

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**FRIDAY, 21 NOVEMBER 1975**

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## FRIDAY, 21 NOVEMBER 1975

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 Comptroller-General of Prisons for the year 1974-75.

The following papers were laid on the table:—

Proclamation under the Forestry Act 1959-1975.

Orders in Council under—

Forestry Act 1959-1975.

State and Regional Planning and Development, Public Works Organization and Environmental Control Act 1971-1974.

### QUESTIONS UPON NOTICE

#### 1. QUEENSLAND HOSPITAL STANDARDS

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

(1) Has Queensland been dragging the chain in providing equipment for its hospitals, as stated by Dr. J. Loughman?

(2) Does the lack of equipment put pressure on medical staff doing their other duties?

(3) Are southern hospitals well ahead of Queensland, on a dollar for dollar basis, as stated by the Administrative Service Director of the Mater Hospital?

(4) Does it cost about \$60 a day to keep a patient in hospital here, whereas it costs about \$120 a day to keep a patient in Melbourne's top teaching hospital?

Answers:—

(1) No.

(2) One would need to examine the statement purported to have been made by Dr. Loughman. Based on the information received I believe that what he meant to convey was that there was not as much equipment in some Queensland hospitals as in other States. In this respect, through the Departmental Advisory Committee on Drugs and Surgical Appliances, rationalisation of medical units and equipment has taken place in Queensland hospitals. In respect of southern hospitals, I understand that rationalisation does not occur to the same degree as in Queensland. I would point out that in this financial year the Honourable the Treasurer has made substantial additional funds available for purchase of equipment for some of our hospitals. I am advised by Dr. S. Pegg, a member of the Standards Association of Australia Electro-Medical Safety Committee, that Queensland equipment is well ahead of that in other States in regard to safety.

(3) I am advised that the Administrative Services Director has been incorrectly reported, and that what he did say was that on a \$ for \$ basis it could be argued that Queensland hospitals are more efficient than southern hospitals.

(4) I am not aware of the costs per patient day for a Melbourne teaching hospital. In order to make any comparison with Queensland hospitals, it would be necessary to ascertain the exact basis on which costs were calculated at such hospital.

#### 2. USE OF DRUG FENFLURAMINE

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

(1) Has he seen the report in the "Sunday Sun" of 2 November, wherein it was stated that tablets containing the drug fenfluramine have caused severe psychiatric disorders in some women?

(2) What precautions are taken in the use of this drug?

Answers:—

(1) Yes.

(2) Under the Queensland Poisons Regulations, fenfluramine is a Schedule 4 drug. This means it can only be supplied on a doctor's prescription. I feel sure that the medical profession is aware of any potential adverse side effects. The Australian Drug Evaluation Committee receives reports of adverse reactions of the nature suggested and immediately notifies the profession. So far there has been no advice on the drug. My department would act immediately if any further restrictions on the drug were recommended.

3. ISSUING OF INVITATIONS BY LIBERAL MEMBER FOR PETRIE

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

(1) Has his attention been drawn to invitations being circulated by the Liberal member for Petrie, Mr. Hodges, to a chicken-and-champagne dinner this week-end?

(2) Were the invitations for this dinner printed on Commonwealth Government paper?

(3) Were the invitations sent out in Australian Government envelopes?

(4) Was the postage for these paid from the office of one of the caretaker Ministers in Canberra?

(5) Are there rules regarding the use of Government money for party-political purposes?

(6) Is there any way in which Mr. Hodges can be brought to task for his misuse of taxpayers' funds in circulating his invitations to unsuspecting citizens?

*Answer:—*

(1 to 6) The questions relate to matters over which I have no jurisdiction.

4. AMBULANCES TO CARRY SNAKEBITE ANTIVENENE FOR EMERGENCY INJECTIONS

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

In view of the death from snakebite earlier this week of a person working on an isolated property near Ingham, will he consider setting up arrangements whereby ambulance cars may carry snakebite antivenene to be administered to the victim at the point of rendezvous with the ambulance, instead of having him wait for the ambulance to return to the nearest hospital before antivenene injections are administered?

*Answer:—*

Whilst there is some merit in the honourable member's suggestion, there are some difficulties associated with its implementation. Snakebite antivenene should ideally be injected intravenously, a method which needs a certain amount of skill. The possible occurrence of allergic reactions must always be remembered and it is desirable that preparation for the treatment of anaphylactic reaction should always be made before commencing the injection of antivenene. In the majority of cases there is adequate time to reach medical aid even when the snakebite is potentially fatal. However, in extreme cases there may be some benefit in having a person other than a medical practitioner giving a similar injection intramuscularly. The problem will be further examined with the State Council of the Queensland Ambulance Transport Brigade, and I shall keep the honourable member informed of developments.

5 and 6. ABUSE OF UNIVERSITY FACILITIES BY DR. DENIS MURPHY

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

(1) Has his attention been drawn to admissions on news broadcasts of 19 November by Dr. Denis Murphy, the socialist history lecturer at the University of Queensland, that he had used the university's internal mail system to distribute A.L.P. propaganda throughout the university?

(2) Is the internal mail service reserved for official and academic materials only?

(3) Has Dr. Murphy attempted to defraud both the University of Queensland and the Australian Postal Commission by this breach of university regulations?

(4) Can and will the Minister take any action to bring Dr. Murphy to task for his actions now that he has revealed himself to be not only an academic fraud, but a criminal fraud as well?

*Answer:—*

(1 to 4) The vice-chancellor of the University of Queensland advises me that Dr. Murphy sent political material prepared by him (Dr. Murphy) through the university's internal mail. This internal mail is reserved for official and academic material, but in any large organisation there are inevitably some breaches. When this particular use of the internal mail system was discovered, it was drawn to Dr. Murphy's attention and he has been informed that he must comply with the rules. Those responsible for the supervision of mail services have been instructed to maintain a careful supervision, and a subsequent use of the service by another staff member espousing a different point of view in the political issue has been detected. The staff member concerned has been advised of the university rules. The university will make clear to all staff their obligation to comply with these rules.

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

(1) Is he aware that at 9.00 a.m. on 20 November Dr. Denis Murphy, in a party-political polemic on the A.B.C. programme "News Comments", criticised the members of this House and myself in particular, alleging that questions in this House yesterday were an attempt to stifle free academic discussion at the University of Queensland?

(2) As my actions had nothing to do with academic freedom, but were designed to highlight the corrupt way in which Dr. Murphy misused taxpayers' money to produce his political propaganda and misused his position at the university to distribute his propaganda

through the university's internal mail system, at the same time attempting to conceal by silence his intimate associations with the Australian Labor Party, will he advise the House of Dr. Murphy's political background in order to demonstrate Murphy's bias in all his public statements?

*Answer:—*

(1 and 2) I did not hear the broadcast referred to, and I am therefore unable to comment on any statements that Dr. Murphy might have made about the honourable member or other members of this Parliament or about any alleged attempt to stifle free academic discussion at the university. However, I stand strongly behind the tradition of parliamentary privilege, provided this privilege is not abused.

7. BANNING OF CHILDREN FROM FRONT SEAT OF MOTOR VEHICLE

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

(1) Further to his answer to my question on 17 September and in view of the finding from an all-party Parliamentary Road Safety Committee in Victoria that more than 70 per cent of children injured in car accidents are under eight years of age, has he had any study undertaken in Queensland to determine the age groups of children injured in car accidents?

(2) Is he aware that the Victorian Government will soon make car front-seat restraints compulsory for children under eight and, if so, does he have any plans to legislate for special children's seats and belts to be fitted to cars in Queensland?

*Answers:—*

(1) No study is necessary, as the Australian Bureau of Statistics, Queensland Office, publishes this information in its bulletins. I would refer the honourable member to the latest annual bulletin number Q15/75 released in February this year, "Road Traffic Accidents, Queensland, 1973-74", which shows the age-grouping of persons including children injured in traffic accidents.

(2) I have seen a recent Press article which would seem to indicate that the Victorian legislation referred to by the honourable member is intended to prevent children under eight years from travelling in the front seat of cars other than in approved child restraints or properly adjusted seat belts. However, information concerning this legislation is being obtained. Only yesterday I opened the Lions Road Safety Week, which is intended to promote two areas of road safety, namely correct seat belt wearing and the use of approved child restraints. My personal belief is

that young children who travel in motor vehicles must be protected and protected properly. If parents allow their children to ride in vehicles without approved restraining devices or approved suitable seat belts, we must counteract this gross stupidity which borders on criminal negligence and give the kids of today a chance of being adults of tomorrow. In other words we must look very closely at the question of introducing compulsory seat belt wearing or child restraints for children. However, I am not anxious to instigate these measures unless absolutely necessary. The Victorian position will continue to be carefully examined in the light of the experience gained in that State.

8. ORDERS FOR RAILWAY ROLLING-STOCK AND LOCOMOTIVES

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

As the Railway Department has, in recent years, placed firm orders for locomotives and rolling-stock within one or two weeks after the presentation of the Budget, will tenders be called for new rolling-stock and locomotives in the near future, as businessmen in the heavy engineering sector have said that unless tenders for this type of equipment are called shortly, retrenchments appear to be inevitable early in 1976?

*Answer:—*

Since 1 January 1974, contracts have been let by the Railway Department for the manufacture and delivery of 22 locomotives, 15 brake vans, 1,010 wagons and 2,244 bogies. Tenders for a further 10 wagons and 20 bogies are, at present, under consideration and tenders due to close within the next few weeks are open for 50 wagons and 20 brake vans. It will be readily seen, therefore, that the Railway Department in the procurement of its rolling-stock requirements and within the limits of the finance that can be made available has provided manufacturers with a considerable amount of work and will continue to do so. No doubt, orders have also been met from other systems. I assure the honourable member, the House and the businessmen referred to that there will be no diminution on the part of the Queensland Railways in the efforts to continually upgrade the standard and improve the availability of wagons and locomotives and that there will not be a stop-go situation like the former Labor Federal Government was about to thrust upon us by seriously curtailing the allocation of funds for railway development. The position will be remedied, of course, when the present caretaker Federal Government is entrenched on the Treasury benches later this year.

### 9. TORRES STRAIT FISHERIES RESOURCES SURVEY

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

(1) Has the Torres Strait Fisheries Resources Survey, as outlined by the Minister for Primary Industries and commissioned by the State Government last year, yet been completed? If not, when will it be completed? Will the report be made available to members of the public and, if not, to whom will it be made available?

(2) What were the terms of reference, the areas covered by the survey and the over-all cost?

(3) Is Cairns to retain its Fisheries Department and will employment for scientific personnel be maintained or intensified at this centre?

*Answer:—*

(1 to 3) The fisheries survey referred to was an in-depth survey to establish more fully the extent of commercial-fishery resources in the Torres Strait area and was of limited duration. An interim report has been received but, because of its nature, it is a restricted document and not currently available for publication. The cost was \$181,590. However, the result supports progression to four major research projects, namely— (a) Study of reef-dwelling demersal fish; (b) Study of mackerel; (c) Study of biology of giant clams; and (d) Study of process of coral regeneration and recolonisation. (a) and (b) will be carried out in far greater depth than was the case in the original survey. The Cairns centre of the Queensland Fisheries Service is currently under review with the intention of upgrading and enlarging scientific personnel and other staff and this will proceed progressively as reorganisation of the service develops.

