, is not connected to the sewerage system?

(2) Is he aware that the council was paid to lay pipes to the site approximately 12 months ago?

(3) Is he aware that the toilet septic system blocks up, sometimes twice a week, and that the Works Department is called to clear it?

(4) When will the sewerage be connected?

Answers:—

(1) Yes.

(2) There is no record in my department's expenditure ledgers of such payment.

(3) My departmental officers report that blockages in the main are caused by negligent usage.

(4) This depends on the availability of finance for such work.

15. WARNING SIGNS AT HAZARDOUS ROAD INTERSECTIONS

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

(1) Are there certain road intersections at which a high number of traffic fatalities have occurred and, if so, will he give details of the five most notorious intersections, with an indication of the number of fatalities at each over the past five years?

(2) Do these figures indicate an urgent need for some extra warning sign to indicate to the general public that they are approaching a proven death trap and, if so, will he test public support for the reintroduction of painted red triangles on the approaches to disaster intersections?

Answer:—

(1 and 2) This is a traffic matter. Accident information is collected by the Police Department, and the Main Roads Department could not state the five most notorious intersections. The Main Roads Department follows Australian standard uniform practices in providing signs and traffic lights, as do other States, also. The right place to consider any alteration to signing practices is through the Australian Transport Advisory Council. The Minister for Transport and I represent Queensland and the matter of signs is kept under review at this council.

16. COPIES OF NOTICES OF QUESTIONS IN PUBLIC GALLERY

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

Does he share my view that schoolchildren who daily watch the proceedings from the gallery could more readily appreciate and understand proceedings if they had proof copies of notices of questions and, if so, will he make arrangements, with educational funding, for the distribution of a quantity of question papers to subsequent student groups?

Answer:—

I will look into this matter.

17. VOLUNTARY BLOOD-ALCOHOL TESTING ON LICENSED PREMISES

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

(1) Did he see the report of 7 November that drinkers in Canberra hotels, clubs and restaurants may be given the chance to test their blood-alcohol levels before they leave the premises?

(2) As all our road safety legislation should be designed to protect road users and reduce deaths on the road, will he have his officers closely study this scheme which, whilst reducing drink-driving convictions, would also act to reduce the number of drunken drivers on the road?

Answer:—

(1 and 2) This question should be directed to another Minister.

18. NORMANTON–KARUMBA ROAD

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

(1) Has the Carpentaria Shire Council been obliged under the Main Roads Act to pay 25 per cent of the expenditure on the road between Normanton and Karumba?

(2) Will the council's expenditure amount to $625,000 out of a total of $2,500,000 spent on the road?

(3) Does the $625,000 amount to the total debt the council now has?

(4) Was the shire clerk in Normanton reported as saying that this expenditure will bankrupt the council?

(5) Did the council write to his department last year objecting to the amount of repayment?

(6) Did his department reply that the repayment by the council was not unduly burdensome?

(7) Did the council ask for the road to be built in the first instance?

Answers:—

(1) The section between Normanton and the Karumba Road turn-off is a developmental road. The balance of the road to Karumba is a secondary road. Permanent works on the former normally attract a charge of 5 per cent and on the latter a charge of 25 per cent, each repayable with interest over 30 years.

(2) Not necessarily.

(3) See (2) above.

(4) Yes.

(5) Yes.

(6) The reply related only to the charge on account of the initial expenditure on the work during 1973-74, as follows:—

——	Expenditure	Charge	Annual Payment
	$	$	$
Developmental	150,106	8,200	860
Secondary ..	127,783	34,630	3,640
	277,889	42,830	4,500

It was made clear to the council that the question of relief on account of the subsequent projected large-scale expenditure would be reviewed at the appropriate time. It is still proposed that this be done in accordance with the procedures laid down in section 33 of the Main Roads Act.

(7) When the work was released, the council raised the repayment question, claiming that it would be beyond its financial capacity. However, it accepted the work on the understanding that it had the right of objection to the annual apportionments of expenditure under section 33 of the Main Roads Act.

Honourable members probably know that a shirt-tail type of proposal was put forward by the Commonwealth Government, under which, if the council accepted the responsibility for the repayment of something over $2,000,000 for a water supply scheme, it would make available as a grant something over $1,000,000. When I went back to the Commonwealth Government and asked would it provide these funds as a straight-out grant to the Carpentaria Shire Council—as honourable members know, there is a limited number of ratepayers in that shire and any repayments of that type would be an additional burden on them—of course, the Commonwealth Government, as it did in many other cases, ducked for cover.

19. CESSATION AND RESUMPTION OF ADULT EDUCATION CLASSES

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

(1) Is he aware that adult education classes have ceased for 1975? If so, was the lack of money to continue the classes until 30 November the reason and, if not, what was the reason for the early closure?

(2) On what date will the classes commence next year?

Answers:—

(1) As Adult Education conducts classes in accordance with the needs of the community, the starting and finishing time and duration of the classes vary from class to class and from area to area. Though it is possible that some adult education classes have ceased in particular areas, it is also true that some classes have just begun and will continue into December.

(2) Adult education classes will recommence early next February.

20. ENROLMENTS AND DEPARTURES, CARINA STATE SCHOOL

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

(1) What have been the numbers of enrolments and departures from the Carina State School so far this year?

(2) What numbers of these enrolments and departures were children from the Carina Caravan Park?

Answers:—

(1) So far this year the admissions to Carina State School have been 190 pupils, while 162 pupils have received transfers from the school.

(2) Of the 190 pupils admitted, 120 came from the caravan park, as did 111 of the 162 pupils who were issued transfers from the school.

21. PRE-SCHOOL CENTRE, MAYFIELD STATE SCHOOL AREA

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

(1) When will construction begin for a pre-school centre in the Mayfield State School area?

(2) Is the pre-school planned to be a single or a double unit?

Answers:—

(1) Subject to the availability of funds, construction on a pre-school centre at Mayfield will be undertaken as part of the 1976-77 pre-school building programme.

(2) The proposed centre will be of the double-unit design.

22. RENTAL HOUSES, BELMONT ELECTORATE

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

(1) Since 1 January, how many Housing Commission rental houses in the electorate of Belmont have been repainted (a) externally and (b) internally?

(2) What number of rental houses have been vacated and re-let in that area during the same period?

(3) How many rental houses have been subject to maintenance or improvement by the commission in that same area and time?

Answers:—

(1) Since 1 January 1975, contracts have been let to repaint 224 houses externally and 67 houses internally wholly or in part.

(2) Twenty-six houses vacated in the period have been re-let and four others are under offer to rental applicants.

(3) Maintenance is a continuing process and ranges from the replacement of tap washers or adjustment of a casement fitting to comprehensive attention prior to repainting and includes repainting itself. Records are not maintained on the basis of electorates and to dissect the information would be a lengthy and costly process.

23. SURCHARGE ON FIRE INSURANCE PREMIUMS FOR PRIMARY PRODUCERS

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

(1) Why has not the Government removed an anomaly affecting primary producers, who are forced to pay a surcharge on fire insurance premiums for a service on which they have no claim?

(2) Is he also aware of a statement by Mr. L. V. Price, when referring to this surcharge, that his members were completely fed up with the State Government's inactivity?

(3) Do submissions on this matter by the Commonwealth Government to the State Government date back to October 1971, and is it a fact that, apart from limited payments to the Rural Fires Board, nothing has been done to rectify a most glaring injustice on the primary producers of this State?

Answers:—

(1) As pointed out in my answer to a similar question on 22 October 1975, the conditions governing the raising and distribution of fire brigade levies are provided in the Fire Brigades Act, which is administered by my colleague the Honourable the Minister for Industrial Development, Labour Relations and Consumer Affairs. I therefore refer again to his answer of 14 October 1975 to a similar question from the honourable member for Townsville.

(2) I am not aware of the statement attributed to Mr. L. V. Price and do not accept that the Government has been inactive. The Minister's answer of 14 October 1975 clearly indicates the reverse.

(3) I am not aware of any entry into this field by the Federal Government, nor could I imagine any situation wherein such intervention would be considered. The matter is one for State consideration only and because of the many complexities of the question, a departmental committee was set up to report to the appropriate Minister. I am given to understand that the report is now ready for presentation to Cabinet.

24. DOWNTURN IN MINING ACTIVITIES OF MT. MORGAN LTD.

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

(1) Has he noted Press reports forecasting a downturn in mining activity under leases held by Mt. Morgan Ltd.?

(2) As London Metal Exchange prices and world base metal prices generally have been depressed in recent times, causing considerable concern to mining operations and particularly to small communities dependent on the industry, are there any plans to revitalise the town of Mt. Morgan in the event of a serious decline in ore production?

(3) As he and the relevant Minister had promised a full and complete investigation of the town's prospects and a subsequent report involving considerable assistance, are these reports available and is he or his Government fully alive and well aware of a serious situation which could occur in the community of Mt. Morgan?

Answer:—

(1 to 3) My Government is well aware of the problems confronting Mt. Morgan Ltd. in terms of reduced availability of raw materials, the marked decline in the level of world metal prices and the ever-increasing operating costs with which the company has had to contend as a result of the Whitlam Government's failure generally to manage the economy of this country and its attitude in particular to the mining industry. The Co-ordinator-General's Department and the Department of Commercial and Industrial Development are working in close liaison with the company and the Mt. Morgan Shire Council with a view to ensuring as far as practicable that Mt. Morgan continues to remain a thriving and viable community.

The honourable member can rest assured we as a Government will continue to apply our energies in this direction.

25. HOUSING OF ABORIGINES, NORTH ROCKHAMPTON

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

(1) How many houses does his department control in the electorate of North Rockhampton and where are they situated?

(2) Is his department continuing to purchase houses throughout the State for rental to Aboriginal families? If so, are specific funds available for the purchases and what funds are to be expended in 1975-76?

Answer:—

(1 and 2) To identify homes by electorates would entail considerable work which at this time does not appear justified. However, I can inform the honourable member that the Central Division with headquarters at Rockhampton has 307 homes established since 1968, excluding Aboriginal reserves. These homes are available on a rental or home-purchase basis. However, as the occupants are all Queenslanders with similar rights and responsibilities the department does not view favourably disclosure of locations, as this is regarded as an invasion of privacy of the client. The department's rehousing programme has already provided conventional home environments to more than 10,000 people in over 1,400 homes throughout the State and will continue to do so to the maximum of funds available. It is a sad fact, however that last financial year the department sought $13,130,000, but was allocated in the Commonwealth Budget $8,480,000 and the then Minister, Senator Cavanagh, savagely slashed the amount by $3,190,000 which he reallocated to other States. Thus this money representing approximately 125 houses has been lost for ever to Queensland's Aboriginal rehousing and approximately 900 people not provided with suitable accommodation. The rehousing programme has been organised to establish a family in a conventional urban situation without local tension or embarrassment. The Commonwealth Minister indicated an intention to provide equivalent money to Queensland Aboriginal housing associations without reference to or sponsorship by my department and to an extent has apparently done so, resulting in confusion, local resentments as well as opposition to what had been a comfortable transitional rehousing programme. During the current year the department sought $8,490,000 and was allocated only $2,100,000, which amount will scarcely meet forward commitments. Thus there can be no significant relief anticipated this financial year.

26. APPLICATIONS TO INDUSTRIAL COMMISSION TO RESCIND CONSENT AGREEMENTS

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

As it was reported in "The Courier-Mail" of 7 November that the Crown is asking the Industrial Commission bench to rescind the recent industrial agreement between the Metropolitan Fire Brigade Board and its officers and that it has further asked for a rescission of the industrial agreement between the board and the Clerks' Union covering senior administrative officers, on how many occasions has the Government asked the State Industrial Commission to disallow consent agreements, sweetheart agreements, industrial agreements, etc.

Answer:—

The honourable member obviously is out of touch with recent developments in the field of labour relations. He should be aware that there was agreement between the former Federal Government and all State Governments that uniform action be taken before appropriate tribunals to have examined consent agreements, sweetheart agreements, industrial agreements, etc., to see that they conform with the wage indexation principles enunciated by the Commonwealth industrial tribunal. The Government did not approach the State Industrial Commission to disallow the industrial agreements to which the honourable member has referred, but has simply acted to have confirmed that they comply with the guide-lines laid down in respect of wage indexation. Wage indexation has been stated to be one means of endeavouring to contain the national rate of inflation. Does the honourable member believe that the State Government should have stood idly by and not supported the Federal Government in its endeavours in this regard? The honourable member should know that the Commonwealth Arbitration Commission laid down guide-lines which meant in effect that the success of indexation would rest on the willingness of the community to co-operate in a national interest and all State Governments as well as State industrial commissions acted readily in supporting this concept. Widespread failure to abide by the guide-lines in wage applications would destroy the objective of the scheme, which obviously has been the aim of militant Left-wing trade unions.

27. CONTROL OF STRAY DOGS

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

(1) In view of a general problem in the community with relation to stray dogs, what controls can be imposed on stray dogs by a local authority?

