

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 11 AUGUST 1977

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

PAPERS

The following papers were laid on the table:—

Proclamations under the Acquisition of Land Act 1967–1977 and the State and Regional Planning and Development, Public Works Organization and Environmental Control Act 1971–1974.

Orders in Council under—

The Rural Training Schools Act of 1965 and the Local Bodies' Loans Guarantee Act 1923–1975.

Racing and Betting Act 1954–1977.

MINISTERIAL STATEMENT

LONG-TERM SUGAR CONTRACT WITH JAPAN

Hon. V. B. SULLIVAN (Condamine—Minister for Primary Industries) (11.3 a.m.): On Tuesday I told the House that I would be making a statement in relation to the Queensland-Japan sugar agreement the following day, which was yesterday. It was my intention to make that statement during the debate on matters of public interest. Because of what was taking place in Japan yesterday, my judgment was that it would be wise to leave it until today, when perhaps more could be told. There was no intention on my part to mislead the House when I made that statement on Tuesday.

I am well aware of the intense interest and concern throughout Queensland which has been generated by the problems currently being experienced in negotiations concerning the long-term sugar contract between Queensland and Japan. Negotiations are now reaching a critical stage. It seems opportune to review the facts which led to the eventual negotiation of the long-term sugar contract with Japan and, in the light of these facts, which are fundamental to my Government's attitude towards the negotiations, to review the more recent developments.

The long-term sugar contract with Japanese buyers was negotiated in late 1974 against a background of extremely high world sugar-market prices and the effect on the Japanese economy of the oil price shock,

with associated shortages and high prices for most other basic commodities imported by Japan. Although world sugar market prices were at that time more than twice the eventually negotiated contract price, the sugar industry, with my Government's full support, decided to forgo the benefit of high sugar prices at that time for a longer-term supply arrangement with Japan at a reasonably remunerative price.

Following representations to the Australian Government by the relevant Ministers of the Government of Japan in September 1974, it was agreed that the commercial interests on both sides should be encouraged to conclude a long-term commercial contract. Because this Government always recognised that long-term contracts would be subjected to periodic strain in circumstances of fluctuating world prices, we strongly supported from the outset the Australian sugar industry's insistence that any long-term commercial contract would have to be supported by an exchange of letters between the respective national Governments and that such letters were to be exchanged by a specific date, before the contract could enter into force.

The contract was duly negotiated in December 1974 for 3 000 000 tonnes over five years at a fixed flat price. Appropriate letters were duly exchanged between the Governments of Australia and Japan and the contract came into force from 1 July 1975. It is of current interest to note that our marketing agents, under the authority of the Queensland Government and the Sugar Board, had offered, as an alternative to the fixed-price arrangement, a stepped-price arrangement during the 1974 negotiations. However, the Government of Japan would not lend its support to a stepped-price arrangement at that time, stating that if the commercial buyers wished to carry the risk, that was up to them. The Government of Japan indicated that there would be no exchange of letters if a stepped-price arrangement were negotiated.

In securing a fixed-price contract, the Japanese buyers clearly thought they were getting a fair deal and competed strongly for shares of the 600 000 tonnes a year contract. The Government of Japan also judged the contract to be fair, as evidenced by its letter to the Australian Government supporting and endorsing the contract and agreeing to facilitate its long-term operation.

In May 1975, as the Minister responsible for sugar, I led a top level Australian sugar industry delegation to Japan as well as to other sugar markets with which we had long-term contracts. The purpose of this visit was to examine at first hand the early stages of operation of those contracts.

In late 1976, in response to continued pleas from the Japanese side for changes in the long-term contract, I undertook to lead a second sugar industry mission to Japan, to examine the problems of the Japanese sugar-refining industry. On my first

trip it was abundantly clear that the Japanese refining industry suffered severe financial and structural difficulties. These difficulties were still there on my second visit, and remain today. Their origin, in an acute form, can be traced back to the early 1960s when raw sugar imports into Japan were liberalised.

The Japanese refining industry has since suffered from severe over-capacity which, combined with a fragmented and extremely competitive industry, has given rise to periods of heavy financial loss to its members. This was especially true whenever a world sugar surplus appeared. The problem has been magnified by competition between trade houses to sell to refiners which, on occasion, has encouraged over-buying, rendering buyers vulnerable to subsequent unanticipated changes in market prices. This was, and remains, the fundamental problem facing the refined sugar industry in Japan. The problem is quite separate from our long-term contract; its origins go back more than a decade before the contract was agreed.