### 10. ELECTRICAL TRADES UNION BAN ON OVERTIME

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

(1) Is he aware that a ban on overtime by the Electrical Trades Union is causing considerable inconvenience to electricity consumers in the State? I make particular reference to accidents in Maroochydore on 15 and 16 November which caused supply failures and bans on repairs which caused hardship to aged persons and infants and also extensive spoilage of food.

(2) Will he detail the present position? What are the union's claims and what prospect is there of an early solution?

*Answers:—*

(1) I am aware of a ban on overtime by the Electrical Trades Union and I advise that considerable inconvenience to

electrical consumers throughout the State is being caused by this ban. I am advised that two separate incidents occurred at Maroochydore on the evening of Friday, 14 November, both of which involved collisions with poles. In one case, a hazardous situation resulted and the necessary work to remove the hazard and to restore supply was undertaken on the same evening. In the other case, no hazard existed and because of the ban referred to by the honourable member, corrective action was not undertaken until Monday morning, 17 November.

(2) Details of the present position are as follows: There is a prescription in the Electrical Engineering Award—State which provides for certain persons covered thereby to make themselves available after normal working hours to attend to emergency situations which occur on the electrical distribution system. Where employees do make themselves available, they are entitled to a weekly allowance on the following basis:—

In the circumstances where an employee is on call, i.e. he makes himself available to perform emergency work, he is paid \$12.00 per week. In the case of a duty employee who is an employee who receives calls at home after hours relative to emergency and/or breakdown work and who is not in fact required to effect repairs, he receives \$20 per week, and in other circumstances, in isolated areas, where employees are required to perform both functions they receive \$15 per week. These amounts are in addition to the employee's ordinary rates. In addition, the employees who are required to attend to emergency work, receive a minimum payment of four hours' ordinary pay for each and every call-out calculated on a from-home-to-home basis.

These conditions were negotiated by the electric authorities with the Electrical Trades Union to cover the period 1 January 1973 to 31 December 1974.

By letter dated 23 December 1974, the union wrote to the secretary of the State Electricity Commission advising that the agreement had expired and sought discussions on increased allowances which it was now claiming, being 100 per cent of those applying at 31 December 1974. Discussions were held with representatives of the union on 17 January 1975, at which the union submitted that the union's claim was for 100 per cent increase and nothing less would be acceptable. The representative indicated that the union was not interested in interstate rates, or up-to-date assessments of the value of the allowance as it was determined in 1973. The industry considered the submission by the union and, after making interstate comparisons, contended that the only valid claim the union had was to restore the value of the allowance by applying the increase in the

Consumer Price Index figures since January 1973. This meant a 25 per cent increase. The industry, having made this decision, sought a further conference with the representatives of the union and made this offer to them. The offer was rejected out of hand and no counter proposals made. Further meetings were held with union representatives on 23 January, 12 February and 20 March but these failed to resolve the matter.

By letter dated 8 October 1975, the Electrical Trades Union advised the secretary of the State Electricity Commission that its claim made by letter dated 23 December 1974 was now withdrawn and its claim now was: (a) a standby allowance of ordinary rates of pay for all time that an employee is required to be on standby, where such standby is for call-out work and/or to receive telephone complaints from consumers, and (b) a minimum payment of four hours at the appropriate overtime rate for call-outs. This information was conveyed in the letter as advice only. The letter also advised that as from midnight Monday, 13 October, members of the union would not be available for standby duty or for call-out work. This ban came into effect as from the date nominated and subsequently a total overtime ban was imposed by the union. This ban is presently in force. The Industrial Commission was verbally advised of this situation during a compulsory conference before the commission on 10 October 1975 during the hearing of another dispute in which the Electrical Trades Union was involved.

By letter dated 5 November 1975, the State Industrial Commission was advised of the dispute on behalf of the Cairns Regional Electricity Board where consumers in the rural areas of that board had suffered hardship over the week-end from 24 October to 27 October 1975 as a result of storm activity. Up to this time the union has made no endeavour to seek discussions with the electric authorities on this matter. There does not appear to be any prospect of an early solution to this problem.

#### 11. HEN FARM QUOTAS

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

How is the Hen Quota Committee determining the number of laying hens on individual farms and is some formula relating total hens to laying hens applied to determine individual farm quotas and, if so, what is the formula?

*Answer:—*

The method of calculating basic hen quotas is laid down in the regulations made under and for the purposes of the Hen Quotas Act 1973-1975. All hens that have commenced to lay or which have attained six months of age for all practical purposes

come within the provisions of the quota legislation. There is no formula relating total hens to laying hens.

#### QUESTIONS WITHOUT NOTICE

STATEMENT BY VICTORIAN PREMIER ON  
QUEENSLAND GOVERNMENT PRESS  
ADVERTISEMENT

**Mr. MELLOY:** I ask the Deputy Premier and Treasurer:

(1) Has his attention been drawn to the statement by the Victorian Premier (Mr. Hamer) in the Victorian Parliament yesterday, that he had not been consulted by the Queensland Premier about the advertisement paid for by the Queensland Government, bearing the signatures of the four non-Labor Premiers, and that he would not take any responsibility for the way it was presented?

(2) Is he also aware that Mr. Hamer further said—

“It wouldn’t happen here and I wouldn’t use Victorian money for such an advertisement.”?

(3) On how many occasions has the Premier fraudulently used the names of other Premiers without their knowledge for the purpose of deceiving the public?

(4) Was he aware that the Premier misused the names of other Premiers in this manner?

(5) Will he discuss with the Premier these misleading advertisements to ensure that no others are inserted?

**Mr. Moore:** What about Whitlam’s 47 staff?

**Mr. K. J. Hooper:** Keep quiet. Give the Deputy Premier a fair go.

**Mr. SPEAKER:** Order! I warn all honourable members, as I have done before, that if they do not refrain from persistent interjections I shall deal with them under Standing Order 123A.

**Mr. Aikens:** And the sooner the better.

**Mr. SPEAKER:** Order! The honourable member for Townsville South is included in that category. I now warn him.

**Sir GORDON CHALK:** I believe that the honourable member’s question is based on two premises. The first one relates to a question that he has placed on notice to be answered on Tuesday morning. I believe that the Premier will answer that question then. With regard to the reference to Mr. Hamer, the Premier of Victoria, I only know what I read in the newspaper this morning, which is that Mr. Hamer denied that he was associated with this advertisement.

I have not had an opportunity of discussing the matter with the Premier; nor have I discussed the matter with Mr. Hamer. Therefore, the only answer that I can give to the question is that, as I have indicated, Mr. Hamer has disclaimed that he was associated with it. I do not know anything

about the other Premiers mentioned in the advertisement. As I said, I leave it to the Premier to answer on Tuesday morning the question about the cost or to whom the advertisement is charged.

PROPOSED OVERSEAS TRIP OF MINISTER FOR MINES AND ENERGY

**Mr. MELLOY:** I ask the Deputy Premier and Treasurer: In view of a report in "The Courier-Mail" this week that the Minister for Mines and Energy had proposed going to London to seek more papers in relation to the Khemlani loans affair, is he able to say who had proposed paying for this journey, how much the trip would have cost and whether the money was to come, like the Premier's advertisement, from State funds? Is the Treasurer also able to say that, if the Minister for Mines and Energy had proceeded with his excursion, it would have been a case of Queensland's "Cammeloni" chasing Pakistan's Khemlani?

**Sir GORDON CHALK:** I know that there was a proposal for the Minister for Mines and Energy to go overseas. I also know that he indicated that he was not prepared to go. Beyond that, I have not discussed the proposed overseas visit with the Minister. Because I have no other knowledge of the matter, I can add no more.

INVOLVEMENT OF YOUNG SCHOOL-CHILDREN IN POLITICAL BALLOTS

**Mr. AIKENS:** I ask the Minister for Education and Cultural Activities: Will he have an immediate and searching inquiry conducted into well-substantiated allegations that a teacher at the Bohle School conducted a ballot this week of little pupils of an average age of seven years and had them vote between Whitlam and Fraser, reminding them that Whitlam had been sacked—something they wouldn't like to happen to their "daddies"—and that these blatantly political stunts are being organised in many schools in the Herbert electorate in which John Rockett, the northern officer of the Teachers' Union, is the A.L.P. candidate, and will he take any action that is considered necessary to prevent toddlers becoming embroiled in the coming Federal election in this snide A.L.P. fashion?

**Mr. BIRD:** In answer to the honourable member's question—I give him my assurance that I will have an investigation carried out into these allegations.

POLICEMAN ON DUTY AT PARLIAMENT HOUSE GATE

**Mr. K. J. HOOPER:** I ask the Minister for Police: I refer to the police officer on duty at one of the gates of Parliament House to guard members against the wrath of the public. Is he aware that today this officer not only is denied shelter from the sun but also no longer has a chair that was made

available to him yesterday? On whose instruction was the chair removed and why?

**Mr. HODGES:** I do not know.

PARLIAMENT HOUSE SECURITY MEASURES

**Mr. LANE:** I preface a question to the Minister for Works and Housing by drawing the Minister's attention to the modern and sophisticated security device, in the form of a large galvanised iron hasp and staple and brass padlock, which has been attached to the ornamental cedar doors at the Q.I.T. end of Parliament House, thus denying members access to the House from that direction. I ask the Minister: Who designed this scientific innovation, and on whose instruction was it so installed? If the Minister's department was involved, can he inform members if it is intended to install similar devices on the several other doors that are presently left open on other sides of the building, including the A.L.P. members' rooms, and to bar the open windows which members are at present apparently expected to use to gain entry to their offices at that end of Parliament House?

**Mr. LEE:** It was my department that installed these necessary locks under the instructions of a special committee that was set up to ensure security for members. I am sure that members would be most unhappy if no security measures had been taken after what happened the previous day.

**Mr. Houston:** There was no need to be ridiculous about it.

**Mr. LEE:** The honourable member for Bulimba would be the first to whinge if something happened to him. Of course, possibly he knows that he is safe because he knows who sent the bomb. I hope that the installation of the locks, and the inconvenience being caused to members, is temporary. I do not enjoy strict security on the building any more than any other members do, but I feel that it is particularly necessary under the present circumstances. The honourable member would realise that the imposition of total security over the whole of Parliament House would cause much more inconvenience than the present arrangements. At least we are endeavouring to do all that is possible to protect members for their own benefit.

CESSATION OF OPPORTUNITY CLASSES AT WYNNUM CENTRAL STATE SCHOOL

**Mr. YEWDALE:** I refer the Minister for Education and Cultural Activities to my question of Wednesday, 19 November, when I asked about the cessation of opportunity classes at the Wynnum Central State School. In his reply the Minister stated quite clearly that the closure of such classes was being canvassed but no firm decision had been made. In view of this answer, can the Minister explain how a circular letter was distributed to parents by a Mr. B. J.