(2) What redress would a citizen have in the event of a stray dog or dogs causing an accident resulting in damage and injury, or a direct attack by a dog against a person causing personal injury?

Answers:—

(1) Virtually any form of control of stray dogs desired by the local authority may be imposed by by-law.

(2) The Animals Protection Act provides that where life or limb of any person using a public place has been endangered by reason of a dog rushing at or attacking a person or a vehicle in which he is riding, proceedings may be taken under the Animals Protection Act in a court for the destruction of the dog. The Animals Protection Act also provides that where a dog attacks or menaces any person on a road or public place, that person or another person present may then and there kill or attempt to kill that dog, without liability to any action or other proceeding whatsoever.

28. JAPANESE BEEF QUOTA

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

In view of a recent report that the Japanese Agricultural and Forestry Ministry has announced a change in the types of beef required from Australia in the second half of the recently fixed quota of 20,000 tonnes of beef imports, will he ensure that everything necessary is done to maximise Queensland's share of this business and will he inform the House accordingly?

Answer:—

Japanese authorities have indicated that there will probably be a greater proportion of chilled beef in the second half of the recently announced 20,000 tonne quota. Since June, most of the quotas have been for frozen beef. As yet, no tenders have been called for the second half of the current quota, but Japanese officials have indicated that, when they are called, their composition will depend on the demand/supply circumstances in Japan at that time. Queensland exporters have supplied large quantities of chilled beef to Japan and they are well placed to supply any such orders in the future, although stronger competition can be expected from the U.S.A. than in the past.

Mr. SULLIVAN: I might add to my prepared answer that, when I was in Japan earlier in the year——

Mr. Houston: We don't want to know all your private life.

Mr. Hinze: Of course we do.

Mr. SPEAKER: Order! I warn all honourable members, as I have said before, that there will be no discussion or interjection while a Minister is on his feet. I warn all honourable members on my left.

Mr. SULLIVAN: If we cast our minds back to prior to 1973-74, Australia exported 2,500 tonnes of meat chilled and boned out.

Opposition Members interjected.

Mr. SPEAKER: Order!

Mr. SULLIVAN: In 1973-74, the export of bone-out, chilled meat grew to 42,500 tonnes, 40,000 tonnes of which went to Japan. I see the in-depth discussions that I had in Japan as possibly among the most memorable in my political career; I talked with the Deputy Prime Minister, the Minister for Trade and the Minister for Agriculture. I believe that the future for beef in Japan is for bone-out, chilled meat. Up to this stage they have been taking bone-in carcass meat. I think the future of beef in Japan will be with bone-out chilled beef. Because of the economics of it, that is easy to understand. They are not paying freight on bones. I do have problems—and I reiterate them here. I believe that by the end of the fiscal year to 30 March, 50,000 tonnes of beef will find its way to Japan —two lots of 20,000 tonnes plus the first 2,000 tonnes, which I believe—and I say this with all humility—was a gesture to my discussions in Japan.

Opposition Members: Rubbish!

Mr. SULLIVAN: It is all very well for Opposition members to say, "Rubbish!" I believe that to be true. Quite frankly, I was told that when I went back to Japan. It might be worth while going back again. I would confidently say that 50,000 tonnes of our beef will find its way to Japan by the end of the fiscal year. My judgment is that they will put us on a quota of 70,000 tonnes, which was our quota in 1973-74. Because of the need, that grew to 119,281 tonnes.

29. FOUL LANGUAGE BY FEMALE LABOR SUPPORTER AT DEMONSTRATIONS

Mr. Moore for **Mr. Aikens,** pursuant to notice, asked the Minister for Police—

Has his attention been drawn to the front-page article in "The Courier-Mail" of 13 November wherein it was reported that a woman screamed "Kill the Tory bastards", and, if so, as this woman has a notorious reputation for using this type of foul language at almost every Labor demonstration and as she is well known to the police for her deplorable conduct and behaviour, when will some action be taken to restrain her and prevent the ears of decent women from being befouled by her language?

Answer:—

As to the actual words used, it might be that the woman in question is simply following the example set by Gough Whitlam, who described the Queensland Premier as a "Bible-bashing bastard". While the language purported to have been used in this instance is not language which one would expect from a responsible or respected member of the community, great difficulty could be encountered in commencing prosecution action. Each case must be considered on its relative merits and it is left to the discretion of the member of the Police Force concerned to decide whether he will take prosecution action, having in mind that in some instances it is in the best interests of public order that there be no open confrontation or conflict by police with persons showing aggressive and irrational attitudes. It may be better in the over-all public interest to maintain public order than to precipitate a breakdown of it through confrontation leading too easily into open conflict.

ORDER DURING QUESTION TIME

Mr. GYGAR (Stafford) having given notice of a question—

Mr. Jones interjected.

Mr. SPEAKER: Order! I warn the honourable member for Cairns under Standing Order 123A.

QUESTIONS WITHOUT NOTICE

MAINTENANCE OF LAW AND ORDER

Mr. MELLOY: I ask the Minister for Police: Has he read the article in this morning's "Courier-Mail" and has he seen the picture of the "Caboolture Cavaliers", who claim that they have come to Brisbane to maintain law and order at public meetings? Does he agree that it is desirable that these people should take over the responsibility of the Queensland Police Force in this regard and are these the type of people he envisages will become the civilian auxiliaries of the Police Force?

Mr. HODGES: Law and order in this State will be maintained by the Queensland Police Department.

TELEVISION STATEMENT ABOUT INVASION OF AUSTRALIA

Mr. GYGAR: I ask the Minister for Justice and Attorney-General: Did he hear a commentator on television last night pass the remark that, if an enemy had tried to invade Australia during the past few days, we would have had to ask the invader to go away and come back when we were ready, the suggestion being that a lack of Government stability made our defences vulnerable? As this impression is misleading, what is the correct position?

Mr. KNOX: In the past few days a great number of misleading statements have been made or implied about the situation in this country. The first of the misleading statements, of course, came from the Prime Minister himself, who tried to suggest that a half-Senate election should be held when at that stage he had not been able to grant to the Governor-General the Supply for that half-Senate election.

Mr. Houston: Who stopped it?

Mr. KNOX: Well, he did not have the Supply. The Governor-General must have the Supply in order to authorise the expenditure of the funds for the holding of a half-Senate election. The Prime Minister knew full well that that was the position, as did every other person in the Parliament. It is currently becoming more understood. The people are now believing that the Prime Minister deliberately had himself sacked. There is no way he could legally obtain the $2,000,000 to $3,000,000 which was tied up in the Budget as part of the Supply for the Governor-General. He could not possibly have a half-Senate election while that money was tied up.

The other misleading statement made by the Prime Minister was that there was only one House of Parliament. He kept saying that because one House had approved the Budget, it was approved. In other countries that might be the position, but in Australia there are two Houses of Parliament as specified in the Constitution, and the people of Australia shall be grateful for it. It was designed for the very purpose of ensuring that Supply required the approval of both Houses of Parliament and not one. Of course, the Prime Minister tried to give the impression that he was the chief executive of the nation, when in fact the chief executive is the Governor-General.

Mr. K. J. Hooper: He's only a parasite.

Mr. KNOX: That is what the honourable member says, and that is what he wants him to become. But the Constitution does not regard the Governor-General as a parasite. The Constitution, so far as it deals with legislative authority, specifies that the Governor-General is part of it. It does not refer to the Prime Minister; he does not even get a mention. The naval and military forces of this nation are at all times under the direct command of the Governor-General, and the people of this nation should be grateful that the founding fathers of the Constitution envisaged the present situation before Whitlam appeared on the scene. If the military forces of this nation had not been under the direct control of the Governor-General last Tuesday, and if we had been in a South American republic or one of the strange places in Africa, there could well have been military control of our nation.

BAN ON POLE-MOUNTED HARDBOARD PLACARDS AT DEMONSTRATIONS

Dr. LOCKWOOD: I ask the Minister for Police: Is he aware that a single blow from a cardboard or hardboard placard mounted on a pole could be fatal or could cause serious injury? Can he take action to prevent such pole-mounted placards being taken into public places? Further, will he encourage cloth or paper banners, which cannot be used as broadaxes in civil disturbances?

Mr. HODGES: The use of hardboard, or any rigid material other than cardboard, is banned under traffic regulation 126B. I assure the House that where police observe such placards being used in a public demonstration with or without a permit, they will be confiscated—other than in the City Square where apparently they are legal.

UNION DIRECTION TO MEMBERS TO ATTEND POLITICAL RALLY

Mr. DOUMANY: I ask the Minister for Industrial Development, Labour Relations and Consumer Affairs: Has he received complaints from companies in the Ipswich area that have been threatened with black bans if their staffs do not attend today's rally for Mr. Whitlam in Brisbane? Have union members in the Ipswich area been further directed that they must donate a day's pay towards A.L.P. election funds, half to go to the A.L.P. and half to Mr. Hayden's campaign, under threat that if they do not comply, they will lose their union membership? What is the legality of this action?

Mr. CAMPBELL: There is a great wave of revulsion developing among the average decent workers, in this State particularly, against being placed under duress by strong-arm, militant trade union representatives in connection with today's meeting of the former Prime Minister in that they are being required to leave their places of work to attend the meeting. The honourable member is correct when he says that the employees have been advised, and the companies threatened, that if any action is taken to prevent compliance with this edict of a day's strike, black bans will be placed on the companies concerned. Decent employees who do not wish to embarrass their employers, financially or otherwise, have to suffer the humiliation of complying with this direction, which I am led to believe is completely unlawful. I understand that before union members are obliged to comply with a decision of their union, they are entitled to have a say about whether they agree with it or not, and if that is not the case, this is ample justification for the proposed legislation before the House at the present time giving employees the opportunity to have their say about whether they wish to obey the dictates of the unions.

Mr. Miller: By secret ballot.

Mr. CAMPBELL: By secret ballot, and these instances are not only a classic example of how this proposed legislation will work but also a reason why the great majority of the work-force would welcome this type of legislation in circumstances such as we are experiencing.

As to the question of having to donate a day's pay—it is perfectly lawful for a trade union to impose a levy upon its members so long as it is done completely in accordance with the union rules. Because of the hundreds of complaints that I and members on this side of the House have received since the date of the former Prime Minister's rally here was fixed, I am certainly going to have this aspect examined. The militant Left-wing unions complied immediately, and it is significant that it is only the militant Left-wing unions, which are in the minority in this State, which have ordered their members to go on strike. The great body of moderate unions are completely ignoring the visit of the former Prime Minister, which is a simple indication of where the sympathies of the average person lie in this regard. This action of the militant Left-wing unions to order a political strike is typical of their strong-arm tactics. If there is any lack of compliance with that order, they impose rigid sanctions. I know the great majority of decent employees in this State greatly resent these tactics and I am sure that this resentment will be reflected quite clearly and distinctly when the nation goes to the polls next month.

HOLDING OF ELECTION WITHOUT PASSING OF SUPPLY BILLS

Mr. HOUSTON: I ask the Minister for Justice and Attorney-General: Further to his statement this morning that an election cannot be held until the Supply Bills are passed, will he explain to this House how the 1957 State election was held after the Government of the day was defeated on the Supply Bill?

Mr. KNOX: Again the honourable member has shown that he is a rather poor student of history. This is not the first time. He was the only person who could not answer a question on a quiz programme about who was the first Labor Prime Minister of Australia to come from Queensland.

Mr. HOUSTON: I rise to a point of order. I am afraid the Attorney-General would tell any untruth to try to avoid answering the question. His statement is completely untrue and I ask for its withdrawal.

Mr. SPEAKER: Order!

Mr. KNOX: Who was it? Tell us who it was. Hurry up!

Mr. SPEAKER: Order! I take it that the Minister for Justice and Attorney-General will accept the denial of the honourable member for Bulimba.

Mr. KNOX: Certainly. I would not want to embarrass the honourable member any further.

Mr. HOUSTON: I rise to a point of order. Surely the Minister is not going to be so egotistical as to add strings to his reply. I ask for a complete withdrawal. I was never asked such a question. I said that what he said was untrue and asked for its withdrawal.

Mr. SPEAKER: Order! I ask the Minister to accept the denial of the honourable member for Bulimba.

Mr. KNOX: I certainly do. In answer to the honourable member's question, I point out that he may well have asked how it was possible to have a double dissolution on 13 December when in fact last week there was no Supply to the Governor-General. Of course, immediately matters were set in train, Supply was granted. As soon as the decision was made in 1957, funds were available for the purpose of conducting an election. Those funds were not in the Supply Bill which was rejected in 1957 by this House, when A.L.P. members crossed the floor of the House to defeat their own Government.