Nevertheless, in response to pleas from the Japanese industry and, with the authority of this Government and the Sugar Board, we were able to assist their industry by rearranging shipping programmes in the first and second years of the contract. The second issue, which was obvious particularly on the second visit, was that the Government of Japan derives an enormous amount of revenue by levying heavy taxes and duties, amounting to nearly \$200 a tonne on each tonne of raw sugar imported. I might say here these levies are now about equal to the present world price of sugar. Thirdly, it was obvious when the contract was negotiated that the world price would almost always be different from the contract price.

It was recognised that measures would be necessary to integrate the contract into the Japanese sugar trade in a way which did not expose refiners to fluctuating risks of excessive loss and excessive profit. This was obvious from the start. It was also clear that, given the fragmented and competitive nature of the industry, such measures could only be implemented with the support of the Government of Japan or its agencies. It was up to them; it was a matter which had to be sorted out in Japan.

However, it was obvious on my second trip that the contract was by no means properly integrated into the Japanese sugar import trade. Consequently, inequities between refiners could be expected whenever the world price differed from the contract price, irrespective of whether it was above or below it.

It is of very considerable interest that, as recently as 26 July, in Tokyo, employees in the Japanese sugar industry were making these very points to the Japanese Government. It was clear then, as it is now, that these

problems can only be alleviated by arrangements which have the support of the Government of Japan and its agencies.

Nevertheless, in the interests of long-standing harmonious relationships between the two industries, we agreed that senior representatives of our marketing agents, CSR Limited, should return to Tokyo in February 1977 for commercial discussions on the long-term contract. However, we made it clear that changes in the long-term contract prior to 30 June 1977, the end of its second full year of operation, could not be contemplated by the Queensland sugar industry, which had invested approximately \$400,000,000 in expanding its productive capacity, largely on the basis of the security offered by the Japanese long-term contract.

In April 1977, proposals were made to the Japanese side which offered significant price concessions in the period to 1980, in return for which the Queensland industry sought an extension of duration of the contract at firm prices. The Japanese response was to reject these proposals out of hand and to put forward a so-called counter-proposal, which would have cut the revenue of the industry by up to \$150,000,000 a year and offered no quid pro quo in any form. Clearly, acceptance of changes such as these to a freely negotiated contract would be unthinkable. The counter-proposal was rejected firmly and promptly by our marketing agents, with the full approval of my Government and the Sugar Board.

When talking earlier about the circumstances surrounding the negotiation of the long-term contract, I mentioned the involvement of the Government of Japan in the negotiations. The Japanese buyers have made it clear, and it has seemed eminently reasonable to us that, in the current discussions, a settlement could only be achievable with Japanese Government involvement to the extent of making administrative changes to its sugar regime.

The slow progress of the negotiations in recent months can be attributed largely to the apparent reluctance of the Government of Japan to become involved in any action to this end and to assist the Japanese commercial interests to stabilise their commercial operations. This is all the more disappointing because the Government of Japan pressed for and was kept fully abreast of the progress of the original negotiations which gave rise to the contract. Indeed, meaningful progress in these negotiations was made only after the two Ministers concerned with sugar imports, and with Japan's sugar policy generally, requested the Australian Government to encourage the Australian sugar industry to conclude a long-term contract.

During the course of these negotiations, we and our marketing agents, CSR Limited, recognising the importance of the involvement of the respective national Governments in the working of the contract, have kept the Commonwealth Government fully informed of developments in all negotiations.

As recently as June, I led a sugar industry delegation to wait on the then Acting Prime Minister, Mr. Anthony, to discuss the Japanese long-term contract. More recently in early July, because of the continuing reluctance of the Government of Japan to involve itself in this matter, which had halted progress in commercial negotiations, the Premier decided to seek the assistance of the Prime Minister, Mr. Fraser, to raise the matter with his Japanese counterpart, Mr. Fukuda, and to seek Japanese Government action in helping to achieve a settlement of the matter.

Following the Premier's action in this matter, I am informed that a message went forward from the Australian Prime Minister to the Prime Minister of Japan. Following further representations by the Premier and this Government, I am pleased to advise that the Prime Minister has fully supported the generality of our position in his recent talks in Kuala Lumpur with Mr. Fukuda, the Prime Minister of Japan. The view was expressed strongly by Mr. Fraser that contracts such as this, freely entered into, should be honoured.