O'Brien from the Guidance and Special Education Branch which states clearly in the first paragraph—

"It has been decided to close the opportunity classes attached to the Wynnum Central State School."

**Mr. BIRD:** I am absolutely amazed to think that the honourable member for Rockhampton North should be so naive as to rise in this place and ask such a question when surely he must be fully aware of the facts. He asked a question the other day about whether these classes would be terminated and I said that my department had given no consideration to closing these classes. He must be aware of this because his leader attended a meeting down at that school that night when the officer concerned admitted that he had sent out that circular letter without any instruction or authorisation from his superiors.

There is no change whatsoever in my department's attitude to this. It has not considered the matter of closing these classes, and if the honourable member simply wants the officer concerned taken to task because of the way he carried out his duties, might I say that I fully investigated the matter and I consider that it does not warrant any further action against the officer concerned. If the honourable member wants him sacked or replaced, he might care to send something to me in writing.

#### ATTITUDE OF EX-PRIME MINISTER WHITLAM TO LETTER BOMB INCIDENT

**Mr. MOORE:** I ask the Deputy Premier and Treasurer: in view of the crocodile tears shed by ex-Prime Minister Whitlam on hearing of the letter bombs, how can this be reasonably reconciled with his previous statement on 11 November asking irresponsibles to maintain their rage until election day? Is this not in fact inciting people to the very violence that he now purports to deplore?

**Sir GORDON CHALK:** I do know of the statements made by the former Prime Minister of Australia. I know that those statements were provocative and they were also, no doubt, designed to incite people. On the other hand, I was the person who took the telephone call from Mr. Whitlam when he contacted this Government expressing concern at what had eventuated and asking that an expression of sympathy be extended to those who were involved. That task has been carried out by me. I do not propose to become involved in discussing what Mr. Whitlam said on a previous occasion. We all know those words were said, but I do not want to associate that particular statement with the expression of sympathy I extended on his behalf to the relatives.

#### LOCAL GOVERNMENT ACT AMENDMENT BILL

##### INITIATION

**Hon. A. M. HODGES** (Gympie—Leader of the House): 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 Local Government Act 1936-1975 in certain particulars."

Motion agreed to.

#### GIFT DUTY ACT AMENDMENT BILL

##### SECOND READING

**Hon. Sir GORDON CHALK** (Lockyer—Deputy Premier and Treasurer) (11.40 a.m.): I move—

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

Honourable members will recall that when I introduced this Bill I stressed that its primary purpose was to provide exemption from State gift duty in respect of all transfers of property between husband and wife. Because of the voluntary nature of the transactions which fall within the scope of the Act, the immediate revenue loss to the State will not be great. There could, however, be a substantial increase in transactions of this nature to take advantage of the concession. It does represent a major reform in an area where it will be most appreciated.

As honourable members have indicated their general support for the concessional provisions of the Bill, I do not propose to enlarge upon what has already been said in regard to the implications of these concessions. Briefly, in addition to the exemption provided in respect of spouse-to-spouse transactions, the Bill provides for an increase from \$400 to \$1,000 in the amount of gifts that can be made to charitable organisations in the aggregation period without being taken into account in determining the rate of gift duty payable on other gifts, and the Bill also provides for an extension of the exemption presently applicable in respect of the spouse and child of the donor to all persons where the donor has some moral or legal obligation towards the person and the payment is for the maintenance, education or apprenticeship of that person.

The penalties proposed in the Bill for failing to pay gift duty within 30 days are necessary measures to ensure that persons liable to pay gift duty do not neglect their obligations and responsibilities in this regard, and it is only proper and equitable that this be so. The commissioner should not be placed in a position where his sole means of ensuring prompt payment of properly assessed duty is action in the courts. Other taxing Acts contain provisions of this nature, and honourable members will appreciate the necessity for this type of provision if the duty is to be collected in a prompt and efficient manner. I would point out that the commissioner will have discretion to



remit the whole or part of the penalty where circumstances would warrant such action being taken.

A point was raised at the introductory stage by the honourable member for Brisbane that I would like to comment on, and I refer to the costs of administering the Gift Duty Act. I want to assure the honourable member that the amount of \$798,150 paid to Consolidated Revenue on account of gift duty in 1974-75 was very considerably in excess of the costs of collecting this sum. I would also point out that the role of the Gift Duty Act is not solely that of a taxing measure. It fulfils a necessary role as a complement to the present Succession Duties Act, and helps to reduce the avoidance of duty in this area.

In general the provisions of the Bill will be welcomed by the people of Queensland, and the penalties provided for will affect only the very small minority of people who neglect their responsibility in this area.

I commend the Bill to the House.

**Mr. HOUSTON (Bulimba) (11.44 a.m.):** As I indicated at the introductory stage, the Opposition supports the Bill. Owing to the fact that State elections are held at regular intervals, political parties assess the effect of proposed legislation from two points of view—firstly, the desirability of the legislation and whether or not it will benefit the community and, secondly, the possibility or the hope that votes will be attracted to the political party that supports such a measure. The policies of the major parties all include the elimination of gift duty between spouse and spouse. It is good that, in the first Budget since the election, the Treasurer has seen fit to introduce this legislation.

I draw the Treasurer's attention to a couple of matters that he may care to explain. The first concerns the allowing of gifts by persons who have a moral or legal obligation to be taken into account when they are used for the maintenance and education of apprentices. I wonder how some young person working under a cadetship might be affected. I am taking into account the fact that the word "apprenticeship" is in the Bill and suggest that, in other callings, a young person is not apprenticed but serves a cadetship. Will such persons be covered? Young people serving a cadetship could be in the same position as apprentices. While some cadets receive a reasonable income, others do not.

My second point concerns penalty. I think the Treasurer will agree that the principle involved applies to other Acts under which money has to be paid to the Crown in the way of succession duty and so on. At first glance the penalties appear to be rather heavy, particularly when we take into account that there could be special circumstances. However, I think the final clause giving the commissioner power to waive all penalties, or portion of them, if the circumstances warrant it, covers that. That will

be the case if the provision is applied wisely, and I have no reason to doubt that it will be. In this context, a person making a gift could be going overseas or into hospital for an extended period. On making a gift in such circumstances, he may realise that the assessment could be made while he is indisposed or overseas. I suggest to the Treasurer that in implementing the Bill provision be made to allow an interim assessment to be made. Application would have to be made for an interim assessment in particular circumstances knowing that it could be reasonably assumed that an assessment would be issued in the next few weeks or months. If an interim assessment were made, particularly when a person was going overseas, the appropriate amount could be placed in security to cover it. The Crown would thus get its entitlement and the person making the gift would not be liable to an extra penalty.

I suggest to the Treasurer that these two matters could be looked at, not to weaken the provisions but to make it easier for people to carry out their duty and meet their commitments.

**Mr. LANE (Merthyr) (11.49 a.m.):** I commend the Treasurer on introducing this legislation, which is the most commendable to be brought to our notice for some time. Essentially, it recognises the family unit in society. On that basis the Treasurer should receive the acclaim of all people in Queensland. Earnings that come into a household are essentially family property. They are the collective earnings of the family group. While the bread-winner, who may be the male parent, goes out each day to work and to labour in some way or another, it is the place of the wife to remain at home. She in her own way contributes to the well-being of the family by working in the home, by making it a comfortable place to live in and by caring for the children.

So I think it is quite proper that money that is in the hands of either spouse should be the collective property of the family as a whole. I would hope that at some future time the children might be recognised by being granted similar relief with money that might pass to them, thus recognising that they, too, have made a contribution to the family unit.

**Mr. Greenwood:** Or perhaps back to the elderly parents.

**Mr. LANE:** Yes, who in their own way have made a contribution to the family, too. Parents have to raise children. It is very costly to look after them, pay their education expenses and so on.

The man we have had as Treasurer of the State for a number of years (Sir Gordon Chalk) has shown his feeling for the place of the family in society. He has done so in most of the Budgets I have seen.

**Mr. Hartwig:** He is a better Treasurer than Hayden.

**Mr. LANE:** Of course he is. Mr. Hayden is a humanist and Sir Gordon Chalk is a Christian. That is where the difference lies. His recognition of the place of the family unit within our Christian society is a fundamental difference of approach. With those observations, I commend the Treasurer on this legislation.

**Mr. AIKENS** (Townsville South) (11.52 a.m.): I commend the Treasurer on the introduction of this Bill. I just want to mention a few matters that are incidental to it because, when it is all said and done, when the history of this Bill and other measures is written some day, the historians will go to "Hansard" rather than to newspaper cuttings and clippings in order to get their facts.

In Townsville we have a particularly obnoxious group known as W.E.L. We all know, of course, that W.E.L. was formed by Mrs. Wilenski, who has been repaid for her work on behalf of the A.L.P. Her husband was appointed to a \$35,000 job by Whitlam and then she was appointed to an \$18,000 job, so that Mr. and Mrs. Wilenski now receive \$53,000 per year from the Whitlam Government. I feel sure that that will be carried on by the caretaker Government until 13 December.

This group has been established in Townsville and I am amazed that people fall for its doctrine. W.E.L. in Townsville is now claiming full credit for the introduction of this measure. Its members are writing letters to "The Townsville Daily Bulletin". I wrote a letter to the "Bulletin", of course, contradicting their statements, pointing out that relief in gift duty, succession duty and other similar duties has been the constant aim of this Government.

I can remember putting these things forward for years to the A.L.P. Government and all I got was studied, deliberate, cool, calculated disinterest. It was not interested in widows. When the coalition came to office in 1957, its first Treasurer (Sir Thomas Hiley) introduced a Bill dealing with succession duties. He said that, when he was in Opposition he had listened to me putting forward to the Labor Government the case for the widows and the orphans, that he had witnessed the Labor Government brushing my case aside contemptuously and that he had decided to do something about it. He did. From that day, this Government has steadily but surely lessened the burden on widows and orphans, not only in gift duty but also in succession and other duties.

Yet this claim is made by Mrs. Pattie Kendall, who is the big wheel in the W.E.L. in Townsville—and I use the adjective in all its implications. She was up on the platform in Hanran Park not long ago with Freddie Thompson, the Communist, and others espousing the cause of the A.L.P. in the coming Federal election. At least they do not leave anyone in doubt about their political affiliations.

I want to let the Deputy Premier and Treasurer know that he can claim no credit at all for the introduction of this legislation if we listen to Mrs. Pattie Kendall and another organisation called the National Council of Women, or something like that, which is probably along the same lines as N.U.S.

They wrote to me the other day and asked me what I was going to do about it and they, too, claimed that the full credit for all of this sympathetic legislation for the widow, for the wife and for the children was brought about by W.E.L. forcing this Government to hold a royal commission with Judge Demack at the head of it. They claim that he made the recommendation and that this Government reluctantly and belatedly read Judge Demack's findings and brought this legislation down as a result of them. That is the sort of stuff that is being fed to the people of Townsville and, I suppose, to the people in other areas of Queensland.