DISRUPTION OF TRAFFIC AND DAMAGE TO VEHICLES DURING UNAUTHORISED MARCHES

Mr. FRAWLEY: I preface my question to the Minister for Local Government and Main Roads by drawing his attention to the fact that main roads in this State could be disrupted by illegal marches by the A.L.P.-Communist-Whitlam sympathisers. He is no doubt aware that main roads have previously been blocked by such Communists as Senator Georges and the former member for Everton, Gerry Jones, when they sat down in Queen Street, Brisbane, in 1971, during the Springbok tour, waving Bibles over their heads as they chanted, "Love thy neighbour." I now ask: Is he aware that traffic on main roads was disrupted and cars damaged last Wednesday when an unauthorised march was held by a combined A.L.P.-Communist force that had been instructed by the Leader of the Opposition to "belt heads in if they had to"—and the short-handled shovels carried by many of these stormtroopers were not to dig up the roads? Will the Minister advise the House what steps he can take to ensure that main roads are kept open to traffic and free from the Burns-Hamilton revolutionaries?

Mr. HINZE: The words used by Mr. Whitlam after he was sacked earlier this week—"We may well say 'God Save the Queen'—but no-one can save the Governor-General"—will go down in history because they set the pattern for the next election. Mr. Whitlam said very clearly to the people of Australia that if he is returned, there will be no more Governor-Generals. He indicated recently what he would do to our own Governor in Queensland.

Mr. K. J. Hooper interjected.

Mr. HINZE: There is no doubt where the honourable member for Archerfield stands. He said the Governor-General is redundant. It must be very clear to everyone in Queensland and to everyone in Australia that this is the last possible chance that people in our democratic society in Australia are going to have if the Comms are going to use the methods mentioned by the honourable member for Murrumba—use our highways and our roads and march on Parliament, as they did this week, with the Red flag. I ask these gentlemen what would happen to them if they tried to march on the gates of Moscow with an Australian flag. They would be shot down or sent to Siberia. If they tried to do it in China, they would be sent to Mongolia. Here in Queensland they marched on Parliament with the Red flag.

All I can say to the people of Australia is that this is the last chance they are going to get. This is the most important election we have ever had, and these Comms, these socialist rat-bags, will have to be poked clean out of Government in Canberra for all time if this nation is to be allowed to prosper.

INTIMIDATION BY TRADE UNION OFFICIALS OF UNION MEMBERS

Mr. LAMONT: In directing a question to the Minister for Industrial Development, Labour Relations and Consumer Affairs, I draw his attention to the fact that over the past 24 hours I have received several phone calls for assistance from the wives of trade-unionists, who do not have a vote at union meetings, and also from men and women unionists themselves, who have complained that certain unions are standing over them and their husbands for donations to A.L.P. campaigns. I ask him: Does he know whether this type of intimidation is widespread? Further, what advice can he give to decent unionists as well as to their wives and families, who are being made the victims of a handful of cheap hoodlums who hide behind the guise of responsible union members?

Mr. CAMPBELL: Unfortunately, because the trade union offices are closed today, the decent trade-unionists are unable to ascertain whether the edicts issued and the demands for money made by the trade union officials are in accordance with union rules. Today no decent trade-unionists have any way of finding out whether the directions given to them by their union officials are either lawful or unlawful. So I appeal to all trade-unionists who have been placed under this duress to ascertain as soon as possible from their unions, to whom they contribute substantial fees (I do not question that; but it is a fact that union fees today are fairly substantial)——

Mr. K. J. Hooper: You're contributing to a riot.

Mr. CAMPBELL: If I am contributing to a riot, I would like to know what Mr. Clyde Cameron contributed to this morning on "A.M.". As I say, I hope unionists will take up this matter with their union officials as early as possible to ascertain whether the orders issued are in accordance with the rules of the respective unions.

In answer to another aspect of the honourable member's question—I am amazed at the sensitivity of members of the A.L.P. to any suggestion that they have an alliance or an association with Communists. Whenever we make such a suggestion, Opposition members recoil in horror. I do not think that is an overstatement. I find it impossible to understand how, on the one hand, members of the Opposition parade their lack of interest in and dissociation from the Communist Party while, on the other, the ex-Prime Minister of Australia, the Leader of the Opposition in this Chamber and as many Opposition members as their Whip will spare from attendance in the Chamber later this morning will be mingling with the Hugh Hamiltons——

Opposition Members interjected.

Mr. CAMPBELL: They will be mingling.

Opposition Members interjected.

Mr. SPEAKER: Order! Honourable members on my left will come to order. I have already warned them that I shall deal with them under Standing Order 123A if they persist in this type of behaviour.

Mr. CAMPBELL: As I was saying, they will be mingling, and they will also be linking arms with their Communist brethren in the City Square today.

Mr. Wright interjected.

Mr. SPEAKER: Order! I warn the honourable member for Rockhampton under Standing Order 123A. If he interjects again, I will deal with him.

Mr. Marginson interjected.

Mr. SPEAKER: Order! I also warn the honourable member for Wolston under Standing Order 123A. I know that he and some of his colleagues might wish to be in another place at the moment, and if they continue to behave in this manner, I will have no hesitation in allowing them to be there.

Mr. CAMPBELL: Opposition members will certainly not find standing shoulder to shoulder with Communists distasteful. In the demonstration the Communists will be holding their hands high in their usual Communist salute, just as they have been displayed in the Press as so doing. It is a great pity that, owing to the strike by A.B.C. technicians, Queensland and other Australian television viewers did not have colour TV showing them the 12 Red flags flaunted in defiance outside the gates of Parliament House by the people to whom the A.L.P. looks to spearhead its campaign.

Mr. SPEAKER: Order! The time allotted for questions has now expired.

STAMP ACT AMENDMENT BILL

INITIATION

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

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Stamp Act 1894–1974 in certain particulars and for an incidental purpose."

Motion agreed to.

GIFT DUTY ACT AMENDMENT BILL

INITIATION

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

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Gift Duty Act 1926–1973 in certain particulars."

Motion agreed to.

SUCCESSION DUTIES ACTS AMENDMENT BILL

INITIATION

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

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Succession Duties Act 1892–1973 in certain particulars and to amend the Succession Duties Act 1892 Amendment Act 1895–1973 and the Succession Duties Act 1904–1973 each in a certain particular."

Motion agreed to.

VOTING RIGHTS (PUBLIC COMPANIES) REGULATION 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 regulate voting rights in public companies."

Motion agreed to.

PROPERTY LAW ACT AMENDMENT BILL

THIRD READING

Bill, on motion of Mr. Knox, read a third time.

MOTOR VEHICLES INSURANCE ACT AMENDMENT BILL

SECOND READING

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (12.7 p.m.): I move—

"That the Bill be now read a second time."

When I introduced this Bill I pointed out that it is a relatively simple one, and in his comments at that stage the honourable member for Bulimba acknowledged that it is basically a machinery measure.

However, it is necessary that the function of the Nominal Defendant be clearly understood in order to appreciate the purpose of the amendments being made.

The Nominal Defendant has been constituted under the provisions of the Motor Vehicles Insurance Act to stand in the place of the owner of an unidentified or uninsured vehicle which has caused personal injury to a third party. In other words, where a vehicle has caused personal injury and it is not registered and therefore has no third-party insurance, or where the vehicle cannot be identified, the Nominal Defendant accepts liability and meets claims which would in other circumstances be met from the vehicle owner's compulsory third-party insurance.

Like third-party insurance, the Nominal Defendant Fund provides damages for personal injury only; it does not cover damage to property.

Funds for the Nominal Defendant are provided by way of a fee which is included in every Main Roads registration notice in much the same way as the compulsory third-party insurance premiums are billed. It is a sort of insurance paid for by the motorist and having benefits payable to people injured but having no recourse to a third-party insurance claim.

From what I have said, it will be clear that the Nominal Defendant in its dealings with claimants performs the same function as an insurance company which provides third-party cover. It handles claims lodged for personal injury in the same way as a normal insurance company would in relation to various types of risks which it may underwrite.

It is for this reason that representatives of the insurance industry are included in the membership of the Nominal Defendant. We are looking to making use of their practical experience in the handling of claims. It is true that many companies have withdrawn from the third-party field but it does not logically follow that a reduction should be made in the number of insurance representatives on the Nominal Defendant corporation.

This Bill provides for a variation in the basis of nomination of insurance representatives. The present basis is no longer relevant, because of changes in the insurance industry and a reduction in the number of insurers licensed in Queensland to underwrite third-party insurance.

Fewer insurers seek to underwrite third-party motor vehicle insurance because of losses they have experienced and the possibility of a continuing loss experience because of the effects of inflation.

The honourable member for Bulimba inquired about the relationship of compulsory third-party insurance and comprehensive motor vehicle insurance. There is no real relationship, although they both relate to motor vehicles. However, it is true, as he states, that it is normal for third-party claims to be for substantial amounts and for settlement to be paid several years after an accident. When such damages are finally assessed, they are inflated because of the loss in the value of the dollar. On the other hand, comprehensive insurance claims covering property damage are normally settled fairly quickly. It is therefore possible to adjust the premium rates to cover the claims experience and thus avoid the effect of inflation on long-delayed payments. Generally speaking, the companies which have withdrawn from compulsory third-party insurance are still continuing to underwrite comprehensive business.

The disbandment of the insurance associations has been a result of the Commonwealth Trade Practices Act. There is no point in examining the reason for this in any depth. The fact of the matter is that both the Fire and Accident Underwriters' Association of Queensland and the Non-tariff Insurance Association have been disbanded.

Both of these associations have in the past, in accordance with the Act, provided representatives on the Nominal Defendant Corporation. The Bill provides that the present representatives will remain in office for the balance of their current term of appointment and that in future, instead of three representatives of specified sections of the insurance industry, there will be "three representatives of the insurers carrying on general insurance business in Queensland elected as prescribed".

It is proposed, subject to an appropriate amendment to the regulations under the Act, to arrange for the newly formed Insurance Council of Australia to provide the representatives.

The other amendment included in this Bill relates to interstate vehicles in Queensland. At the present time if a person takes up residence here and brings with him a vehicle properly registered and insured in another State, he normally allows the registration to expire before taking action to register the vehicle in Queensland. If in the interim, while this vehicle is still registered and insured in the other State, it is the cause of personal injury to a third party, the third party, because the vehicle is not temporarily in Queensland, may bring an action for damages against the Nominal

Defendant. Under the Act the Nominal Defendant is obliged to deal with the claim, and he must then proceed to take action against the third-party insurer in the other State to recover the damages. The amendment will remove the right of the third party to involve the Nominal Defendant, and he must then proceed direct against the owner and his insurer. Involvement of the Nominal Defendant in the past has resulted in added administrative work and legal expense.

As I explained when introducing the Bill, the "temporarily in Queensland" reference to interstate vehicles is really what could be described as a hangover from provisions which were inserted in the Act at a time when not all States had third-party insurance conditions which were acceptable here.

The rights of any injured third party are not being eroded in any way.

If honourable members have any other queries, I will be prepared to try to answer them. Generally speaking, however, I believe the Bill is straightforward, and I would hope that it would be acceptable to the House.

Mr. HOUSTON (Bulimba) (12.15 p.m.): I am sure that no-one would question the desirability of compulsory third-party insurance. Over the years it has proved a godsend to many unfortunate people who have been injured in motor vehicle accidents. That applies particularly to pedestrians and passengers.

I believe it is wrong that those who practise and have the privilege of operating in our State, such as insurance companies, should be allowed to take the cream of insurance business but contribute little or nothing to what we as a Parliament believe is important. In this case it is that every driver of a motor vehicle should have third-party insurance.

The Government must take strong action to ensure that the S.G.I.O. does not become the sole company handling third-party insurance. As the Treasurer said, it is true that, through no-one's fault, there is a long delay after the accident before payment is made.

Mr. Moore: They seem to wait till they find out what happens.

Mr. HOUSTON: The honourable member can make his own speech on this matter. It is of great importance to everyone.

Mr. Moore: You won't be here. You've gone. You're finished.

Mr. HOUSTON: I know of one way to finish the honourable member quickly but I will not waste the time of the House in telling the story.

The important matter is that nothing be done to interfere with the operation of our own insurance company—the S.G.I.O. It is obvious that Government members, particularly the honourable member for Windsor, want the S.G.I.O. to crash.

A Government Member: Hear, hear!

Mr. HOUSTON: I am glad that the honourable member said that. At least we can identify another one who believes that the S.G.I.O. should go out of business. I for one believe it should not. It is the greatest institution and it is doing a grand job for Queensland.

The fact remains that, had it not been for the S.G.I.O., our third-party legislation would not be worth the paper it is written on, because motorists could not obtain cover. The other insurance companies realised that the Government of the day would have taken drastic steps. I believe that any company that wants comprehensive motor insurance business should also take its share of third-party insurance. I do not say that it should take more than it is covering in comprehensive insurance, but if it takes one it should take the other.

After all, the concept of third-party insurance and also of the Nominal Defendant was to protect people who were injured by drivers who did not have the substance, financial or otherwise, to compensate them. People who are injured must be given justice.