I am sure that not only the sugar industry, but other primary industries in Queensland, would strongly support the Prime Minister's expressed view to the Japanese Prime Minister, as has been widely reported in Australia, that the viability, continuity and strength of long-term contracts are fundamental to the whole range of commercial relationships between Australia and Japan.

As to the future progress of the negotiations, a firm and final offer from the Queensland sugar industry has been put forward to the Japanese buyers. This offer incorporates very substantial price concessions to the buyers amounting to more than \$A75,000,000 over the next three years in exchange for an extension of duration beyond 1980 at fixed prices.

We believe the offer is more than reasonable and will be looking to the Government of Japan to provide guidance, assistance and advice to the commercial buyers to enable them to accept the terms of this offer, which provides a mutual benefit to both parties. We are holding this offer open until 15 August. If, however, the offer is not accepted—and even as I deliver this statement time for buyers' acceptance of the offer is running out—we expect the existing contract to remain in force. If such is to be the case, we expect the Government of Japan, in accordance with the desire which it clearly expressed in its letter to the Australian Government in 1975, following the signing of the contract, to facilitate the full operation of the contract by requiring the buyers to honour their contractual obligations as they presently exist.

I am sure the Government of Japan is aware of the concern, bordering on a sense of betrayal, that is being felt throughout the Australian sugar industry and those communities in Australia that are so dependent on

the industry's well-being, at the unprecedented action of the buyers in refusing to accept and pay for sugar delivered in accordance with the contract.

Finally, might I say that, provided the Government of Japan accepts its share of responsibility towards the long-term contract, as I expect it will do, the question of legal action will not arise. Both national Governments have indicated a wish to avoid such a step, and my Government shares their view. However, the Government of Japan and the Japanese buyers should understand that the Queensland Government, as the owners of the sugar, would feel compelled to take legal action if the matter cannot be resolved by negotiation urgently.

PETITION

REVIEW OF RAPE LAWS

Mr. ROW (Hinchinbrook) presented a petition from 104 citizens of Queensland praying that the Parliament of Queensland will cause an urgent review to be made of the laws relating to rape and have an inquiry conducted immediately into apparent miscarriages of justice under the existing laws.

Petition read and received.

EVIDENCE BILL

INITIATION

Hon. W. D. LICKISS (Mt. Coot-tha—Minister for Justice and Attorney-General): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to consolidate, amend and reform the law of evidence and for related purposes.”

Motion agreed to.

ACTS INTERPRETATION ACT AMENDMENT BILL

INITIATION

Hon. W. D. LICKISS (Mt. Coot-tha—Minister for Justice and Attorney-General): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Acts Interpretation Act 1954–1971 in certain particulars.”

Motion agreed to.

RELIGIOUS EDUCATIONAL AND CHARITABLE INSTITUTIONS ACTS AND OTHER ACTS AMENDMENT BILL

INITIATION

Hon. W. D. LICKISS (Mt. Coot-tha—Minister for Justice and Attorney-General): I move—

“That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill

to amend The Religious Educational and Charitable Institutions Acts, 1861 to 1967, The Returned Sailors', Soldiers' and Airmen's Imperial League of Australia, Queensland Branch, Act of 1956 each in certain particulars and The Returned Servicemen's Badges Act, 1956 to 1958 in a certain particular."

Motion agreed to.

SUCCESSION ACT AMENDMENT BILL

INITIATION

Hon. W. D. LICKISS (Mt. Coot-tha—Minister for Justice and Attorney-General): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider introducing a Bill to amend the Succession Act 1867-1974 in certain particulars."

Motion agreed to.

QUESTIONS UPON NOTICE

1. ENVIRONMENTAL CONTROL COUNCIL

Mr. Marginson for **Mr. Dean**, pursuant to notice, asked the Premier—

With reference to the reorganisation occurring in the Department of the Coordinator-General, what is the future of the Environmental Control Council?

Answer:—

The structure for the future organisation of environmental matters is presently under consideration by Cabinet and no decision has yet been made.

2. OWNERSHIP OF QUEENSLAND LAND

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

(1) How many square miles, acres, etc., of Queensland pastoral land, (a) residential, (b) leasehold and (c) freehold, are owned by foreign nationals or wholly owned foreign companies?