I know what this Government has done, and it is to be congratulated for it. There has been a gradual but continuing process to help the wives, widows and orphans. I feel sure that the Deputy Premier and Treasurer will, in his next Budget, make provision for further financial assistance for wives, widows, children and orphans—particularly if the electors vote intelligently on 13 December and we can get some money from the Federal Government; it will not then all go overseas to embassies in Communist countries and various other ventures.

The moment he does that, the W.E.L. in Townsville will rush to the Press and claim that the Deputy Premier and Treasurer was forced to do it by Judge Demack—whoever the hell Judge Demack is! I think I will take him on. I think I have a dossier on him concerning an appeal he upheld the other day. By the time I am finished with him, there will be very little of him left.

Still and all I place it on record so that it will appear indelibly in "Hansard" and historians in the years to come will know what a bogus organisation W.E.L. is, what a bogus organisation the National Council of Women is—that could be the wrong name—and what bogus persons Pattie Kendall and the other members of the W.E.L. are.

**Mr. Campbell:** The Union of Australian Women.

**Mr. AIKENS:** Whatever it is. I accept the interjection of the Minister. Frankly they are all tarred with the one brush. Incidentally, they are all associated with the university. Many of them are wives of academics at the university, so the political type they are can be judged. They are peddling the A.L.P. line at the university, as they always do.

I want to place that on record and also place on record my congratulations not only of the present Deputy Premier and Treasurer

but also of his predecessor and, finally, of the Queensland Government since 1957 for the job it is trying to do gradually and consistently for the wives, widows and children. I hope that the Government is able to continue with that job.

Mr. BYRNE (Belmont) (11.59 a.m.): In rising to support this Bill, I wish to point to the unfortunate situation that has developed in this country under which people are not only taxed, but doubly taxed. In the past they have been doubly taxed in death duties, gift duties and the like. It is indeed unfortunate that at the present moment in Australia—and indeed in most Western countries—the family as a unit is being attacked from every side; as is the concept of free enterprise being attacked from every side. The enterprise of individuals and of families, together with the desire of families to maintain their stability and unity, is being attacked by people with ideological ideas who desire to see these structures broken down for their own personal, economic and political benefit.

A Bill such as this is only the starting point, but it still does establish the fact that double taxing in gift duties should not be maintained and should, in the long run, be phased out. All changes in economic policy, especially changes in taxation, must come slowly, because if one form of taxation available to a Government to raise revenue is to be phased out, in some sense there must be a broader co-ordination so that the reduction can be recouped elsewhere.

We see in the Bill the breakdown of the concept of duty payable on gifts from spouse to spouse. I join with the honourable member for Merthyr in the hope that it will be possible to extend this concession to gift duty on estates passing not only from spouse to spouse but from parents to their children. As the honourable member for Ashgrove interjected to the honourable member for Merthyr, there is also the hope that it can be extended in the other direction—to the elderly parents of spouses. Indeed it would be a great step forward if, in fulfilment of policies that the Government put to the people prior to the last election, such a structure could be developed and incorporated in the law. The start of the implementation of such policies is now with us, and I believe that the Minister and the Government are to be congratulated on the stand that they have taken.

In another speech in this House I quoted these words of Sir Winston Churchill—

“We must beware of trying to build a society where nobody counts for anything except a politician or an official, a society where enterprise gains no reward and thrift no privilege.”

The words “where enterprise gains no reward” are relevant in the concept of double taxation, with people paying duties on estates which represent the result of enterprise that they have displayed throughout their lives.

If people find themselves in a society in which their enterprise and initiative count for nought, the family unit itself will break down and the economic and sociological structures of society will be questioned.

The very basis of the implementation of the Bill is that the individual in the community must be taken into account. The Bill has behind it the very liberal philosophy that the individual is paramount and that the State is subject to him. The State indeed is a collection of individuals, and their collective rights must be paramount over the collective rights of the State.

It is unfortunate that the goals of the recent Federal Government broke down the concept of enterprise. For individuals, there were to be no rewards for enterprise and no privilege for thrift. If that situation developed, society would produce the very essence of its own destruction.

I conclude by saying that the Bill is in effect a breath of fresh air not only for the State of Queensland but also for other States and the Commonwealth. It is to be hoped that the innovations contained in the Bill will be taken up in other States and by the Federal Government. It establishes the rights and worth of the family unit and it endeavours to bind it together by the economic forces that exist within it.

Hon. Sir GORDON CHALK (Lockyer—Deputy Premier and Treasurer) (12.4 p.m.), in reply: I have listened with interest to the remarks of honourable members on this legislation. I appreciate the expressions of opinion that have been voiced, because I believe that in each case there has been full recognition of what the Government is endeavouring to do. It is endeavouring to gradually eliminate taxes of this nature.

The honourable member for Bulimba raised a couple of issues. The first was about apprentices and cadets. I believe we have used the word “apprenticeship” in a fairly broad way. If the person concerned holds a cadetship, from my own personal point of view I regard that as being of a similar nature. I believe we can have a look at the point he has raised, and if there is any doubt about interpretation, then we can provide a wider definition.

As to the penalties paid to the Crown—it is true that they were made fairly heavy. Under present-day circumstances it is necessary, I believe, to look at the amount of penalty in a different way because the value of money has changed considerably. On the other hand, we did write into the conclusion of the Bill an indication that the commissioner has a discretion. I believe that will meet the point raised by the honourable member for Bulimba.

The honourable member for Merthyr commended the legislation. It is true that we are endeavouring to reduce the strain that occurs after the loss of a loved one or even when transfers are made, and in this particular

case I am certain that what we have embodied in the Bill will meet with general satisfaction.

The honourable member for Townsville South spoke about something that had been mentioned to me in the past few days, and that is that there is an attempt in the North by a certain body of ladies to take full credit for having, as it were, forced the Government to introduce this legislation. All I can say about this is that the determination of this matter was something which was discussed, first of all, between my Treasury advisers and myself and then taken along to Cabinet so that we could decide the extent of relief that could be given from taxation generally, and it was believed that this was one area in which we could provide that relief.

I appreciate the remarks of the honourable member for Belmont, who has suggested that this relief be extended further to cover the case of other relatives and other close friends. I believe that he is sincere in that approach and I assure him that, as time goes on and if the development of this State can continue at the rate it has done over past years and if we can obtain additional revenue from other sources, then we will be able to continue to eliminate areas of succession duty, and that will also apply then to gift duty. In all, Mr. Speaker, I believe that the Bill has been well received by the House and I appreciate the remarks of honourable members.

Motion (Sir Gordon Chalk) agreed to.

#### COMMITTEE

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

Clauses 1 to 4, both inclusive, as read, agreed to.

Clause 5—New s. 25; Time for payment of duty; penalty for late payment—

**Mr. BYRNE** (Belmont) (12.10 p.m.): I rise briefly to point out an important consideration. I draw attention to a provision in the clause which I should hope would appear in all legislation. When such a provision is not included, it is the responsibility of Parliament to see that it is incorporated. I refer to subsection (3) of the proposed new section 25, which provides that the commissioner in certain circumstances may, for such reason as he thinks sufficient, remit the whole or any part of the additional duty payable pursuant to subsection (2). It is important that that subsection be included because it is a safety subsection in the interests of justice. I rose merely to point out that that is an essential part of the Bill, and a provision that we should insist on in all Bills of a similar nature in similar times.

Clause 5, as read, agreed to.

Bill reported, without amendment.

## SUCCESSION DUTIES ACTS AMENDMENT BILL

### INITIATION IN COMMITTEE

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

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

“That a Bill be introduced 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.”

The Bill has the primary purpose of putting into effect the proposal I announced in the Budget speech to eliminate any duty payable on successions derived by the spouse.

Honourable members will be aware that it is the policy of this Government to phase out death duties. However, they are a major revenue source, and to eliminate them over a short period was beyond the capability of the finances of the State. It has been clear to me for some time that, regardless of the generous concessions to the spouse which have been built up over past years, the need for one marriage partner to pay duties on the death of the other has caused many a great deal of worry, if not real financial hardship, at a time when they are already suffering what has been to them the greatest loss in their lifetime. The possibility of having to face up to the payment of duties at such a time in the future has been a continuing worry to many marriage partners who do not have reserve liquid resources to meet that eventuality. A growing number of women are joining the work-force and making a specific monetary contribution to the assets of the matrimonial partnership. A large number of women have remained in the home, providing contribution in the form of the valuable services which they render there towards the wealth of the partnership.

When one partner passes away, I believe that it is reasonable that the surviving spouse should not have to pay taxes on property which he or she has helped to acquire. It is a major reform, a reform that leads Australia in this field and one which we have provided at the expense of having to increase our taxes in other areas. As I publicly announced subsequent to the Budget, the exemptions will apply retrospectively to the estates of persons dying on or after 25 September 1975, when the proposal was announced in the Budget. I have had many requests that the concession be made retrospective to some prior date to meet the needs of individual cases but, as with all taxing relief measures, there has to be a precise starting point and some are unavoidably going to be unfortunate in just missing out on the concession.

As I pointed out in respect of the complementary gift duty concession, the exemption applies only to duty levied by the State,

and Commonwealth estate duty will still apply in relevant circumstances. Also, the arrangements and formalities which must be attended to and finalised on the death of a person, and which have sometimes caused considerable emotional strain on the surviving family, do not disappear with the provision of exemption from duty. However, whatever changes to administrative procedures are possible through the abolition of the duty are being made and are provided for in the Bill.

A further provision in the Bill results from a recent court decision in New South Wales to the effect that the estate duty provisions of the New South Wales Act do not apply to enable estate duty to be collected where the deceased by a will forgives a debt owing at date of death. The opinion has been expressed that such decision would also apply to the Queensland Act. To deter those who would seek to avoid duty in this manner, a new provision will be inserted into the Act to make it quite clear that the provisions of the Succession Duties Act do apply.

The provisions of section 11C of the Act dealing with losses on marketable securities in an estate have been proved to be subject to doubt as to their precise interpretation. The Bill will amend the section to make it clear that the provisions apply to a fall in the value of marketable securities in an estate irrespective of whether the securities have actually been sold within 12 months of death. As previously, the concession will be available provided the net fall in value or loss on sale, or a combination of both to a date 12 months after death, exceeds 10 per cent of the total value of the estate and will relate only to such excess.

The Bill also provides for the rebate of duty presently available where the predecessor is domiciled in Queensland and estate duty is paid in another part of the British Commonwealth on assets situated in that country, to be available in respect of duty paid in any country. The circumstances do not arise often but, in the light of our close trading and commercial relationship with countries not in the British Commonwealth, it is not considered equitable to treat property held by Queenslanders in those countries more harshly than property in British Commonwealth nations.

The remaining provisions of the Bill are minor in nature and are associated largely with the effecting of the primary purpose of the Bill to exempt successions passing to the spouse.