Sometimes I wonder whether the courts are letting their hearts rule them in relation to the hard facts of reality of finance. In most insurance cases, the amount awarded has a relationship to the premium paid. That is normal in a business undertaking. I believe that third-party insurance is a normal business undertaking. Certainly it is compulsory but it is based on the premise that an injured person is entitled to damages. We have workers' compensation legislation which lays down virtually fixed payments based on fixed premiums. Premiums for comprehensive motor vehicle insurance are fixed in relation to the amounts paid out, and they are varied from time to time.

I have great sympathy for anyone who is injured in any way at all. I feel particularly for those who lose their lives or are permanently maimed physically or mentally. But in reality can any sum of money compensate for the loss of a life? No amount awarded by a court can really compensate for physical or mental injury, and certainly not for loss of life. In reality, there should be a relationship between the two. I am not suggesting, of course, that present payments are too high. I do feel, however, that we must give this matter serious consideration because a very considerable number of people have motor-cars—they have become part and parcel of our way of life—and if third-party insurance becomes so costly that people cannot afford it, they will find some way of getting around the law and there will be an increasing number of people on the roads who have to be covered by the Nominal Defendant Fund. This could well happen if premiums for third-party insurance became too high. They are determined, of course, by the amounts paid out under judgments given by the courts.

Mr. W. D. Hewitt: Third-party insurance is the thorniest problem in the insurance field today.

Mr. HOUSTON: I quite agree. I believe the honourable member for Chatsworth will be quite happy with my next statement. As I have said on other occasions, a full inquiry should be held into both third-party and comprehensive motor vehicle insurance. I could say quite a lot about pay-outs under comprehensive insurance and the price of motor vehicle parts, but I shall not do so at this stage.

Years ago Sir Thomas Hiley headed a committee of this House that investigated third-party insurance. It is a great pity that that committee did not have the power of a parliamentary committee, which would have enabled it to interview people and investigate various matters in greater depth. I believe that that investigation was worth while—it was certainly worth while for those of us who served on the committee—but it fell down because no final decisions were made. They were not made because there were too many things that could not be substantiated and too many that could not be investigated properly.

I suggest to the Treasurer that a Committee of the House be set up on a non-political basis to investigate all the ramifications of third-party insurance, including the Nominal Defendant Fund. I believe that only good could come out of such an inquiry. There are many systems of compensation in operation, and I am in no position to say which is the best. But I do not want to see the S.G.I.O. become virtually the only company to handle this type of insurance.

I am also not convinced that the payment of large lump sums to people who have been very severely injured is the answer to the problem. I also do not think that there should be such a long period before any payments are made. This is perhaps one of the worst features of compensation under third-party insurance.

Mr. W. D. Hewitt: Some of the very large awards should be administered by trusts.

Mr. HOUSTON: That could be so, but that is one of the matters on which I do not think it wise for anyone to give a definite opinion at this time. We do not know the whole ramifications of the subject. I do agree with the general statement that in some cases it would be better for the money to be placed in trust and used as the injured person needed it. In some instances liability in an accident is very clear-cut, and in such cases I believe that judgments could be given very quickly. Payments could be made and taken into account later, as is done now. If a person is injured, he is advised to take social service benefits and refund them when compensation is eventually made.

I do not want to go into details, but I do mention these facts just to support the idea that we should have a full inquiry into these matters. It should be conducted by members of this House so that the matter could then be debated in a manner similar to the debate on the investigation into crime and punishment. That was a good concept, and although one might not agree with all the decisions that were finally brought down, at least a report was presented and debated in a non-political sense. Only good could come out of it.

The concept of the Nominal Defendant was something that had to come, and the legislation was supported by both sides of the Chamber when it was introduced. But there is a limit to how much people can claim from this type of insurance because, after all, it is being financed by those who are doing the right thing. They make contributions to the fund with vehicle registration fees, but the odds are, of course, that others will be the recipients of their money. Last year $1,590,000 was paid out in claims by the Nominal Defendant Fund, and the appropriation this year is $3,600,000. Income and receipts are estimated to be about $3,200,000. If this trend continues, it can be seen that there will have to be a further increase in Nominal Defendant payments at some future time. We are not dealing with small amounts; we are dealing with millions of dollars, and again I say we should have a look at the whole business.

I agree with the idea of amending section 4D to allow three representatives from general insurance companies on the corporation, but I do not agree that the details should be worked out by the Treasurer. I suggest that if the legislation is not amended to set this out in precise terms, it should be done in practice and the legislation amended at a later date. I believe that one of those on the corporation should be a representative of the State Government Insurance Office because, after all, it is, and I am sure will be in the foreseeable future, one of the main third-party insurers.

As the Bill lays down that the Royal Automobile Club of Queensland is to have a representative, I believe it is not unreasonable to suggest that the main insurer should have a statutory right to a representative. It should not be just left to the Treasurer to appoint such a person. He has not given the details of how people will be appointed. He did suggest that he would allow the insurance companies themselves to decide, but I believe we should legislate to ensure that one of these people is a representative of the S.G.I.O.

I am not objecting to three representatives, but I believe the other two representatives should come from the general insurance companies which conduct third-party insurance business. In other words, it would be an incentive for the company that wanted representation to show some good faith by handling that type of insurance. I believe

the easiest way would be to ask the two companies handling most of the third-party insurance to nominate a representative. In that way the Treasurer would still have three people from general insurance companies, but they would be from companies which have an interest in the operation of third-party insurance and a knowledge of it. Surely a company which has decided to give away third-party insurance, or handle only a small amount of it, should not be given preference over another company which is prepared to run the risk of carrying this type of insurance which, I think we would all agree, is not the most lucrative. As this type of insurance is compulsory, it should not be a lucrative field for the insurers.

I support the concept announced by the Treasurer on interstate vehicles. I know the reason why the provision was introduced originally, so I have no complaint about the amendment that is now being made. Over the years, various Australian States have seen the advantage of third-party insurance, and I believe that the number of people involved in complaints necessitating their going interstate, where normally they would take action against the Nominal Defendant, will be reduced over a period.

Mr. CASEY (Mackay) (12.31 p.m.): I wish to make only a few small points at this stage of the debate.

I became very concerned last year when a considerable number of insurers dropped out of the third-party insurance field because of the problems that had become associated with it in recent years, particularly increased costs and an increase in the number of claims. However, I now see their action as perhaps giving Queensland an excellent opportunity to establish an entirely new system of third-party insurance.

I agree to some extent with a number of the comments made by the honourable member for Bulimba about compensation figures. However, in my opinion the matter goes a little further than simply having fixed figures.

I have been interested to read of the development in the last two or three years in several States of the United States of America of a new sysem of insurance. The simple name it has been given is the no-fault insurance system, and it is becoming very popular indeed in a number of the American States. It is not related in any way to the system that we know as the no-fault system, or the knock-for-knock system, under comprehensive motor vehicle insurance. In fact, the no-fault system in the U.S.A. is somewhat similar to the workers' compensation scheme in Queensland in the type of insurance cover that it offers. The State Government Insurance Office in this State is very experienced in handling workers' compensation insurance, despite the problems that arise and the criticisms of the office that one hears from time to time.

One big advantage of the no-fault system now operating in some American States is that in most cases there is a prohibition on law suits. These are entered into only in cases involving very serious bodily injury —for example, where a person becomes a living vegetable for the remainder of his life.

What is the situation in Queensland with third-party insurance? The statistics indicate that costs, principally legal costs, take anything up to $1 out of each $3 in policy premiums for third-party insurance. Therefore, one-third of the money available for third-party insurance is completely absorbed in legal, accounting and other costs. Moreover, probably not more than one case in 100 is actually settled in court. The honourable member for Brisbane will agree with me, I think, that most cases are settled by agreement or by a system of bargaining between the legal representatives of claimants and the insurance companies concerned. I think it would be fair to suggest that 99 cases out of 100 are settled out of court; very few indeed are settled in court.

Legal proceedings take a considerable time. Of course, this causes a great deal of heartbreak and hardship to the person who has been involved in a motor accident, particularly if he is a family man. In addition, administrative costs are tremendously high.

An insurance company knows that any claim for damages made against it is an inflated claim. A solicitor adopts the attitude that his client should claim a high amount in the hope that he will be awarded half or some other proportion of the amount claimed.

Only about 50 per cent of motor vehicle accident victims who claim damages are successful in their claims. Many injured persons who suffer a great deal of discomfort and inconvenience and claim damages have their claims rejected by the insurance companies or the courts.

Instead of wasting money on the administration of the present insurance scheme, the Government should make provision for financially assisting all victims of motor vehicle accidents.

Queensland's right-to-sue system leads to a cluttering up of the courts by claims for damages. Very long delays occur between the institution of a claim for damages and the hearing of it by the court. As I said before, the administration of our present insurance scheme is very important. If set figures were prescribed for certain injuries, the insurance companies would be able to administer their operations much more cheaply than at present.

We as members of Parliament see a tremendous number of accident victims who suffer nervous disorders and even breakdowns as the result of long periods of convalescence and worry.

The United States no-fault insurance system provides for automatic guaranteed amounts by way of compensation. The right to sue is provided for in cases of serious injury. Such a scheme has been implemented in the American States of Massachusetts and Florida for three years, and it was found that over a two-year period this scheme brought about a reduction in third-party premiums. For example, in 1972, in Florida, no-fault insurance led to a 15 per cent reduction in premiums, and in the following year there was a further drop of 11 per cent. Statistics for Massachusetts show that over a two-year period there was a saving in insurance premiums of $100,000,000, that the no-fault system was most efficient and inexpensive and that there was general satisfaction on the part of claimants as well as the public with the system. More importantly, there was a reduction of approximately 65 per cent in Supreme Court law suits arising from motor vehicle accidents and of from 75 to 100 per cent in District Court actions.

It is surprising to note that the scheme also resulted in a drop of one-third in the number of motor vehicle accidents involving injury reported. As we know, some unscrupulous persons see our workers' compensation and third-party insurance schemes as a means merely of getting a quid out of somebody. Consequently, some claims made under our present systems are not entirely genuine.

The American no-fault system is worthy of consideration by the Treasurer. I urge him to examine it with a view to adopting it. The stage is being reached where the cost of ownership of a motor vehicle—with the cost of third-party and comprehensive insurance—is getting beyond the means of the ordinary person.

Third-party insurance is certainly compulsory but many vehicles do not carry comprehensive insurance, and their number is increasing sharply each year. Fewer people with registered motor vehicles are taking out comprehensive insurance. This is a danger to the community. Anything we can do to reduce comprehensive insurance premiums will be well worth while.

Mr. WRIGHT (Rockhampton) (12.41 p.m.): As honourable members realise, this Bill could be classed as a somewhat simple measure in that we are changing the composition of the corporation. I concur with what the honourable member for Bulimba said on behalf of the Opposition, namely, that in view of the fact that the S.G.I.O. is carrying the bulk of motor vehicle insurance it should have at least one-third of the representation on the corporation. It seems to me that most insurance companies are ducking their responsibilities in this field and that the S.G.I.O. will have to carry this burden—and very often it is a burden—on behalf of the people of Queensland.

In the light of what the honourable member for Mackay said—and he raised some very important points—I have some comments to make on the Nominal Defendant Fund. There always seem to be some difficulty in assessing exactly the role of this fund. I recall that Mr. Pat Hanlon, the former member for Baroona, made certain speeches in which he commented on how this fund was being used to bolster insurance companies that had gone broke. At that time he referred to the Northumberland Insurance Co. and, I think, the Standard Seven Seas Insurance Company. The original role of the fund was to assist people who were injured when the person who injured them could not be found. Perhaps we will have to review the role of this fund. It worries me that we have given some prominence to the role of bolstering insurance companies.

Recently I received a phone call from a person who asked me to do something in Parliament about V.I.P. Insurances Ltd.—a company that is advertising quite heavily at the moment. I took it upon myself to contact this company to check it out. I believed that, if this insurance company was about to flounder, the Nominal Defendant would again have to play a resuscitating role for the people who were insured with it. I wondered if the person who rang me—he was from another insurance company—was simply trying to create trouble for V.I.P. Insurances. When I rang V.I.P. Insurances, which has its offices at 40 Queen Street—the "V.I.P." stands for "Vehicle, Industrial and Property"—I asked directly how it could offer lower rates. No doubt you, Mr. Speaker, saw headlines that appeared in "The Sunday Mail" of 19 October 1975 in these terms, "Motor and House Coverage Up Sharply; Vehicles 33 per cent Rise and Homes 24 per cent." A couple of phenomenal examples were cited. The article referred to a driver who had a Holden under hire-purchase now paying $617.70 in premium. That is a fantastic insurance bill on a car; it is equal to about $12 a week. The article stated that formerly he would have paid $514.75. A person who was a clean-skin (that is, he had no claims) and owned a Falcon or a Holden would pay $288 in premium. An owner of a private Falcon or Holden with a previous claim faced an insurance bill of about $460.80 a year.