(2) What is the total number of absentee landlords holding Queensland land?

(3) What controls or checks are made on the ownership and use of Queensland land by foreign nationals or companies?

Answers:—

(1 and 2) A recent report by a Government-appointed joint committee of senior officers of the Departments of Justice and Lands has revealed that there is no feasible means of determining the exact extent of foreign ownership of land. However, its inquiries have been able to show that of the 780,250 rateable properties (freehold and leasehold) owned

in Queensland by companies and individuals, 10,920 are owned by companies and individuals who have an address for service of notices outside Australia.

These figures indicate that at least 1.39 per cent of the total number of rateable properties in the State are known to be owned by companies or individuals having an address for service of notices outside Australia.

Address for service of notices is no criterion for determining foreign ownership, as companies controlled by overseas interests can be incorporated and registered in Australia and an address for service of notices in Australia could be a matter of convenience for non-resident companies and individuals.

Foreign ownership of the 10,920 properties owned by companies and individuals with addresses outside Australia comprises 1,094 held by companies and 9,826 properties held by individuals.

(3) Since 1965 there has been no legislative bar to the holding of land by non-resident companies or individuals—a concept which was whole-heartedly supported by the Opposition when relevant legislation was repealed in that year. There are no controls or checks made in respect of the ownership of freehold land. However, statutory restrictions on the holding of leasehold land as they relate to aggregation of areas of certain rural tenures by individuals and the prohibition on companies holding certain rural tenures apply equally to foreign nationals or wholly owned foreign companies.

Relevant of course in the field of control are the powers of the Commonwealth over investment of foreign capital in the acquisition of land for agricultural, pastoral and forestry projects.

3. OPERATIONS OF UNDERTAKERS

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

(1) Will he investigate complaints that some Queensland undertakers were demanding \$250 cash in hand before they removed bodies from homes to the funeral parlours?

(2) What control has the State Government over the registration and operation of undertakers?

(3) Will he provide details of advance charges pertaining to cremation and burials?

Answers:—

(1 and 2) These matters do not come within my jurisdiction.

(3) In terms of the Cemetery Act 1865, administered by my department, the trustees of any cemetery established under such Act may, from time to time, with

the consent of the Governor in Council, make and publish in the Government Gazette a scale of fees payable on any vault or grave being dug or made and any monument or tombstone being erected or placed in any part of such cemetery. These fees vary from cemetery to cemetery. Fees in respect of cemeteries under the control of local authorities are not subject to the aforementioned Act. Similarly, in terms of the Cremation Act 1913-1974 the Governor in Council may approve scales of fees in respect of cremations. Copies of scales of fees approved under these Acts should be available at the Government Printing Office. I understand that the aforementioned fees are included in the overall charge by an undertaker for a burial or cremation and paid to the relevant authority.

4. REMEDIAL/RESOURCE TEACHER FOR HUGHENDEN

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

(1) Is he aware that his assurance that Hughenden would get a remedial/resource teacher in July has not been met, although notification and pay for the teacher have arrived?

(2) Will he secure a teacher as soon as possible and advise when the teacher will arrive in Hughenden?

(3) Were 20 newly trained resource teachers placed in South Queensland and, if so, will he ensure that the departmental official responsible receives a strong reprimand?

Answers:—

(1) The remedial/resource teacher who has been appointed to Hughenden has been undergoing intensive additional in-service education in order to fit him for the wide range of duties that he will be called upon to perform.

(2) He will commence duties in Hughenden on 29 August 1977.

(3) Of 26 remedial/resource teachers appointed to schools at the conclusion of the first semester courses at Mt. Gravatt College of Advanced Education and James Cook University, nine were appointed to the northern and north-west regions and the other 17 to the other education regions.

5. REPLACEMENT DOCTOR, JULIA CREEK

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

(1) Has a doctor been secured to replace Dr. White at Julia Creek?

(2) When will Dr. White be leaving and, if some time will elapse before the replacement takes up duty, will a locum be provided?

(3) Is he aware that during the absence of a doctor in a north-western town last year a young mother lost her child and, as a result of the problems in the delivery that would not have arisen had a trained medical practitioner been on hand, can never again have another child?

Answer:—

(1 to 3) This week the Director-General of Health and Medical Services has given approval for the appointment of a doctor who has applied for appointment as superintendent of Julia Creek Hospital. Until this applicant has taken up duty, Julia Creek will be visited from Richmond and also by the relieving doctor at Mt. Isa.