I am sure that this measure will be well received by honourable members on both sides of the Chamber and I commend it to them in Committee.

**Mr. HOUSTON** (Bulimba) (12.20 p.m.): The Opposition welcomes this legislation. As I said when speaking to the Gift Duty Bill, major political parties—certainly those in this State—agree to the principle. When

Treasurers introduce social reforms it must be difficult for them to determine from which area the compensating taxation shall be derived to balance their Budget. As both the State and Federal Governments find ways and means of taxing unearned capital gain, the Treasurers' task will be made easier.

When I refer to unearned capital gain I do not refer to money earned by physical or mental effort but to that earned as a result of other people's efforts, or the decisions by local authorities and State Governments to do something in an area. If a person owns an area of land that is a virtual wilderness, when a local authority or Government decides to build a dam, a railway or road, or supply electricity to the area, through no great effort the owner gains substantially from the increased value of the property. That is only one of many examples of unearned capital.

At present there is no real way of taxing such gains to provide money for government. I believe that it was increases in value of that type which caused Governments many years ago—both overseas and in Australia—to institute death duties, succession duties and gift duties. But times are changing significantly. With the advent of the working wife, it is very difficult to decide what are increases in value outside the control of the normal income earner and what are increases through legitimate business practices, business investment or legitimate effort in the way of physical or mental toil.

I completely support the principle that, if possible, we should abolish succession duty—certainly within the State field. In 1973-74 the State received over \$24,000,000 from this form of taxation. That is quite a significant amount of State taxation. Last year the State received \$23,500,000. Taking into account the loss of duty from the State's point of view under this measure, the State still hopes to receive about \$23,000,000. In other words, the shortfall in the estimated income is about \$500,000. I suppose the Treasurer will say—and rightly so—that this is because of escalation in values, higher incomes and so on—that when people pass on, the value of estates is increasing year by year.

One of the most pleasing aspects of the legislation is that it will eliminate the practice of putting a value on superannuation payments to be received by a widow after her husband dies. I always thought that this method of adding to the value of an estate was undesirable. No-one could really determine that a factor of 10, or some other factor, should be used to determine how much superannuation is worth in an estate. After all, there was no guarantee that the spouse would live for 10 years. There was no guarantee that the value of the money would be the same. These were the types of things that created a tremendous amount of worry for the widow who believed that she was in a sound financial position. After she thought that she had the ready and

available cash to cover any liabilities, she was thrown into confusion when an extra amount was added. It was a fictitious amount to her because it was not ready cash. Some other assets had to be disposed of because of that imposition. I always felt that this was rather unfortunate and not in the best interests of our people. Now that will be eliminated—certainly for the spouse. On some future occasion perhaps the position of the housekeeper, daughter and others should be considered.

I now deal with those who avoid the payment of duty. Although I might not agree with some forms of taxation and might wish to see them amended or abolished, I believe that while they are the law of the land everyone should pay his just dues. I have no sympathy at all for anyone who tries to avoid paying his just dues. If he wants to agitate and try by proper means to have a tax altered, I have no fight with that; but, while it is the law of the land and the order of the day, I believe he has to pay it. Therefore, provided it is within reason, I do not oppose any step taken against someone who tries to be smart and tries to steal a march on his fellow citizens. I believe the State has every right to take him to task.

As a general principle, the Opposition supports this measure. I see no reason at this time to delay the legislation any further.

**Mr. AHERN** (Landsborough) (12.27 p.m.): I rise briefly to welcome the measure and to say that this move to abolish succession duties between spouses, which is innovative in Australia, is a very welcome one that has been widely accepted by the public. It is, we hope, stage 1—the forerunner of other stages—in the relief of probate and succession duties generally in the nation. A general feeling of very serious concern exists about taxes in general, but certainly about this tax in particular, as it results in a very serious misallocation of resources in the conduct of many businesses.

The field in which I have a particular interest is that of primary producers. In that area family businesses are tied up for many, many years and are forced to borrow huge sums of money through institutions for 10 or 15 years to pay succession and probate duties in one form or another—funds that should rightly in the nation's interests be invested in productive resources. On many, many occasions firms have had to go into debt to the extent of, say, \$50,000. That has meant that they have invested very little in new machinery, stock, improvements and so on compared with what should have been invested.

This is an area of very serious concern in the community generally. I hope that more will be done not only about the State tax but also about the Federal tax. I believe it would be fair to add that this form of taxation has not been indexed in any way to reflect the rate of inflation in the community. It is a tax that ought to be indexed to the general level of inflation, which has resulted

in a tremendous increase in the value of estates. The basis on which the taxes have been computed has been altered a few times but not nearly enough to counter the inflationary spiral. The tax has grown out of all proportion to what it was when it was originally introduced. I accept that there has been some adjustment, but not nearly enough to counter inflation.

I draw attention to the particular position of the primary producer. He has some concessions but he is running a business and has to plan for the future of his family and also to ensure that the business stays within the family following his death. To do this he has to use various devices in a system that is stacked against him when he is compared with the ordinary wage earner in the community who is a contributor to a superannuation fund.

A primary producer cannot do very much about this position because most of his resources are tied up in his business, and primary production today is not very profitable. In fact, the only protection available to him is insurance. Despite the Whitlam Government's making insurance less attractive in terms of income tax deductions and in other ways, it is still his only refuge. In discussions with his estate planner he finds that the value of any insurance he carries will be added to the value of his estate. In that way the value of the insurance is diminished by the amount paid in the probate and succession duty that is levied on it.

This is not the case with superannuation. I do not say that the superannuation payment concessions should be removed; what I am saying is that the special position of primary producers should be considered, firstly because they cannot afford to take out much insurance and secondly because their only refuge is insurance. We should consider their special position to encourage them to plan in the realisation that, in a prudent set of circumstances, they can keep the farm in the family.

I am certain that a very high proportion of this tax—both State and Federal—is paid by the primary producer. I do not have the exact figures but I did see some that showed that a very high proportion of probate and succession duties is paid by the primary producer for the very reason I am pointing out.

I ask the Deputy Premier and Treasurer to look at this particular position of the primary producer. Possibly he will be able to offer more relief in the next Budget. I ask him to consider the economic situation that gives estate planning such a low priority; survival is the number one priority today. When he studies the options open to the primary producer by way of insurance, he will see that the present plans do not provide any incentive for him to take out insurance. The system is stacked against him. If he takes out insurance he has to pay duty on it, whereas superannuitants are offered generous concessions in the levying

of probate and succession duty. Therefore the primary producer is disadvantaged. If I had time to take the figures out, I am certain they would show that the primary producer is paying a very high proportion of this tax. I do not think that this is fair and equitable.

In conclusion I say that the Bill is welcome. I think it is innovative and I hope that other States will quickly follow Queensland's example. I also hope that after 13 December a Liberal-National Country Party Government in Canberra will follow our initiative and take the same action Federally.

**Hon. Sir GORDON CHALK** (Lockyer—Deputy Premier and Treasurer) (12.36 p.m.), in reply: I listened with interest to the remarks of both members who spoke on the Bill. It is true, as was said by the honourable member for Bulimba, that it is a very progressive move and one that has occupied the minds of those responsible for the administration of government in this State for a long time. It will be recalled that at one time a person was elected to the Federal Parliament principally for the purpose of advocating the abolition of succession duties at Federal level. Unfortunately he did not achieve that ambition. I say "unfortunately" because it is true that succession duty causes considerable anxiety when death strikes.

The Queensland Government has set a pattern that I hope will be followed by the Commonwealth Government, because these concessions must be provided at Commonwealth level if real benefit is to be obtained from them. I also hope that, in common with Queensland, other Australian States will be able to find a similar basis on which they can grant succession duty concessions. To make up the loss from the removal of this duty, the Government has had to look to one or two other fields for a little additional revenue that it would not have sought but for the introduction of this measure.

We all know that at present there is often difficulty with financial liquidity at the time of a death. I believe that that was part of the basis of the contribution of the honourable member for Landsborough. He realises, as I, my Cabinet colleagues and most members also realise, that very often problems are encountered at the time of death of a person engaged in primary industry. I am not saying, of course, that problems do not arise in such circumstances in small business undertakings and even in the domestic situation. Nevertheless, certain concessions have been made from time to time to those engaged in primary industry.

The honourable member referred to superannuation as it is affected by this legislation. Of course, from a general point of view, there is nothing to prevent a primary producer from taking advantage of superannuation schemes that are available through insurance companies. I know it might be argued that that would be an added expense. On the other hand, those who are involved in

superannuation schemes by virtue of their employment have to make substantial contributions to those schemes.

I have heard it said on several occasions that parliamentarians are reasonably well favoured with superannuation. It must be realised that we contribute to the superannuation scheme as much as 11½ per cent of our salaries, which is a fairly substantial amount to pay each fortnight. On the other hand, when one makes out one's Commonwealth income tax statement, one finds that the total deduction allowable at present is \$1,200. A person might pay \$1,500 or \$2,000 in contributions to a superannuation scheme—in fact, some members are paying much more than that—but the only deduction allowed for income tax purposes is the base amount of \$1,200. So I say to the honourable member that although the Government is sympathetic to the primary producer, there is a basis which, provided his finances permit him to do so, enables him to take advantage of such a scheme.

The Bill will be hailed throughout Australia as a step in the right direction. I hope that as time goes by it will be possible to extend the concession much further. I have received letters of congratulation from many people; I have received others from people suggesting that the Bill should go further. The Government will certainly ensure that further concessions are granted, but it will introduce them only when it can do so without having to take away some of the benefits provided through revenues from other sources. The position at present is that the Government is doing all it can to help.

The Bill has been well received in this Chamber and, as I said before, letters I have received from many people indicate that it has also been very well received in the community generally.

Motion (Sir Gordon Chalk) agreed to.  
Resolution reported.

#### FIRST READING

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

#### STAMP ACT AMENDMENT BILL

##### INITIATION IN COMMITTEE

(Mr. Miller, Ithaca, in the chair)

**Hon. Sir GORDON CHALK** (Lockyer—Deputy Premier and Treasurer) (12.45 p.m.): I move—

"That a Bill be introduced to amend the Stamp Act 1894–1974 in certain particulars and for an incidental purpose."

As honourable members will recall, I announced in the Budget speech proposals to increase a number of charges in the stamp duty field to help defray the increased costs of Government services. The Bill I am now presenting to the Committee will give effect to these proposals and also a number of other matters which have been awaiting

appropriate legislative opportunity. Before I proceed to outline the more important provisions of the Bill, I want to stress to honourable members that, in most cases, the increases in duty provided for in the Bill will result in the Queensland rates being no higher than rates prevailing in other States, and in several cases still considerably lower than rates applying in some other States. This is so even though we have not resorted to taxes on consumption of tobacco and petrol, which are now large revenue producers in other States.