When I rang V.I.P. Insurances I said, "I have a Falcon which is a year old. What will it cost me to insure it?" I was asked, "Have you had any claims?" I said, "No, but some time ago a wind-screen was broken. That is the only claim." I was told, "It looks like you will pay $77." I have the record here. I thought, "Something is wrong. If insurance companies are saying things are so bad that they have to increase vehicle insurance by 33 per cent, how can one insurance company say that it is quite possible that the insurance on my car would be $77?" I was also told, "If you are in classification 3, it will cost

$96." Yet on the statements in newspaper articles it should cost me $288. So I said, "Give me another comparison. My wife has a Mazda 808 that is only a year old. Can you tell me what the insurance will be on that car?" She thought in fact that she was covered by insurance when she bought it. Apparently the car firm did not proceed with the application and she has been driving it around for a year without insurance. When she rang the insurance company in Rockhampton, they said that it would be about $230. The girl at V.I.P. said that she would check it out. She came back and said, "The maximum it could possibly be is $192.45."

I ask: Is this insurance company a risky one or is it one that is able to give the people of Queensland a better service? If it is able to give the people of Queensland a better service, how is it that all the other insurance companies are not? The young lass I was talking to answered my question for me. She told me that the Insurance Commissioner has set down suggested rates, and the reason the V.I.P. company is able to stick to these prices is that it sticks to the rates suggested by the Insurance Commissioner—but no other insurance company does.

I am not going to back the V.I.P. people, but I think the point is an important one. I want to know—and I think the Treasurer has an obligation to check this out—how that insurance company is able to give insurance to people of Queensland at those prices. Is it risky or is it that the other companies are conducting a rip-off on all the car owners of this State? It is wrong that a person should pay in the vicinity of $288 for car insurance if he is a clean-skin when somebody else can go to V.I.P. and get the same cover for $96. It is wrong, as in the instance of my wife, that somebody can pay V.I.P. $192 on a Mazda as against $230 with another insurance company.

Something is wrong. I raise the matter because I do not want to see the Parliament having to do something in a few months' time if V.I.P. is not fair dinkum. I do not want us to have to use the Nominal Defendant Fund to fix up all the people who have been insured with that company. Let us find out what is going on.

Mr. Lindsay: Is V.I.P. still in operation today? Are the phones being answered?

Mr. WRIGHT: Yes, they are in operation today. Their phone number is 2219772. I asked them how long they had been in operation. They said they had been operating in the South for some 10 years and in Western Australia for four years. I must admit that, when I rang them, I was seeking information to do them over in this House. I realise what they told me needs to be put forward, but it needs to be put forward by way of comparison. Something is wrong here. Either this company is risky or the other companies are doing the wrong thing by the people of Queensland. I ask the Treasurer to look at this very carefully.

I know that when an insurance company is set up it has to lodge a certain sum by way of bond. The honourable member for Port Curtis told me that it is a significant amount. So the V.I.P. company may not be the risk that I was led to believe. However, I am sure that clarification is required. It is not right that the ordinary person should without justification be paying such massive amounts in insurance.

While I am on this point, it is not right that the low-income people in this State—those who are forced to buy on hire-purchase—should be paying in some cases twice or three times as much for car insurance as another person. I will give the comparisons. A person who buys a Falcon on hire-purchase now pays $617. A person who has not purchased on hire-purchase and has had no claim pays $288. Surely that is unfair. What greater risk is the person who buys on hire-purchase than anyone else? Why should he pay three times the premium? No wonder people can never break out of a low-income bracket, when in the first instance they are forced to pay huge amounts for the repayments on the car and, in the second instance, massive insurance premiums.

I make the point, too, although it does not pertain strictly to this Bill—it does pertain very importantly to motor vehicle insurance —that the Minister investigate the matter of insurance companies wanting to settle on a percentage basis. Many people have come to my office and said, "I was in the right. The other fellow was in fact charged by the police. I have received a letter from the other fellow's insurance company saying that they will settle on a 70/30 basis." Very often 30 per cent of the other fellow's claim can exceed 70 per cent of the claimant's. That can be shown mathematically. Very often one gains nothing at all from having insurance. It is wrong that there should be this type of percentage settlement. I am told that the insurance companies stick to that formula because, if one brings an action before the Magistrates Court, the magistrates decide on the basis of 80/20, 70/30 or 90/10. That is wrong.

I support the New Zealand idea of no-fault insurance. It may be well worth while our looking at that in Queensland.

I raise the point of the delay in settling claims and the use of technicalities by some insurance companies. They accept a man's insurance and, following an accident, say, "You had a baldy tyre. We will not give you that coverage." This matter must be looked at very carefully.

On some occasions I have written to the Treasurer. I must admit that he has been very forthright in fixing up the complaints I have referred to him. But we need to look at the whole insurance industry. I realise the problems that insurance companies

face in motor vehicle insurance. People do not seem to care about accidents. They adopt the attitude, "I am covered, so it does not really matter."

We should also look at the panel-beating firms that are ripping off the insurance companies and, as a consequence, the ordinary person. Recently a fellow went to a firm in Rockhampton. He said, "My car is not insured. This will be a private deal. What will you charge me?" The amount he was quoted was 70 per cent of the cost of repair given to him by another insurance company that he told he was insured. I am told that this practice is not uncommon. If the persons says it is a private deal and that he is paying for it, it will cost only 60 or 70 per cent of the amount the insurance company would have to pay. There seems to be something wrong. I do not say there is a racket, but the matter has got out of hand. The car owner is the loser and something definitely has to be done about it.

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (12.52 p.m.), in reply: I have listened to the remarks of the three honourable members who have spoken. I realise that motor vehicle insurance is one of the most difficult problems in insurance that we face at the present time. Third-party insurance cases drag on for some time and, while premiums are being paid now, it may be some years before the payout of a claim that may be lodged now. The result is that a number of insurance companies have not been prepared to take the risk of collecting a premium at today's value of the dollar in the knowledge that that when the payout is made on a claim lodged today, the value of the dollar will have changed considerably.

The honourable member for Bulimba said that a company should not be able to choose its customers. I do not know of any provision in the insurance legislation that prescribes that a company must take all forms of insurance. Any company in any form of normal trading has the right to select its own customers. To try to force an insurance company to accept all forms of insurance business could possibly have some advantage. On the other hand it would be getting close to a socialist approach to life. I have always believed that a business should have the right to choose its customers.

We have talked with a number of insurance companies and pointed out to them that it is unfair to take the cream, if there is any cream in insurance business, and to leave the balance to the S.G.I.O. particularly with third-party insurance.

Mr. Houston: Comprehensive and third-party insurance could go together.

Sir GORDON CHALK: We have looked at it in the past. Candidly, the attitude adopted is that there is no basis on which we can force a company to take both forms of insurance.

The honourable member for Rockhampton said that one insurance company—V.I.P.—has been quoting rates much lower than those of other companies. We know something of its operations and it is not for me to say at this juncture that it is not conducting its business satisfactorily. On the other hand, in recent times some insurance companies encountered major difficulties and a number of people were hurt. While the Insurance Commissioner endeavours to keep an oversight over the operations of all insurance companies under his jurisdiction, he is not in a position to lay down their premiums. For that reason some companies are quoting premiums lower than others, but those with the higher rates obviously consider that they are necessary to ensure their stability and permit them to meet their financial obligations.

Reference was made by the honourable member for Mackay to no-fault insurance. We considered such a system for this State and in fact legislation was being prepared based on that coming into operation in Victoria and Tasmania. At that time the Commonwealth Bill dealing with national compensation was being discussed at Federal level. Indeed, had there not been certain happenings in Canberra, I would not be here speaking this afternoon. A major conference on the national compensation Bill was to have been held in Melbourne this morning. As the situation now stands, it is possible that we could at least consider introducing in this State legislation to provide a degree of no-fault insurance, which I believe myself would be for the benefit of the community.

The other points that have been raised are matters relating to the general administration of third-party insurance. All three members who spoke said that they thought the State Government Insurance Office should have representation. This matter was considered. The S.G.I.O. has a considerable amount of this type of business that would come up for discussion, and it was therefore felt that very often the Nominal Defendant would be on one side of the issue and the S.G.I.O. would find itself in the opposite corner. Principally for that reason we felt that it would be better to have the S.G.I.O. outside the set-up, as it were, rather than on the inside. It was mainly on that basis that we did not provide that the S.G.I.O. would nominate one of the representatives and the other companies two.

Generally speaking, I think the Bill sets out to achieve certain ends. They are the issues of major importance at present, but, in carrying out my responsibilities in the administration of insurance, I am prepared to bear in mind the issues that have been raised this afternoon and if at the appropriate time I find it necessary to make further alterations, they will be considered.

Motion (Sir Gordon Chalk) agreed to.

COMMITTEE

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

Clauses 1 to 5, both inclusive, as read, agreed to.

Bill reported, without amendment.

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

INSURANCE ACTS AMENDMENT BILL

SECOND READING

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (2.15 p.m.): I move—

"That the Bill be now read a second time."

When I introduced this Bill I explained that the purpose of the amendment was to rewrite section 16 of the Insurance Act to make it quite clear that the Insurance Commissioner has a discretion to declare maximum rates of premium which may be charged in respect of any class of general insurance.

In no way is the power of the Insurance Commissioner being reduced. In practice the Insurance Commissioner has always exercised discretion and in fact there are classes of general insurance for which maximum rates have never been declared. This amendment is being made simply to resolve a legal point about which opinions differ except that all opinions are that the Act is not clearly worded. I believe the recess has provided an opportunity for all honourable members to study the Bill and I now commend it to the further attention of the House.

Mr. HOUSTON (Bulimba) (2.16 p.m.): I support the Bill, but I am not completely satisfied that it is the answer to some of the problems that we face. I think the Treasurer has taken the simple way out rather than the right way. After the performance of some insurance companies recently, I believe the Insurance Commissioner should be given more power instead of having some power taken from him. This amendment not only clears up a legal complication that may have arisen but it virtually gives the Insurance Commissioner the right not to involve himself in the deduction of a premium rate. I am not suggesting for one moment that an insurance commissioner present or future would deliberately allow insurance companies to get away with anything they want, but I think I am realist enough to know that busy men are not always able to handle all the things they should be handling. I believe one of the most necessary things in this nation is to have an insurance system that is fair to the contributors as well as allowing the companies to make certain profits. I hope that in the next amendment to the Act the Treasurer will do something about giving the Insurance Commissioner power over the drawing up of legal documents because I feel that one of the weaknesses of our present insurance set-up is the vagueness of some of the documents and the legal jargon associated with them.

Sir Gordon Chalk: What you mean is the small print.

Mr. HOUSTON: Some of it is pretty big print. I mean the "aforesaids" and the "hereinafters" and all the rest of it. What we have to remember is that we are not dealing with two groups of lawyers. In fact, if that were the case all we would see would be a decent argument and we would finish up paying heavy costs. We are dealing now with people who, in some cases, have little education, although some are well educated, but all in all their main concern is to get what they believe is adequate coverage, whether it be on their car, their life, their home or anything else. During the recent cyclone and flood, members from both sides of the House received many complaints from people who found they did not have the cover they thought they had.

Sir Gordon Chalk: I know one.

Mr. HOUSTON: Yes. No names, no pack drill. But the realities are that this happened and it happened to people who are well versed in this kind of business. I think the Insurance Commissioner should be given the power to call on insurance companies and tell them to alter the wording of certain clauses—not to put in the wording that he wants or a meaning that he wants, but when an insurance company says, "We believe that clause will do so-and-so" and it is not clear to him, he should be able to say to the company, "Get your legal people to re-word it because the meaning is not too clear." The meaning has to be clear and simple because in the main, as I said earlier, the people who are involved are not experienced in the legal profession or in the field of insurance. Much of the legal jargon that is used is necessary, but that is not where the problem lies; it lies in the hidden clauses and the small print. For example, people who believed that they had cover for damage by flood found that they did not have that cover under their comprehensive policies; others who believed that they had cover for damage by cyclone found when the cyclone struck that they did not have that cover. It is no good crying, negotiating and trying to get ex-gratia payments after a tragedy has occurred. If the Insurance Commissioner has not power under the existing legislation, I believe he should be given the power he needs to overcome the problem.

In my opinion, insurance companies themselves could play a greater part in reducing the cost structure of payouts, repairs, and so on. One of the basic problems in the field of motor vehicle insurance is the tremendously high cost of parts. In many instances manufacturers are not now selling replacements for individual parts that are damaged. I know of a case—it came to my attention some time ago—in which one

small piece of glass in the tail-light assembly of a motor vehicle was broken. When the account for the repairs came through—and I checked this—it was found that the repair organisation had had to buy the full tail-light assembly. Honourable members can easily imagine the additional cost that was involved because one small part was not available. However, instances such as that seem to be quite common today.

Surely the insurance companies should use their financial strength and their combined power to tell the manufacturers of parts that that is not good enough. It may be easy for the companies to pay out; on the other hand premiums have to be increased when the prices of parts increase. When the Insurance Commissioner is looking at premium rates, he should be able to tell the companies that he thinks their payouts could be reduced if they made representations to, or took some action against, the various people concerned.

An insurance company usually says to the people making the claim, "We want two quotes." That is fair enough; I have no fight with that. But both the repair companies will quote about the same because they have to buy parts that are not really necessary. It is not only the cost of parts, either; it is the extra work involved in stripping down the old and building it up to new.

The Insurance Commissioner should also have the right to question companies about the reason for a change in rates. I know that at present he can set the maximum rate. Perhaps it would be a rather cumbersome system, and I agree with the Treasurer that in quite a number of cases, because of the type of insurance, it would not be practicable. Probably that is why it has not been done. However, let us assume that existing rates are the order of the day. I believe that if a company wishes to change a rate, before doing so it should go to the Insurance Commissioner and point out to him its reasons for the change, state what the premium will be and whether it is being increased or decreased. The commissioner would then have the right to question, and support or reject the proposal. In my opinion, action of that type by him would do much to stabilise the insurance industry.

I have no fight with insurance companies competing with each other and having variations in the rates that they charge. However, in most instances, the rates are about the same. When changes are made, usually the companies themselves agree on those changes within their own organisations. I do not think that the suggestion I have made would create very much additional work; but, even if it did, it would be worth while for the protection of the public. After all, the insurance companies are there for the benefit of the people.

If the insurance companies made any changes, it would be up to them to strike the rate. All the Insurance Commissioner would be required to do would be to ask the companies to justify the new rate. The Act allows for an appeal against certain things either done or not done by the Insurance Commissioner, and I see no reason why an insurance company that is not happy with a certain decision arrived at by the Insurance Commissioner cannot appeal against that decision. If further safeguards are required, the Minister could have the final say.

The Bill provides that where the Insurance Commissioner arrives at a maximum rate, he is not required to publish his reasons for assessing that rate. I do not go along with that at all. He should be required to furnish certain details. Naturally, the details of one company's operations should not be made available to a competitor. That is only common-sense business practice. I would not expect the Government to require one company to divulge confidential information to a competitor. However, any increase in rates fixed by an insurance company should be above board. The company should have nothing to hide, and there should be no reason why the grounds for such an increase could not be made known to the public. The operations of this very important business should be brought out into the open.

With the exception of third-party cover, insurance is not compulsory. However, the reality of the situation is that people do insure. They want to insure and they are encouraged to insure. Human nature being what it is, it is always on the cards that some over-zealous insurance salesman will either over-emphasise or wrongly state a certain proposition. The public must be protected, because, by taking out insurance policies, they deny themselves money that would otherwise be available to them. Many insurance salesmen subject would-be policyholders to high-pressure salesmanship, so it is essential to give the Insurance Commissioner increased powers rather than diminished powers. Although the Bill goes some way towards clearing up the powers of the Insurance Commissioner, I should like to think it will be applied as broadly as possible.

I deal now with the provision in the Bill relating to an insurance company that fails to furnish to the commissioner a return within the specified time or alternatively furnishes a return containing false or misleading information. These offences are very serious. A reason for not submitting a return could be that the financial position of the company involved is not very sound and that it is hoping to get itself out of trouble before submitting the return. It is not uncommon for insurance companies to call on the Government for assistance when their financial position becomes very bad indeed. The Insurance Commissioner should have all available information at his disposal. In my opinion the penalty provided in the Bill for the two offences to which I have referred is far too low.

Sir Gordon Chalk: You had me worried about why you were querying it.

Mr. HOUSTON: I am querying it because I think the penalty is far too low.

To substantiate my argument I refer to the debate on the legislation we dealt with the other day covering S.P. betting. The Treasurer argued forcefully that a man who engaged in S.P. betting should be fined up to $3,000 for a first offence and $6,000 or something like that for a second offence and for the third offence should be gaoled. All those offences could happen in a few weeks one after the other. But when we are dealing with an offence by multi-million-dollar companies, the fine is $200 for failure to lodge a return, with an additional $40 for each day the failure to lodge a return continues. On comparing the fines for the two types of offence, I note that a company would not be liable for a fine of $3,000, the maximum fine for the first offence of an S.P. operator, until it had failed to lodge a return for 70 days.

Mr. Moore interjected.

Mr. HOUSTON: I do not know about races; the honourable member is more conversant with them than I am.

A company could refuse to lodge a return for 70 days and still face a maximum penalty of only $3,000. In that time it could go broke, and it could do many other things as well. I do not suggest that major companies would engage in such activities, but over the years insurance companies have gone broke for one reason or another. And it need not necessarily be a consequence of incompetence of the company.

When the Insurance Commissioner finally gets a return, it could be too late. I suggest to the Minister that he re-examine the penalties. Because I have not all the facts, I do not intend to move an amendment at this stage, but the Minister, through the Insurance Commissioner, should keep his eye on what happens. If insurance companies do not lodge returns, and it becomes necessary to apply this provision, the quantum of the penalty should be considered very quickly.

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (2.33 p.m.), in reply: I appreciate the comments made by the honourable member for Bulimba. I fully agree with him that there is a need for insurance companies to spell out precisely in material distributed by them just what is covered in insurance policies.

As the Treasurer of this State for the last 10 years, I have been responsible for administering the affairs of the S.G.I.O. Most of the arguments concerning transactions of that insurance office stem from the interpretation of what might be set out on a policy or in the advertising material distributed by the office. The State Government Insurance Office is not an exception to the general rule. It is essential that we should ensure that companies spell out the precise basis of insurance.

When the honourable member for Bulimba was speaking, I interjected that I had some personal experience in this field. Without going too deeply into my personal affairs, I point out that during the last floods the bottom section of my two-storey home had 4 ft. 10 in. of water in it. All my furniture was covered on an all-risk basis. When the home was built, nobody anticipated that it was at flood level. If I had had the funds, and had been able to pay the builder cash for the home, I believe I would have had an all-risk policy of some description. I obtained the money through another insurance company and felt that I was fully covered because I paid everything that was asked of me. After the flood I found that I was not covered with flood insurance. But that was not the point I wanted to make. The point is that my furniture was covered, because of the all-risks policy. However, in the downstairs portion of my home I had built in everything from the bed to the cupboards. Nothing could be taken out when the floodwaters came. I found out afterwards that that was part of the house and not part of the furniture. I illustrate that experience of mine to indicate that there is need for some clarification.

The other point raised by the honourable member related more to the motor vehicle side than to what we are discussing—that is, general insurance. He made reference to the replacement of spare parts. With a crumpled mudguard, in days gone by a panel beater belted it out and it was as good as new. In fact, very often it was better than a new one. Today, of course, because of the high cost of labour one only has to dent the mudguard and somebody decides that there has to be a whole new panel. That adds to the over-all cost. It is something that should be overcome by having it spelt out.

The principal point made by the honourable member related to penalties. I must confess that I looked at that aspect recently and had somewhat the same idea as he has. However, this rate relates to statistical data only. It does not relate to accounts or operations. In other words, it applies to the provision of statistical data required by the commissioner. Other matters that can arise are able to be dealt with; but in this instance, if the statistical data is not provided, the penalty is as laid out in the Bill. When it came before me for discussion, the penalty stood at £100. On that basis, I merely converted it into dollars.

I appreciate the attitude of the honourable member for Bulimba and his approach to these insurance matters. They are of general importance. They are not matters of major political controversy. Anything that has been said by any member of the Opposition this afternoon about either this Bill or the Bill that preceded it will be examined by me if we are amending the Acts at a later date. If I feel that any argument that has been advanced

is worth while and reasonable, I will certainly ensure that amendments are introduced to protect the people. It would not be done for any other purpose. What we aim to do is provide them with protection.

I believe that the Bill has achieved the purpose for which it was designed. I commend it to the House.

Motion (Sir Gordon Chalk) agreed to.

COMMITTEE

(Mr. Miller, Ithaca, in the chair)

Clauses 1 to 3, both inclusive, as read, agreed to.

Bill reported, without amendment.

QUEENSLAND PHOSPHATE LIMITED GUARANTEE BILL

SECOND READING

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (2.40 p.m.): I move—

"That the Bill be now read a second time."

The purpose and the principles of this Bill were outlined by me at the introductory stage and in that direction I have no further comment. However, a few issues were raised in the subsequent debate to which I will now reply.

Firstly I note that the Opposition does not object in principle to the Government assisting this company to become established but the honourable member for Bulimba did suggest that the State, in return for the assistance it is giving, might look for a financial interest in the profitability of the undertaking.

The Government can see little reason to be involved in the ownership of the company. State capital funds are in short supply and if the obtaining of such an interest meant that the State had to invest capital of its own, it would only mean that the schools, hospital and other public buildings works programmes would have to be cut back accordingly. I expect that the guarantee commitment will in any case be only short term while the long-term contracts are being obtained, and there is therefore no real basis for requiring a State interest in the venture in return for the granting of the guarantee itself. There is a small degree of risk of loss involved because of the assets of the company, the primary guarantee provided by the parent company and the fact that much of the borrowed funds will be utilised towards State-owned and operated railway facilities. The State will obtain its return from the project through its profit on the rail operation and through royalty payments which will be related to the F.O.R. value of the material.

I am sure honourable members will appreciate that the project is quite different from the Greenvale Treatment Project. The project on which the arrangements are based involves removing phosphate rock, which will initially be of direct shipping grade, by a relatively easy open-cut method. It is not anticipated that difficulties will occur. It is a self-contained project in its present form. Expansion will be a matter for the company but the Government's undertaking for guarantee assistance relates only to a portion of the company's financing requirements for the 1,000,000 tonne per annum development and is limited to the sum of $20,000,000 or the balance of the railway security deposit represented by assets usable for railway purposes other than phosphate shipments, whichever is the less.

Honourable members will now have had an opportunity to study the detailed provisions of the Bill.

Under the procedures to be adopted, the company will make available to the Government the loan agreements under which the relevant funds wil be borrowed and any other information required in relation to the satisfactory carrying out of the project.

When details are completed, the approval of the Governor in Council will be sought for an instrument of guarantee to be executed on behalf of the State. This document will specify the conditions and safeguards under which the guarantee is given as outlined at the introductory stage.

The Act will specify that the maximum amount of principal that can be guaranteed is $20,000,000. The repayment of the moneys borrowed by the company in accordance with the relevant loan agreement furnished to the Government and the payment of interest on the moneys so borrowed will be deemed by virtue of the Act to be guaranteed by the State in accordance with the terms and conditions and to the extent approved by the Governor in Council. In order to protect the security value available to the State, the company's phosphate leases cannot be charged as security for any further borrowings by the company unless Government approval is obtained.

Reference is made in the Bill to the agreement between the company and the Commissioner for Railways. This agreement is not yet complete but the provisions will be of the usual type for such agreements providing adequate protection for the State through the lodging of a security deposit to cover the capital cost of rolling-stock, the new branch rail line and funds to upgrade the main line to a standard sufficient to handle the tonnage involved. Full escalation of working costs will be provided for in line with cost increases and escalation of the profit element will also be provided for on a basis not yet finally determined. The new rail line and the rolling-stock purchased will be irrevocably the property of the commissioner to be owned and operated by him.

I have outlined the principles of the Bill and I will be interested to hear any further comments which honourable members may have following their perusal of it.

Mr. HOUSTON (Bulimba) (2.47 p.m.): I think it was unfortunate that at the introductory stage the Treasurer, by innuendo if in no other way, tried to indicate that the delay in this project was basically caused by the Federal Labor Government.

Mr. Moore: Wouldn't that be right?

Mr. HOUSTON: No, it is not right, as I shall show. For that reason, I feel that I should outline for the record a little of the history of the company to show whether or not the Federal Government played a material part in delaying the project.

I suggest at the outset that no-one has been responsible for any undue delay. However, a set of circumstances arose that caused the company to change its mind half way through the developmental period. If we look into the history of this development, we find that B.H. South discovered the deposits in 1966 whilst carrying out oil search. That company later proved that there were two very large and separate fields of deposits. One near Duchess consisted of two grounds, one of approximately 21,000 million tonnes of 17.5 per cent P_2O_5 phosphate rock, and another near Duchess consisted of some 1,400 million tonnes of phosphate rock. The percentage given is important because, before the product is transferred to the coast for shipment overseas, the percentage has to be increased to 31. That was a significant factor in the later thinking of the company.

The second major project concerned deposits in the Lady Annie and Lady Jane areas. They are about 120 km north of Mt. Isa. They are much smaller deposits, containing together about 450,000,000 tonnes of rock.

From what I can gather, because of the cost of transport and development the feasibility study showed that development of the Lady Annie and Lady Jane areas should be undertaken first. This was based on the construction of a railway line to a selected port in the Gulf of Carpentaria. However, on investigation it was found that shallow waters there made this impossible so it was decided to dispense with the railway and use a slurry pipeline to Sweers Island. However, the company dropped the proposal because of the problems that it had encountered and also because of the economics then applying to the development of the whole project.