The rate of stamp duty on credit business and instalment purchase agreements, that is, credit given at a rate of interest higher than the prescribed rate—presently 14 per cent per annum—will increase from 1 per cent to 1.5 per cent, and steps will be taken to ensure that the duty applies to balances of Bankcard accounts which run on into the interest-bearing period. The rate of stamp duty applicable to rental business will increase from  $\frac{1}{4}$  per cent to 1 per cent. Although the increase in the stamp duty payable on rental business may appear large, such business, which includes motor vehicle and plant-leasing arrangements, is largely a substitute arrangement for credit business, and other States apply the same rate of duty on rental business as they do on credit business. To assist small businesses operating in the area of rental business, the annual turnover below which businesses are not liable for the duty will be increased from \$2,000 to \$4,000.

The Bill provides for an increase from 6c to 10c in respect of the stamp duty on cheques. As on previous occasions, it is intended that persons with cheques on hand when the increase becomes effective will be allowed a period to use them before being required to account for the increase in duty. A provision in the Bill will enable these transitional arrangements to be prescribed by regulation, and it is proposed to prescribe a period of two months. There will also be a change in the basis of levying stamp duty on other bills of exchange and promissory notes so that the duty is related to the term of the bill and therefore to the discount earned by the person providing the credit. Where the bill or note is drawn for a period less than 120 days, the rate of duty will be 1c for every \$100 for every 10 days or part of the term of the bill or note as against the present rate of 10c per \$100 irrespective of term. The situation of a bill or note with a term of one week attracting the same duty as one with a term of one year will no longer exist.

To offset the concession given in respect of short-term bills, the duty on bills for more than 120 days will increase from 10c to 12c per \$100. Bills drawn outside Queensland and appropriately stamped with duty in that other State will attract stamp duty of only 10c if negotiated in Queensland. This will be of considerable benefit to operators in the money market and allow

them to transfer bills from one State to another without the undue cost which presently makes such transfers uneconomical.

The present ad valorem rate of duty payable on conveyances of \$1.25 per \$100 of the value of the consideration is to be replaced by a progressive scale of duty. The lowest rate of duty will be \$1.50 for every \$100 of the value of the consideration not exceeding \$20,000 and the highest rate of duty will be \$3.50 for every \$100 of the part of the value of the consideration in excess of \$500,000. While the increase in the rate of duty appears to be high, I again repeat that the rates will be at a level no higher than those prevailing in other States. This form of duty is a major source of revenue to the State and the revenue needs of the State do not permit the luxury of having the lowest rate of duty in this area.

To minimise the burden of the increase on the home buyer, the Bill provides for the lowest rate of duty to apply where the purchaser is acquiring property to be used as his principal place of residence.

Presently, stamp duty on leases is assessed at the rate of 25c per \$100 or part of the annual rent payable and the duty is the same regardless of whether the lease is for one year or 10 years. The new rate of duty will be 35c per \$100 of the total rent payable under the lease. The new provisions will also ensure that full duty is collected from those persons who presently pay only nominal duty where the rent cannot be calculated from the lease at the time of stamping because it is related to some independent factor, such as the turnover of a business. As a concession to the person renting his house, tenancy agreements for private dwelling-houses will be exempt from duty. To avoid the parties to a long-term lease having to pay a relatively large amount of stamp duty at the beginning of the lease, the duty is to be accounted for triennially. As arrangements will need to be made for the efficient administration of the new provisions, the effective date for application of this particular amending provision will be a date to be proclaimed.

The Bill also provides for major changes in the rates of stamp duty applicable to insurance policies. The rate of stamp duty generally applying to insurance policies, such as fire and household policies, will increase from 2½c per \$100 of the sum assured to 5c per \$100 of the sum assured. There is no change, however, to the existing provision which limits the stamp duty payable to a maximum of 20 per cent of the premium.

The stamp duty payable on motor vehicle comprehensive policies will no longer be the flat amount of 45c per vehicle, which has lost all relativity with the value of the vehicles covered and the amounts of premium charged since it was fixed in 1966. The new rate of duty will be 5c for every \$1 or part of the net premium payable,



which is still lower than the rate in three other States and equal to the rate in one other State. Stamp duty payable on workers' compensation policies will increase from 3 per cent to 5 per cent of the premium payable. In order to ensure that insurance companies, which are required to account for duty by monthly return, have sufficient time to make suitable administrative arrangements consequent on the increased rates announced for the first time in the Budget speech, the increases in the rate of stamp duty in the insurance area will apply from 1 January as against the commencing date of 1 December or date of assent of the Bill for the other provisions of the Bill.

The fixed rates of duty presently applying under a number of headings in the schedule to the Act, and also in the Act itself, will increase. In most cases, the rate will rise from \$1 to \$4, examples being powers of attorney and deeds. Where the fixed rate of stamp duty is other than \$1, the increase is a similar percentage, examples being a release of mortgage or a collateral mortgage document, which rise from 25c to \$1. The charge for duplicates of documents will be increased from 25c to 50c. The costs of processing a document attracting only nominal amounts of duty have increased substantially and an increase in duty of the size indicated is necessary to restore the relativity of the charge.

The Bill will introduce into the Act major new provisions dealing with the payment of stamp duty equivalent to cheque duty on Bankcard operations. There has been considerable publicity surrounding the introduction of Bankcards to Queensland and the right of the State to levy duty on these transactions under the existing provisions of the Stamp Act. The position is that the operation of Bankcards in Queensland would have meant a loss of revenue to the State if the existing provisions of the Act did not apply—because the use of the credit cards takes the place of the use of cheques, which will now attract a duty of 10c each. While there was a provision in our Stamp Act which applied cheque duty to certain types of account-settling schemes and so clearly evidenced that, in principle, it was the policy of the Government to levy duty, the advice received from senior counsel was that we could not use this provision to levy duty on Bankcard transactions. The new provisions will remove that doubt and ensure that the State will receive the revenue intended by the principle contained in the existing legislation. I want to make it clear that it is not a new taxing principle in this State.

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

**Sir GORDON CHALK:** Prior to the luncheon recess I had dealt with the various parts of this legislation. I now proceed to outline some of the other matters associated with it.

The State will look to the bank to file a return covering all its cardholders' accounts which have been operated upon during the period in question. The duty payable in respect of any cardholder for the period covered by his account from the bank will be the duty that would have been payable if the cardholder had drawn a cheque in favour of each supplier of goods and services with whom the cardholder or other persons operating on his account had transacted business using a bankcard in that period, less an amount of 10 cents to allow for the fact that the bankcard account may have been settled with a stamped cheque. I emphasise that, if the cardholder has a number of transactions with the one supplier during the period, only one levy of 10 cents is applied in respect of that supplier for that period.

The provisions will apply to all credit card operations and not only those conducted by the banks.

**Mr. Burns:** Diners' Club and all?

**Sir GORDON CHALK:** Diners' Club, too.

**Mr. Burns:** We would be the only State in the world doing that.

**Sir GORDON CHALK:** I believe that, if it is to apply to the banks, it must apply to other credit operators, too.

Should the bank or other supplier of credit under a credit card scheme not furnish the necessary returns and pay the duty, it will be the responsibility of the individual cardholder to lodge a return. This will apply where a card is issued to a person resident in Queensland by a concern which operates only outside Queensland, but it is sincerely hoped that co-operation will be obtained from businesses operating outside the State and otherwise not liable for Queensland stamp duty to pay duty in bulk rather than inconvenience their Queensland clients by making them liable to submit individual returns.

**Mr. Burns:** Did you say that if I had a Diners' Club card issued in Sydney I would have to take out a new one?

**Sir GORDON CHALK:** I did not quite say that. The Leader of the Opposition should read what I did say.

Briefly, other provisions of the Bill cover the following. The present exemption applying to instruments of conveyance whereby assets of an unincorporated principal sporting body are transferred to its corporate substitute will be extended to include most non-profit community organisations. The present provisions of the Act provide for a refund of ad valorem conveyance duty only where the contract or agreement is rescinded and a claim is lodged within 12 months of the date of execution of the document. In many cases, the circumstances which give rise to the rescission are not present until after the 12-month period has elapsed, so that it is impossible to meet

the requirements for refund. The Bill provides for refunds of duty to be available where the claim is lodged within six months of the date of rescission, with power for the commissioner to extend this period in special circumstances.

The Bill also provides for the cost of developmental work required to be carried out by the lessee at his expense under leases from the Crown or public bodies, presently charged with ad valorem conveyance duty under the Act, to be exempt from such duty. An exemption is also provided for in respect of securities given in relation to crop finance by marketing organisations. Indemnities given by the payee to the drawer of a cheque when another is drawn to replace one lost or destroyed will also be exempted from duty.

The Bill provides for a major revision of charges under the Act, a revision which has been necessitated by the prevailing financial conditions. However, I repeat that the new rates of duty will still be no higher, in most cases, than those in other States. Where possible, the effects of the increases have been minimised for people such as home buyers or renters. Increased taxes are not pleasant, but they are necessary if the State is to continue to provide reasonable levels of services.

I commend the Bill to the Committee.

**Mr. HOUSTON** (Bulimba) (2.21 p.m.): I think it could be said that the Bills introduced by the Treasurer so far today have had an easy passage through the Committee and on behalf of the Opposition I had no hesitation in completely endorsing the principles behind what he was endeavouring to do.

However, I am afraid that the reception of this piece of legislation will be completely different. Because there are some aspects of it that, on analysis, will be found to be reasonable, naturally the Opposition will not oppose its introduction. I appreciate that Governments must have money and one of the sources of taxes introduced many years ago is stamp duty. Naturally the Opposition will support some measures contained in the Bill, but there could be some others that might not be so readily acceptable.

Stamp duty is the second largest tax collected by the State. In 1973-74 just over \$63,000,000 was collected; last year the amount dropped to \$48,700,000; and this year the Treasurer estimates that he will collect \$69,400,000. So we are not dealing with small amounts.

The Treasurer, in his introduction, covered a wide variety of subject matters. At this point of time I do not intend to analyse every proposal that he outlined. However, one or two matters come quickly to mind. The first has to do with ordinary cheques. It has been the custom of many organisations, including the Public Service, to pay employees by cheque. In many cases the salaries are deposited straight into banks. This principle is appreciated by the people concerned.

However, as a result of that principle, those people operate cheque accounts. So that large numbers of people in the community operate cheque accounts as an everyday method of transacting business. The amounts of cheques vary from very small to very large.

The principle that was adopted some time ago of an equal amount of stamp duty being payable on cheques might have been all right when the stamp duty was 1d or 1c. No-one worried very much about having to pay that amount of stamp duty. We are now reaching the stage where a substantial amount of stamp duty will be payable on cheques. The increase is from 6c to 10c and to my way of thinking that is a very large percentage increase.

Postage has increased from 10c to 18c, and I cannot see any reason why the Treasurer should now see fit to enter the stamp duty field as a means of obtaining increased revenue for the State. For the ordinary person who pay his electricity account, rates and other accounts by cheque, the previous amount of 16c, being 10c postage and 6c for the cheque, will now increase to 28c. To my mind, that is a fantastically high increase.