By late 1973 the company decided to change its operation. Until late 1973 it was the company which decided what it wanted to do, and I have no fight with this at all. It is quite significant that in late 1973 the price of the commodity rose from $US14 a tonne to $US60 a tonne, and as we know, a substantial price rise like that would certainly cause a change in the thinking of the company concerned. It then decided to develop the Duchess deposits. That was still late in 1973. However, it became apparent that to carry on with the Lady Annie development would cost, according to one record I was able to dig up, approximately $100,000,000 whereas, as we know, the present development of the Duchess deposits will cost in the vicinity of $40,000,000—less than half. So honourable members can see that the company itself made the decision, and I believe it was very wise to make it.

Let me refer now to a speech made by the Minister for Transport on 30 October 1974, recorded in "Hansard" volume 266 at page 1834. We then had a motion before the House to approve plans for the Railway Commissioner to construct a railway line from Duchess to the Great Northern Railway for the carriage of phosphate rock to the coast. Amongst other things, the Minister said—

> "This railway line and new rolling-stock are to be financed by the developing company at no risk to the State."

I know this was referred to in the Treasurer's introductory speech but I want to keep things in sequence. The Minister for Transport continued—

> "An agreement between the Commissioner for Railways and Queensland Phosphate Limited will be concluded for the transport of 1,000,000 tonnes of phosphate per annum from Phosphate Hill to Townsville jetty, but this agreement may be varied to cover the transport of 2,000,000 tonnes per annum, depending upon negotiations now being conducted."

We now know that the company hopes to increase this to 3,000,000 tonnes within a very short period. The Minister continued—

> "The Phosphate Hill railway passes through four pastoral holdings, and the total area required is approximately 278 hectares.
>
> "The estimated cost, including land resumptions, surveys and engineering is $10,610,000. In addition, $3,355,000 will be needed for the upgrading of the Great Northern Railway.
>
> "Queensland Phosphate Limited will lodge a security deposit equivalent to the capital required for the project and this deposit will be available for use by my commissioner in building the new line, purchasing the rolling-stock and upgrading the Great Northern Line."

The Minister said later—

> "The proposed freight rate for the rail transport of 1,000,000 tonnes of phosphate per annum from Phosphate Hill to Townsville jetty will be $9.50 per tonne, escalated from 1 July 1974 to cover variations in capital costs and working expenses and increases in State profit, in line with any increase in the price of phosphate rock.
>
> "The actual additional annual revenue which will be derived as a result of the new line will vary according to the movement of each of the escalation components of the freight rate.

"On the basis of the transport of 1,000,000 tonnes per annum, it is expected that the total working expenses and amortisation of capital for the over-all haul from Phosphate Hill to Townsville jetty will be about $8,500,000 per annum, and the total revenue is expected to be $9,500,000 per annum. On this basis, the net revenue derived from the traffic will be $1,000,000 annually."

So the Minister for Transport made it very clear to Parliament in October 1974—and it is important to note that date because it was only 12 months after the Government decided to go ahead with the Duchess development—that the company had the money and was going ahead without any responsibility on the part of the State Government. The Treasurer now suggests that the Commonwealth Government was to blame.

Let me go a little further, Mr. Deputy Speaker, and record something else that the Minister for Transport said on that occasion—

"I wish to comment on what was said in Federal Parliament by Mr. Connor and Senator Wriedt. They have now jumped on the band wagon, but this rail link is something for which the Queensland Government, and no-one else, is going to take credit. Mr. Connor has completely changed his attitude to the mining of the country's natural resources."

I must take it from that that the Minister did not agree with Mr. Connor's policy on mineral resources development before that time. When he said that Mr. Connor had jumped on the band wagon, I must assume that he meant, "Mr. Connor is now thinking as the Minister for Transport thinks."

That is backed up by a Press statement by Mr. Connor and Senator Wriedt in which they said—and I think this is worth recording—

"Senator Wriedt and Mr. Connor said today that the development of the large phosphate rock deposits at Duchess and Lady Annie in Queensland was an urgent national responsibility.

"The Australian Government would co-operate in every way possible with companies working the deposits.

"The Ministers said that the deposits were a guarantee of the fertility and productivity for Australian primary rural industries for generations. In addition, there would be a substantial surplus for export to overseas countries already desperately in need of phosphate.

"The Ministers were responding to reports that superphosphate prices were increasing in Australia and overseas because of a severe shortage of phosphate rock, the raw material for superphosphate. The shortage could endanger world food supplies. Mainly because of the Australian Government's joint control with New Zealand over the Christmas Island deposits of phosphate rock, Australian farmers were paying prices for superphosphate well below most other countries.

"However, the Ministers warned that to ensure ample supplies of phosphate, the Queensland deposits should be developed as soon as possible."

That statement was made on 10 May 1974, some months before the Minister for Transport made his statement, and it was backed up, of course, by statements by the Minister for Mines and Energy (Mr. Camm). On 4 July 1974, this report appeared in "Queensland Country Life"—

"... Mr. Camm said the increased price of phosphate for agricultural use in Australia might allow economic development of Queensland's vast reserves of phosphate rock.

"Mr. Camm told staff reporter Don Gordon-Brown that the huge deposits had remained untapped as high transport costs had prevented economic mining of the phosphate.

"He said that further deposits stretched towards and beyond the Northern Territory border.

"Mr. Camm said the company was now in the process of negotiating a lease with the State Mines Department.

"It had indicated that the fertiliser price position and a general shortage of the fertiliser for agricultural use had improved prospects for an early move towards mining the deposits."

Again there is evidence of the reason why the project had not progressed as fast as it should have.

In introducing the resolution, the Treasurer made certain statements. I did not quite catch all he said, but I would like now to refer to the report of what he said. Perhaps in his reply he can further explain exactly what he meant by this statement. He said, among other things—

"As I previously mentioned, the guarantee will be limited to $20,000,000 but there will be a further limitation in that the amount of the guarantee is not at any time to exceed the part of the balance of the security deposit proportionate to the part of the initial security deposit invested in the assets which would be usable other than for the phosphate rock. The borrowings will also be supported by a guarantee from the parent company of Queensland Phosphate Limited, namely, B.H. South Limited, which will be called upon in full before any liability arises in respect of the State guarantee."

I should like the Treasurer to give further explanation of that aspect, because nowhere is his speech did he indicate how much the parent company would be expected to put in and when the State would assume liability.

I am sure the Treasurer will recall that at one stage of the Greenvale project it appeared that the State Government would be up for many millions of dollars under the guarantee that it had given. It appeared that no-one but the State Government was in a financial position to be able to help.

Although in relation to the matter now under discussion the parent company is quite a successful one, it could be that at some time both the company that the State is guaranteeing and the parent company will be in financial difficulties. What will be the position of the State Government then? The parent company is associated with a consortium of Australian banks, the Resources Development Bank and the A.N.Z. Bank, so I should imagine that if the parent company were in financial trouble the State would be in serious trouble, too. Where would the State stand, and what would be the priorities?

The Treasurer referred also to stamp duty, saying that its imposition was necessary because of the allegedly terrible Federal Government. He said—

> "The Bill provides an exemption for the proposed guarantee document and the associated guarantees and indemnities from B.H. South Limited on the basis that such stamp duty liability would not have arisen but for the attitude taken by the Federal Government and that it is the desire of the State Government not to capitalise on the unfortunate situation which it was now endeavouring to assist the company to overcome."

As I said earlier, a lot of the delay was the fault of the company.

The idea of waiving stamp duty on developmental projects such as this is not new. In fact such a provision was included in the Greenvale agreement, which provided that the State would exempt from stamp duty both the agreement and any contracts entered into by the company involved. I do not intend to read the provision; it is clearly set out in the Greenvale Agreement Act. We had no quarrel with the principle then, and we have no fight with it now. My only query relates to the reason given by the Treasurer.

It is interesting to compare speeches made on various pieces of legislation. The Premier was the one who introduced the Greenvale Agreement Bill. However he did not mention Stamp Duty on any occasion—not even in his second-reading speech. Very late in the second-reading stage, after the then member for Baroona (Mr. Pat. Hanlon) had taken the matter up, the Treasurer had a few words to say which I believe should be recorded again. In referring to the honourable member for Baroona, the Treasurer said—

> "He referred first to stamp duty. I point out to him that there is no major variation between the provisions of this Bill and those of the Central Queensland Coal Associates Agreement of 1968. In fact, the clause in this Bill is modelled on the equivalent clause in the Goonyella agreement, except that this clause contains the words 'including any mortgage or charge'. Those words were specially inserted on the advice of the Parliamentary Draftsman, because past experience has shown that in certain agreements small loop-holes are found. In view of that, we inserted those additional words. However, the intention is the same as that of the Goonyella agreement."

In future agreements concerning the development of our natural resources, where guarantees have to be given and railways constructed, I imagine that the same type of clause will be inserted.

Mr. Moore: They will be treated on their merits, as this one was.

Mr. HOUSTON: That is right.

The stamp duty exemption was included because of the type of development and because of the millions of dollars involved. It was not because the Treasurer did not like the Federal Government. That is the point I wanted to make to put the record straight. Earlier today, under two Bills we discussed, the record was quite straight, but on this occasion it is not. Perhaps that is because an election is forthcoming. In the last two or three years it has been the policy of Liberal and National Party Ministers to have a shot at the Federal Government on every possible occasion.

Mr. Moore: There will be none of them after the next election.

Mr. HOUSTON: The honourable member is always a boaster. No-one pays much attention to him.

Mr. Newbery interjected.

Mr. HOUSTON: The Minister should not boast too much about that. The Queensland Government has only two years to run. It can do a lot of damage in that time, and that is what worries me.

Mr. Newbery interjected.

Mr. HOUSTON: I would not boast too much about how long the Government will remain in power.

I am surprised to see that two Ministers other than the Treasurer are in the House. It seems that they have nothing to do. It is good to see them here, although it is a bit of change. There are enough Ministers to allow two of them to have a holiday whenever they want it.

The Greenvale agreement guaranteed money, but a 20-year limit was imposed in the terms of the guarantee. The Bill we are discussing contains certain provisions about repayments, but I suggest that the Minister might well explain why no maximum time is provided when a 20-year maximum was inserted in the Greenvale legislation.

To protect our assets, or the guarantee, it is provided that certain mining leases cannot be used for any other guarantees. I

ask the Treasurer: Are these the only mining leases in the areas concerned held by the company? If not, I should like to know how the others fit into the whole picture. The Minister named three leases in particular. If things went wrong and we were put into the situation that we nearly got into with Greenvale, the Government might be required to take drastic action. I am not looking forward to that situation, but it would be rather foolish if we had to take over part of the assets of a company that we had helped but could not take over others because they were not covered in any way.

In the final stages of the Treasurer's second-reading speech, he queried my request that, where possible, the State should have some financial interest in the development of our natural resources. As a principle, I see nothing at all wrong with that. Other Governments have done that. This Government, too, has carried out these undertakings. It has been involved in private-enterprise operations. The S.G.I.O. is a typical example. In that business it is all Government money. However, I believe that in other projects Government money could be used quite successfully. After all, quite often a project, particularly one involved in the development of our natural resources, turns out to be a pretty smart business undertaking once it gets under way. I see nothing wrong at all with Governments entering that field of activity, provided there is fair competition and everything is above board.

In this case I am not suggesting that the Government should come in on a 50 per cent basis or any other definite basis, but I believe that when the Government enters into a guarantee——

Mr. DEPUTY SPEAKER (Mr. W. D. Hewitt): Order! The member for Rockhampton North will remove the badge from his lapel.

Mr. HOUSTON: I believe that, when it is a profitable enterprise—

Mr. DEPUTY SPEAKER: Order! There has been a previous ruling that badges of that description are not permitted in the Chamber. I ask the honourable member to remove it. I ask the honourable member for Bulimba to continue with his speech.

Mr. Wright: Why? What's wrong with it?

Mr. YEWDALE: May I ask for a ruling on it, Mr. Deputy Speaker?

Mr. DEPUTY SPEAKER: Yes. It is the obligation of the Speaker or the Deputy Speaker to maintain due decorum. On a previous occasion a ruling was given that badges such as the one the honourable member is presently wearing are not permitted in the Chamber. I ask the honourable member either to remove the badge from his lapel or leave the Chamber.

Mr. HOUSTON: The point I make is that it is a matter of principle whether or not the State should be involved in such enterprises. Unfortunately the National-Liberal Parties have some queer principles about interests in companies. In some circumstances it is all right and in others it is not. It depends on the enterprise; it depends who is involved and what is involved. In reply to the Treasurer, I say that I do not believe there is anything wrong in the State's being involved.

I appreciate that the State would be tying up money. The Treasurer said that we can build more hospitals if we do not put money into such projects as this. I suggest to him that, if the Government did not use so much money on propaganda and if the Premier did not fly out to Alice Springs and up to Darwin and other places, that money could be used on hospitals also. If he wants to start talking about what money could be used for, all the circumstances need to be considered.

I cannot see anything wrong in using State money in the development of our natural resources, especially when we know from the past performances of other companies what a tremendous bonanza such development is. I do not want to canvass the subject of profits made by coal-mining companies; but one has only to peruse the reports of Utah and others to know that this type of development is very profitable. Therefore, on this occasion, as the State has been called in to help get the project under way, I think it should participate. I believe that it would be a sound investment.

A major regret that I have is that, when Mt. Isa was being developed, the Government of the day, as well as giving guarantees and other assistance, did not subscribe equity capital to the project. Such financial involvement would have been of tremendous benefit to the State. Over the years many more millions of dollars would have been available for State projects. We would not have been as worried about hospitals as we are today if that money had been available.

After all, hundreds of millions of dollars profit can be made from a mine. When we refer to the development of natural resources, we are not talking about something that is only on this year or next week. Right at the outset the Treasurer said that this project will continue for a number of years, so we are not talking about something small.

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (3.14 p.m.), in reply: I have said on one or two occasions that a little knowledge is possibly dangerous. I do not think that the honourable member's speech constitutes a little knowledge; however, I do say that his understanding of the situation is slight and, because of that, his dissertation was dangerous. What he did was outline the position as it applied up to about July 1974.

Up till about that time there was no need for any financial backing of this undertaking. When I laid the blame at the feet of the previous Whitlam Government I laid it there specifically because it was the action of Mr.

Connor that led to the circumstances that necessitated the introduction of this legislation.

Prior to about July 1974 this company had long-term contracts for the export of this commodity. It was able to obtain backing because of the viability of the project which was based on exports for a period of some five years. Then the Federal Government of the day stepped in and refused to give the company an export licence or export guarantee beyond 12 months. On that basis some of those who were prepared to become lenders over a long period based on the long-term contracts, indicated quite rightly that possibly the viability of the concern was not on the same basis as it was when they interested themselves in it.

Consequently the company aproached the Queensland Government. We believed the project to be perfectly sound and not only that its production would reach 1,000,000 tonnes a year but that it would increase to 2,000,000 tonnes and then to 3,000,000 tonnes. Rather than see the project being delayed by looking for certain other security, after discussion between certain of the directors of the company and me, I made a recommendation to Cabinet principally on the value of the rolling-stock and the funds that would be spent on the extension of the railway and the upgrading of the existing line. I indicated that the Queensland Government had very little to lose by guaranteeing this portion of the undertaking. Having had those discussions, Cabinet decided that we would offer this undertaking.

The company then proceeded to continue with its arrangements. Up to the present time we have been able to negotiate successfully not only the shorter-term contracts but also, as the Leader of the Opposition admits, there is an indication that the tonnage will rise from 1,000,000 to 2,000,000.

The Commonwealth Government then somersaulted with its mining policy. From our point of view it would have meant that the company would have had to go back over its programme again and would have to go to certain of those other lenders and indicate a change in the set-up. So we continued with the undertaking that the Queensland Government had given.

At the introductory stage I said that the guarantee would not be required for very long. In reply to the Leader of the Opposition—I mean the honourable member for Bulimba—that is the very reason we have not written a time factor into the contract. What we are guaranteeing concerns the rolling-stock. The basis of the return of this money will be practically the same as that applicable in the coal-mining ventures. There will be a return to the State on each tonne of superphosphate rock that is exported. Again the Leader of the Opposition said—I am sorry, I should say "the honourable member for Bulimba." I feel I should call him the Leader of the Opposition because he seems to have taken over that responsibility in the last week or so.

Mr. Moore: He'll be back shortly.

Sir GORDON CHALK: I think he will be.

As the export of the commodity proceeds, there will be a running down in the security obligation. The honourable member for Bulimba asked what would be the position concerning the guarantee of the $20,000,000. I point out to him that as the asset becomes established—figures of its value have been arrived at—if there came a time when the company failed, the whole of its assets would be considered and the amount of the Government's guarantee would be determined only in relation to that portion of the asset which has been guaranteed by the $20,000,000.

The honourable member referred also to stamp duty. It is true that I said at the introductory stage that we did not become involved in stamp duty because the agreement was made only because of the attitude of the Federal Government at that time.

On the question of mining leases—they have been specially named because they relate to this particular undertaking. We have not become involved in the undertakings of the company in other projects that it might perhaps want to develop.

The only other point raised by the honourable member was the suggestion that the State could have had some financial interest in the project. I have never been very keen on obtaining any such interest for the State. We are all aware of what happened with State butcher shops and a few other enterprises such as State hotels in days gone by. This undertaking relates only to the guarantee.

The honourable member suggested that, by virtue of its association with the S.G.I.O., the Government has a major interest in this undertaking. I point out that the funds of the S.G.I.O. are not the funds of the State Government; they are the funds of its policyholders. Very often I feel that I would like to change the name of the S.G.I.O. because too many people believe that the State Government Insurance Office is State-financed. It is true that it is under the jurisdiction of the State Government, but it is controlled by a board. It is operated in the interests of its policyholders. Consequently it cannot be pushed around at the whim of any Government.

Mr. Houston: If you had, say, a 10 per cent interest in the company, the Government could not push the company around.

Sir GORDON CHALK: The honourable member wants to get the Government involved in an interest in the company. I believe in private enterprise. I believe also

that the State has protected itself by retaining control of the railway, gaining the railway as an asset and enjoying the profitability of its operations.

I do not think that there is anything else I need say.

Motion (Sir Gordon Chalk) agreed to.

COMMITTEE

(Mr. Miller, Ithaca, in the chair)

Clauses 1 to 9, both inclusive, as read, agreed to.

Bill reported, without amendment.

GIFT DUTY ACT AMENDMENT BILL

INITIATION IN COMMITTEE

(Mr. Miller, Ithaca, in the chair)

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (3.25 p.m.): I move—

"That a Bill be introduced to amend the Gift Duty Act 1926–1973 in certain particulars."

Honourable members will recall that I proposed a major concession in the gift duty area when presenting the Budget for 1975-76 as a complimentary measure to the exemption promised in respect of succession duty for property passing to a spouse. The proposed amendment will give effect to this concession as well as providing for some minor amendments which I will outline.

The primary purpose of the Bill is to exempt from gift duty all transfers of property between husband and wife. Marriage partners will no longer face the prospect of State gift duty whenever a partner wishes to transfer property to the other, although I sound the warning that it is only the State which is providing this concession, and that the Commonwealth Gift Duty Act will still apply in relevant circumstances. Furthermore, following normal practice, the exemption of gifts to the spouse does not mean that these gifts will be ignored altogether under the Gift Duty Act. They will still be taken into account to establish the rate of duty on other gifts made by the donor where they have been made during the aggregation period of 18 months either side of the gift being taxed.

The Bill also provides for an increase from $400 to $1,000 in the amount of gifts which can be made to charities without being taken into account for the purposes of determining the rate of gift duty on other gifts. This will allow those who wish to support charitable appeals to do so to a more substantial level without having to think of the gift duty consequences with respect to non-charitable gifts which they have previously made or which they may be contemplating at the time.

Previously, gifts made for the maintenance, education or apprenticeship of the spouse or child of the donor were not taken into account for gift duty purposes, provided these were not excessive in amount having regard to the legal or moral obligation of the donor towards the donee. The inclusion of only the spouse and child for the purposes of this concession has been found to be unduly restrictive, and it is proposed to extend the concession to payments in respect of any person, provided it is clear that the donor does in fact have some legal or moral obligation toward the donee.

At present, the Gift Duty Act contains no provision for a penalty to be imposed when the duty assessed is not paid within a reasonable time although, of course, the commissioner can take legal action for recovery of the amount due. Other taxing Acts contain provisions of this nature, and it is proposed to correct this anomaly by providing for penalties or interest at rates similar to those contained in the Pay-roll Tax Act where the duty is not paid within 30 days of the issue of the assessment.

The Bill contains a very substantial concession in an area where it will be most appreciated, together with other concessions that I have described, which will make the measure easier for the taxpayer. The only additional impost is that relating to the penalty interest, which affects only those taxpayers who refuse to face up to their obligations.

I commend the motion to the Committee.

Mr. HOUSTON (Bulimba) (3.31 p.m.): It became obvious during the Budget debate that all honourable members welcomed the change in the Government's attitude to gift duty. In the main, therefore, the Opposition will support the proposed legislation. Whether or not it will support all the clauses, particularly those relating to penalties, will be decided after the Bill has been printed. Penalties are something new, so members on this side of the Chamber will have to consider that proposal closely.

The Government is wise to adopt the principle of allowing the transfer of money from husband to wife and from wife to husband without money being paid to the State. Even in the days when it was not customary for a wife to work for an employer, she still contributed to the welfare of the family, both physically and financially, in the sense that money was saved by her efforts. Today, when both husband and wife work, surely a gift from one to the other should not be taxed by the State.

If there was in operation a system of taxation that took into account escalation in values through capital gains, I would be completely opposed to all forms of secondary taxation on money or property on which the correct amount of tax had already been paid. However, while some anomalies still exist in this field, of necessity Governments have to consider the situation.

As I said earlier, the Opposition will study the legislation when it is printed and consider the various reductions and increases that have been proposed by the Treasurer. In my

opinion, it is a wise move to increase from $400 to $1000 the amount that may be given to charity without affecting the rate. People in the community are prepared to give large sums of money to charitable organisations. If they wish to make such contributions, I do not think the State should come into the operation. After all, Mr. Miller, money that is given to charity saves money for the State in the long run, because if charitable organisations, no matter what they are, did not exist, the responsibility for assisting those who are now assisted by charitable organisations would fall on the State.

Mr. LOWES (Brisbane) (3.34 p.m.): The Treasurer is to be highly commended for this amelioration of the law relating to gift duty.

It will be remembered that, in Australia, gift duty was introduced first in Queensland in 1926, simply for the purpose of raising taxation. Ever since then Queensland has had to suffer the slur of being regarded as the ingenious State that introduced this penal tax. A Government of the political complexion of the present Government was not then in office in this State. Therefore, it is encouraging to note that a National-Liberal Government is now doing something about giving relief from gift duty. That tax has very little to recommend it other than its use as a means of policing the income-tax laws, and that is not the function of a State Government.

When researching the revenue raised by way of gift duty, I was surprised to find that for the year ended 30 June 1974 considerably less than $1,000,000—in fact, I think the figure was about $600,000—had been raised by this form of taxation. Knowing how the practitioner spends a great deal of time, and is placed in a difficult position, in satisfying the requirements of the Commissioner of Stamp Duties in relation to the movement of cash between husband and wife, as well as between other parties at the time of death, I should be surprised if the cost of collection of that $600,000 was not greater than that amount.

We have reached the stage where the two-income family is almost the norm. Consequently, it is only fair and proper to look at the joint income of a family. Even though the wife may not go out to earn an income, the law of community property recognises that by staying home and caring for the children she is making a worth-while contribution.

People have suffered hardship under our gift duty law. When property passed from husband to wife, and the wife could not prove that by her earnings she had contributed to the purchase price of that property, it was often found that the transaction attracted gift duty.

Unlike stamp duty, which is assessed at a flat rate, gift duty is arrived at on an escalating scale. In this way, too, hardship has been caused to what might be regarded as an innocent spouse.

I assume that in abolishing gift duty between spouses the Treasurer does not intend to abolish stamp duty on gift transactions. I take it that if a husband transfers to his wife a half share in the matrimonial home, the value of that half share will attract conveyancing duty under the Stamp Act.

Mr. Houston: We've got to allow you solicitors to make something out of it.

Mr. LOWES: I do not see the matter from that angle at all. Rather do I see it from the point of view of the spouse who has up till now been required to pay gift duty. As I say, I would imagine that stamp duty will still be paid.

For some years a section of the Stamp Duty Act has provided an exemption from stamp duty where the value of the matrimonial home was below a certain figure. Unfortunately, with inflation rampant, the exemption level has not been able to keep pace with the increasing value of homes. When the Treasurer is reviewing the Stamp Duty Act, I ask that he consider raising the level of exemption from stamp duty also on property passing between husband and wife.

All in all the Bill is to be commended, as is the remainder of the Treasurer's Budget, and I whole-heartedly support it.

Mr. SIMPSON (Cooroora) (3.39 p.m.): I commend the Treasurer on the introduction of this measure, which is a step in the right direction. Gift duty is an unfair tax, particularly as it applies between husband and wife. The Bill will overcome many anomalies associated with the making of gifts between husband and wife, and as it will reduce greatly the hardship that is caused to certain members of the community, I commend it.

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (3.40 p.m.), in reply: I listened closely to what was said on this matter, particularly the remarks of the honourable member for Brisbane. When we deal with the stamp duty legislation, I shall have one or two things to say about stamp duty, but until then I prefer not to comment on the points he raised.

As I said initially, the legislation is designed principally to grant relief. I know from comments I have received from throughout the State—from legal men and the humblest families—that there is deep appreciation of the action being taken. The Bill has been very well received.

Motion (Sir Gordon Chalk) agreed to.

Resolution reported.

FIRST READING

Bill presented and, on motion of Sir Gordon Chalk, read a first time.

The House adjourned at 3.43 p.m.