Many people today operate cheque accounts. In most cases they attract no interest and are operated purely as a matter of convenience for the householder. But it seems to me that they are now becoming a rather expensive convenience. Those in business will also have to pay the increase, but on the larger amounts in which businessmen are usually dealing it will probably not make a great deal of difference.

The Bankcard system is now becoming a substitute for the normal operation of cheque accounts, and the Treasurer has obviously been looking for some way of obtaining a return to make good the loss sustained by the writing of fewer cheques. As a matter of fact, I think one of the advantages claimed in the advertising of the Bankcard system is that it removes the necessity to write cheques for each small account. This meant that the State would lose revenue, so the Treasurer is now seeking a way out of that situation.

I am querying the method that is being adopted. Although I am not saying that in the final analysis what is proposed will be unacceptable, from the few thoughts that came to my mind as the Treasurer was speaking I feel that there are quite a few points to be queried. The first point concerns whether or not the Treasurer has the co-operation of all the banks who will be issuing Bankcards. Although I may not have understood the Treasurer correctly, my interpretation of what he said was that the banks will be required to submit to a Government department all the accounts that have been operated on Bankcard by the clients of each bank. If that is so, the Government will have detailed knowledge of all the financial

transactions carried out by each customer by means of Bankcard. I do not think that that is a very good principle.

The Treasurer certainly said that duty will be charged on the Bankcard account as if each account were separate. I can imagine the confusion that this will create. Quite often people pay more than one account on the one cheque, and under the method proposed it will be assumed that every account has a separately identity. I feel sure that the Government will run into many problems if the method as I understand it is followed. Of course, I might have misinterpreted what the Treasurer said.

He also went on to say that there will be certain taxing on the operations on other accounts such as Diners' Club—to mention one that comes to mind. I am afraid the Treasurer will have to give a lot more detailed explanation before the public will accept that as a fair deal. After all, up till the present many people have been operating by means of credit such as Diners' Club cards. Many Queenslanders make a lot of their transactions using the Diners' Club cards on purchases and services interstate and overseas. I am in that position myself because it is very rarely that I use my card in Queensland. But interstate it is a very convenient way of paying, and particularly as a means of identification where people would normally not accept a cheque in payment of an account. So I feel that, in his desire to find a way of obtaining revenue from the operation of Bankcards and to stop the loss of revenue through the cessation of cheque accounts, the Treasurer has opened up a much bigger problem than would have appeared from a theoretical approach to it because the practical approach is the one that counts. Again, the Treasurer has not made it very clear whether Diners' Club Pty. Ltd. and other similar credit institutions will co-operate with the Government. If they do not co-operate, then what is the situation?

**Mr. Burns:** A bureaucratic nightmare.

**Mr. HOUSTON:** Yes, it will be a bureaucratic nightmare. It could lend itself to all kinds of problems, and it may be a case of the honest citizen finding himself taxed to the hilt while the shrewdy gets away with it. I cannot see that the State is entitled to any return from this type of credit arrangement at all. The only point with which I will agree is that as to Bankcard, some arrangement could have been made with the banks prior to its introduction.

Another point that became very obvious was the increase in stamp duty on workers' compensation insurance policies. When that principle was introduced in this Chamber some time ago, the Opposition was not at all happy with it. Workers' compensation is compulsory insurance taken out by employers under State legislation to give some protection to those they employ, and we do not see why, because they are compelled to carry workers' compensation insurance, they should then have to pay stamp

duty on the policy. To me it is an encumbrance and it is only recently that I took up with the Treasurer during the debate on the Financial Statement the situation where some industries were finding even the increase in workers' compensation premiums that they had to pay a very heavy burden. This is just another example of that. The Treasurer might say that it is only a small amount but, as we said at the introduction of this type of legislation, it starts out very small, and is justified because it is only very small, but soon it becomes quite a heavy burden. We know that the stamp duty on ordinary insurance policies will double from 2.5c per \$100 to 5c per \$100. Here again what we are doing is asking those who are prudent enough to take out insurance policies, people who are prepared to protect themselves in case anything goes wrong, to pay an increase not of 10 per cent or 20 per cent but of 100 per cent. Again the Treasurer can argue that it is only a small amount, but the point is that over the years with the increasing size of policies now in operation the premiums become quite substantial.

Certainly motor vehicle comprehensive insurance is not compulsory, but again it is the prudent motorist, the person who believes in safeguarding his assets, who takes out comprehensive insurance. Some years ago the Insurance Commissioner allowed the companies to change their basis for comprehensive motor vehicle insurance. Today motor vehicles are insured for their replacement value. The person who has the higher-valued car, and looks after it, is the one who will be most affected. When I refer to a person looking after his car, I mean he regularly trades his car in so that he can get a high trade-in value for it, but, of course, it follows that he is always the owner of a more expensive car.

The Treasurer tried to soften the blow by suggesting that home buyers will not be hit very heavily. I have heard a lot said from both sides of the Chamber about the need to encourage people to own their own homes. I can see nothing wrong with completely eliminating the payment of tax on the original purchase of a home. That is what we should be looking at rather than saying that we are not increasing it very much.

I could say a lot more, but this is a technical Bill in the sense that it is a financial Bill. Almost every clause has a relationship to existing laws. I indicate that we will accept the Bill at this stage, but we will analyse it in the light of existing legislation. As to the new concepts like Bankcard—we will have a look at the provisions in the light of the realities of practical application.

**Mr. GREENWOOD** (Ashgrove) (2.37 p.m.): One always approaches with timidity a discussion of the Stamp Act. It has been said by high authority that the law upon the subject of stamps involves nothing of principle or reason but depends altogether on the language of the Legislature. If we

were unduly sensitive, we might take umbrage at those remarks, implying as they do that the language of the Legislature is in a category of its own and quite distinct from other considerations of principle or reason. Fortunately, the honourable member for Townsville South is not in the Chamber. Had he been here, he might have detected that the quotation I made came from an eminent judge, and he would have directed his attention accordingly. However that may be, I suppose it behoves us to look very carefully at the language we do use when drafting statutes, because the language has to be applied irrespective of the hardship that it causes.

It has been said that the Act of Parliament imposing stamp duties ought to be construed according to the plain and ordinary meaning of the words used, as it appears from the words themselves, and the court will not adopt a strained and forced construction in order to avoid incongruity. We have to be careful in our use of language. I am sure that honourable members opposite would be the first to concede that proposition.

**Mr. Houston:** A bonanza for the barristers.

**Mr. GREENWOOD:** I wish that were true.

Of course, some rather strange constructions have crept in. Words of ordinary meaning have had completely different meanings attached to them. In the United Kingdom, an equitable mortgage is defined in a rather curious way for stamp duty purposes. I dare say that some of the solicitors practising in the United Kingdom would have a great deal to learn if they came to Queensland. At first glance there seems to be quite a difference between a conveyance and an option to purchase and an even greater difference between an option to purchase and a mere pre-emptive right. Perhaps the U.K. solicitor, in seeing all these various concepts treated as one, would say that nobody in the world could teach Queenslanders anything about extracting the last penny of tax by way of stamp duties.

Having said that, I turn now to the principles that this Government has always upheld and has implemented yet again in this legislation. The Treasurer has referred to the improvement that is going to be made to the money markets of Queensland. We would all agree that at this time in our country's development anything that can be done to smooth the way for investment should be done. Queensland, like the rest of Australia, is a competitor for funds, and we should be trying to make it as easy as possible to invest and to reinvest in this State and to acquire the savings of people in other parts of Australia and, indeed, in other parts of the world so that they can be put to work here in our State in the creation of jobs and a higher standard of living for our people. The Treasurer in this Bill, as in many other measures introduced by him, is setting out to achieve that result.

As he has rightly pointed out, the short-term money market has assumed much greater importance in Australia over the past five or six years than, say, 10, 15 or 20 years ago. The short-term money market is being greatly assisted by some of the provisions in this Bill.

At present the stamp duty for 120-day bills and under is 10c per \$100. Under this measure that is to be changed, in a way that will facilitate the cheap discounting of bills which are reaching maturity. Instead of a flat rate of 10c per \$100, irrespective of the time the bill has yet to run, the rate will be imposed on a sliding scale of 1c per 10 days that the bill has yet to run. Although this might seem to be a relatively unimportant provision, it is likely to make much cheaper the discounting of bills and therefore is likely to facilitate the operations of the short-term money market.

Another provision in his measure directed to the same end concerns the imposition of stamp duty on bills that were created outside Queensland. Provided they are stamped with the appropriate rate of duty, they can be brought into this State and rediscounted here. Instead of the imposition of an ad valorem duty on the value of the bill, as I understand the Treasurer's comments, there is to be simply a 10 per cent duty on the rediscounting of what I might call a foreign bill brought into the State. This, too, will facilitate the free flow of funds from other parts of Australia into Queensland. So we should once again complement the Treasurer on his introduction of this measure.

Home-ownership is never far from the thoughts, policies and deliberations of honourable members on this side of the Chamber. One of the great worries that all of us have at present is that young people are finding it increasingly difficult, because of high interest rates, to buy their own land and home.

**Mr. Lindsay:** What are we going to do about it?

**Mr. GREENWOOD:** What we are to do about it depends largely on what happens on 13 December.

Under this legislation we are making sure that people who are buying their own homes are hit as lightly as possible by the increases in duty that have necessarily been the result of inflation from which the whole of the country is suffering. Although it has been necessary to increase the ad valorem duty on conveyances from the level of \$1.25 per \$100 of the value of the consideration to a sliding scale of a minimum of \$1.50 and a maximum of \$3.50, the Treasurer has taken care to ensure that when duty is being paid by people purchasing their own home they can be assured that the lowest rate of duty will attach to their transactions.

**Mr. Moore:** What is this ad valorem all about? I am a bit hazy about it.

**Mr. GREENWOOD:** An ad valorem duty is duty that is imposed in accordance with the value of the transaction. It is imposed at so much per hundred dollars of the transaction.

**Mr. Moore:** It is normal commission.

**Mr. GREENWOOD:** I suppose that is one approach. We could regard the Crown as extracting its commission on a transaction that is going through.

**Mr. Houston:** Why not call a spade a spade? We don't need that type of language.

**Mr. GREENWOOD:** I could call it commission if honourable members prefer that sort of language.

**Mr. Houston:** It would be scarcely legal to call it such an easy word, would it?

**Mr. GREENWOOD:** I don't know about that. Lawyers are certainly always open to suggestion to improve their language. For that matter, I would expect the same courtesy from honourable members opposite.

Although the Treasurer is obliged to increase taxation in all these ways to balance his Budget in these difficult economic times, he has taken good care to ensure that the principles and policies for which the Government parties stand—and which they have always tried to uphold—are being furthered in this taxation legislation.

**Mr. Houston:** Methinks you try to explain too much.

**Mr. GREENWOOD:** Not at all. I am not interested in getting out to the cricket, although the honourable member may be.

**Mr. Barns:** We will see if we can get a photograph of you out there this afternoon.

**Mr. GREENWOOD:** At least they would let me in, the way I am dressed.

These are some of the matters that concern all honourable members when looking at legislation like that before us now. When we come to the stage of looking at the precise terms of the Bill, we will scrutinise it carefully. I am sure that all honourable members will look at it as a tax measure, remembering that the subject is under certain disadvantages in that a tax measure is being imposed. We will strive for clarity in the statute and try to ensure that, in its application, it is fair and reasonable rather than vague and arbitrary.

**Mr. PORTER (Toowong) (2.50 p.m.):** The entry of Bankcard onto our scene is an extension of the modern phenomenon that has been growing apace with the onset of the 20th Century—the phenomenon of "Have it now and pay for it later." I often wonder what history will think of us. We imagine that we will be seen by writers of the future chronicling the events of today as an age of science. They may well instead look upon us as an age of credit, because this is the age where the machinery for credit has proliferated to a quite remarkable

degree. Where once upon a time it was an axiom that all classes of society accepted without question that a person got only what he was able to pay for—that he tried to live totally within his means—the absolute reverse is the situation today; living within one's means suggests a very primitive outlook and suggests that one is making do without some of the world's luxuries, some of the world's pleasures, some of the goods that society is able to offer, and one is doing without them quite unnecessarily. I suppose it is irrelevant to argue whether that is a good thing or a bad thing. Certainly nobody can argue about the Bankcard system. It is here. It is one of the tools of the age of affluence. I think we may well discover over the long haul that affluence is the great ill of the 20th Century. Anyhow, we like our affluence. We are becoming more and more concerned with more and more material things, and so the provision of more and easier credit is part of the appendages that this age of affluence requires.

For most of us the Bankcard system has a great many natural advantages. It makes purchasing a very easy operation; but the very ease, the very facility, of the operation of purchasing with more credit—eventually it is money—will undoubtedly mean that more of us will spend more money on material wants. All experience suggests that the easier it is to perform the actual spending, the more we do spend. I suppose in International Women's Year it is quite proper that the Bankcard system should also mean that there will be more spending by wives, because a great many wives in my generation, anyhow, are not too happy about using cheque books but will have no compunction at all about using Bankcards. So the spouse-to-spouse attitude that we saw enshrined in earlier legislation today is certainly part and parcel of what goes with the introduction of the Bankcard system—all to the good, probably.

**Mr. Lindsay:** Did you notice how it was introduced just prior to the Christmas trading period?

**Mr. PORTER:** The honourable gentleman obviously suggests that there is some sort of sequential significance in this. On mature reflection, he might well be right.

As love of money is said to be the root of all evil, then undoubtedly easy credit is the superphosphate that promotes development from that root to the surface to burst out into a luxuriant and very rich growth indeed. However, here it is. We have got it; it is with us; it is here to stay.

Another aspect of such a system as Bankcard that worries us is that it takes us all ever further, even deeper, into that intricate, complex world of computerised supervision of the ordinary citizen. It is not possible, of course, to have a Bankcard system without the extension of computerisation. I think this is something that concerns us all. It is something that we have

looked at in another context, and I am quite convinced that we will have to continue looking at it in other contexts.

The Act, of course, summarises the problems that State Treasurers face in today's peculiar and straitened circumstances. Indicative of the problems with which a State Treasurer must cope or the nettle that he must grasp is the need to ensure that in today's very straitened circumstances for State instrumentalities, State Governments, he must not permit the normal expectation of State revenues to be unexpectedly depleted because of the introduction of these new and sophisticated versions of credit techniques.

For quite a number of years now in Australia we have had the growing situation where the States are finding it more and more difficult to secure the revenues for the requirements that are being forced upon them. It is a strange fact of life that during the years when we have had a rapid development of centralised government with fiscal power and fiscal authority moving more and more towards Canberra—ebbing away from the States and flowing into the central depot of government, as it were—there have been tremendous growths in the States and the growths have been concentrated by and large in urban areas.

The growth in urban population inevitably meant that at a time when the States lacked recourse to adequate finance—indeed their financial capacities were becoming increasingly limited at that very time—their requirements and the demands on them were becoming greater and greater. It is the States, particularly as urban areas develop, that have the requirement to pay for all of the services that people in this day and age believe they are entitled to expect—police, transport, health, education and the rest of them. All of these are essentially charges on State Governments.

It is an extraordinary irony that, as a country develops and becomes more and more industrialised and as its essential wealth grows, so the relationship of the States in terms of what was once a Federal system becomes worse and worse. The phrase that I have used so often is always applicable—as the country grows so the central Government gets the affluence and the State Governments have to cope with the effluents. And what a very costly situation it is.

So, much as we may not wish to interfere with the smooth introduction of a Bankcard system, we have to expect that the State cannot afford to bow totally out of a field where, without a Bankcard system, it would be achieving some stamp duty revenue. To some extent it must maintain its financial rating, its financial position. It must not get further behind the eight ball. It is hard enough to cope as things are. So we must not allow things to get worse in an area where in all reason we should be entitled

to expect that our revenues will remain relatively stable, or that our capacities to obtain revenue will remain relatively stable.

So on the introduction of the Bill, those of us who are not happy about the enlargement of credit facilities nevertheless recognise the inevitability. We recognise that the facilities that most people want are being provided here. We have to accept the tenor of the times. We recognise, too, that our friends in the banking system do not wish to see the introduction of the Bankcard method hampered by undue attention from Government tax collectors, but equally it must be accepted that the States have an entitlement—a rational and reasonable entitlement—to some part of the revenue that would be there were the Bankcard system not suddenly introduced. I doubt very much whether anybody in the Committee will markedly disagree with the principles that are enshrined in the Bill.

**Hon. Sir GORDON CHALK** (Lockyer—Deputy Premier and Treasurer) (2.59 p.m.), in reply: I appreciate very much the manner in which the introduction of this Bill has been accepted. It was not an easy Bill for my officers and the Parliamentary Counsel to draft. Consequently I believe that the attitude adopted by honourable members this afternoon in accepting the introduction of the Bill so that it can be printed and then studied is wise. It will probably be a week before I bring on the second reading. That will give honourable members an opportunity to study the Bill, and there can then be further discussion, if necessary, on any specific points.

It is true, as was said by all members who spoke on the Bill, that it is necessary for the State to continue to receive certain revenues. I do not propose to deal with inflation and the increased costs that it has caused. I will say, however, that the funds required for the administration, advancement and development of the State must continue to increase if the cost structure continues to rise. The Treasurer of the State is therefore faced with a major responsibility if the Government desires, as it always has during my time as Treasurer and also during the period of my predecessor in this portfolio, to present a balanced Budget to the people of Queensland. If we go beyond a balanced Budget, it is necessary to use loan funds and consequently other activities have to be reduced.

When movements in taxation are considered by me and my Treasury officials, we try to keep within the limits of equivalent taxation in other States. We have been successful in that aim. Whilst I realise that some of the increases appear now to be a little steep, if the charges had been increased step by step over the years the people would have paid more in the long run. They have therefore enjoyed a period of grace in which they have had a lower rate

of taxation than their counterparts in other parts of Australia. I leave the various items for examination by honourable members.

The other point raised by all speakers concerns the introduction of Bankcard. Those who have been responsible for the introduction of Bankcard to Queensland came to see me many months before the system was introduced. I made it clear to them at that time that under section 42A of the Stamp Act I believed that it would be necessary for them to make payments to the State in accordance with the value of cheques. They took legal advice and informed me that they believed that that section was not sufficiently strong to ensure that the State received some revenue from the Bankcard system. I replied that, so far as the Queensland Government was concerned, we believed that we had an entitlement to that revenue and that I would, if necessary, amend the Act at the appropriate time to make that entitlement clear. When the Bankcard system was being organised in this State, those who were responsible for it had full knowledge of the Government's intention.

They proceeded, as was their right. But it is equally the right of the State to strengthen this legislation to implement its desires. We are doing no more or less than that in this legislation. I believe that we can justify what is contained in the Bill. It involves nothing more or less than ensuring that the State receives revenue equivalent to cheque stamp duty in the payment of a monthly account, an amount equal to what would apply in the normal walks of life where a person has a cheque account.

Under the Bankcard system a person has a card and can wander through any store where the card is acceptable and make as many purchases in one day as he desires, and he can continue doing that for the month concerned. The system by which the Bankcard then works is that the accounts from that store for the total number of purchases go to the bank operating the Bankcard. Payment is then made by the person holding the card to the bank for the total of the accounts from the various firms involved. The bank in turn will make payments to the various firms. All we are saying is that we believe that for the payment on behalf of the individual to the firm concerned we are entitled to our 10c as if a cheque had been drawn for that payment, less one payment of 10c, and that is the 10c on the cheque which the person himself pays to the bank for the total of all his purchases from the various companies. We are taking nothing more or less than would have been paid had the Bankcard system not operated.

From the general point of view, the Bankcard system is for the benefit, I believe, of the banks themselves. They have not brought it in just because of some desire to create greater spending; they have brought it in because they believe it is advantageous to their own operations.

**Mr. Melloy:** In the case of a person who went to a firm and made 10 purchases over a month and paid with a cheque in each case, only one cheque will now be used. Are you going to take duty for each transaction?

**Sir GORDON CHALK:** No; I am taking it on the basis of the normal form of monthly account. Without naming the major firms in Brisbane—if I go and purchase a suit at a particular place, and my wife purchases the domestic requirements at another business house, and if I buy my petrol from a certain garage and become involved in other purchases from a chemist, or whatever the case might be, at the end of each month I get eight or 10 accounts, and if I am working on a cheque account—no-one is forced to operate a cheque account; he can operate on a savings bank account and pay cash—I would draw a separate cheque for each of those firms. That is all we are asking under this legislation.

The bank can pay the total of the accounts to the company concerned on behalf of all of their clients, but that is the bank's business. On the other hand, it is the business of the State to ensure that, because of the introduction of this system, it does not lose revenue. As I said, it is not asking for any more than would be its normal entitlement under the operation of the cheque account system as we know it at the present time.

**Mr. Lindsay:** How inflationary do you think the Bankcard system of itself will be?

**Sir GORDON CHALK:** I am not entering into an argument this afternoon about the rights or wrongs of the introduction of the Bankcard system. For a long time we have had the operation of the Diners' Club and American Express. I think that was touched on by the honourable member for Bulimba. Both of those operate card systems. I believe the banks have introduced the Bankcard system in the belief that it will attract more business for them. If a person pays within 25 days, no charge will be made by the bank, but if he goes past the 25 days, as I understand it, an interest rate of 1½ per cent a month will be charged, which is 18 per cent a year. That is a matter between the client and the bank. All the State is doing is protecting its revenue. I believe that is its entitlement, and I believe this is what we must do to protect the revenue of the State.

When members examine the Bill I am certain that they will find that what I have outlined is a protection of the State's revenue. Those charges we have increased are in keeping with the charges in other States. Because of the need for revenue in Queensland, it has been necessary for me to bring about the changes as outlined in the legislation.

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 3.14 p.m.

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