I would add that we have been able to fill almost every position in country areas this year. This is indicative of the tremendous services that have been provided in rural health by this Government over the past few months.

If the honourable member is willing to submit details of the allegation that he has made in his question, I shall be only too pleased to refer the matter to the maternal mortality and perinatal mortality committees for investigation.

6. A.N.L. INTRASTATE TRADE

Mr. M. D. Hooper, pursuant to notice, asked the Minister for Transport—

(1) In spite of a decision by State Cabinet earlier this year that A.N.L. ships would be allowed to engage in intrastate trade between Brisbane and North Queensland ports, is he aware that North Queensland residents are still being denied this service?

(2) Do both the Commonwealth and State Governments have to introduce legislation to provide an agreement whereby this service can commence?

(3) What action is he taking to introduce such legislation?

(4) When will A.N.L. ships commence intrastate trade to North Queensland ports?

Answer:—

(1 to 4) This matter is still subject to certain legal and procedural requirements and these are presently under consideration by the Commonwealth and State Governments. I am not in a position to elaborate further at this stage.

7. PRAWN-PROCESSING, TOWNSVILLE FISH MARKET

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

As his attention has recently been drawn to the inefficiency of the refrigeration plant at the new Townsville Fish Board premises, in so far as the board cannot get a Department of Primary Industries permit

for the processing and export of prawns, what action is being taken to improve the freezer capacity at the plant so that an export permit for prawns can be obtained, thus improving the prosperity of the North Queensland prawning industry?

Answer:—

The refrigeration plant at the new Townsville fish market is performing in accordance with design specifications. The board will apply to the Department of Primary Industries for registration of the plant for export processing upon the completion of minor modifications to certain cold-storage areas that were not originally intended for use in export operations. These modifications are scheduled to commence on 29 August 1977 and be completed by 9 September 1977.

8. PRE-SCHOOL FOR GARBUTT

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

(1) Has his department finally been able to negotiate the acquisition of a site for a pre-school near the Garbutt State School?

(2) As a pre-school was previously promised for erection in 1978, will this development still be included in the coming capital works programme?

Answer:—

(1 and 2) The technical education branch has released a portion of the Garbutt site for pre-school purposes. Construction of a two-unit pre-school centre at Garbutt is provisionally planned to commence during the current financial year.

9. HUMAN RELATIONSHIP COURSE FOR SECONDARY SCHOOLS

Dr. Crawford, pursuant to notice, asked the Minister for Education and Cultural Activities—

(1) As there is discussion in academic circles that a human relationship course is proposed for secondary schools under the general guise of making it part of the home science course, is his department considering a programme in this form?

(2) Will he agree not to introduce such a course into any State school until teachers, especially those who would implement the course, have been consulted, the whole controversial matter has been thoroughly discussed by concerned citizens and time has been made available for discussion on the matter in this Parliament?

Answers:—

(1) I presume that the honourable member is referring to a semester unit for Grades 11-12 being trialled in the home economics course under the title of "Families and Society".

If this is so, I can inform the honourable member that the trials are taking place in a limited number of schools and are subject to evaluation by the Board of Secondary School Studies before any approval is given for general introduction of the unit.

(2) I can assure the honourable member that before any such courses are introduced in State schools appropriate consultation will be undertaken.

10. OIL-FROM-COAL CONVERSION PLANT

Dr. Crawford, pursuant to notice, asked the Minister for Mines and Energy—

As he will recall correspondence between us recently concerning Queensland's emulating the South African technical expertise of converting coal into fuel, can he give any accurate estimate, in spite of the time taken for feasibility studies, when such a plant could be constructed in our State and, based upon the South African experience where a second unit is being constructed, what such a plant would cost?

Answer:—

Detailed, and at the same time expensive, investigations must be carried out before the feasibility of an oil-from-coal plant in Queensland could be determined. After all preliminary studies and tests have been completed and evaluated and a firm decision made to proceed, design, procurement and construction might take five years or longer. The cost of such a plant is not known, but is likely to exceed \$1,000 million.

11. FREEWAY CONSTRUCTION

Dr. Crawford, pursuant to notice, asked the Minister for Local Government and Main Roads—

As the South-east Freeway has recently been extended to Marshall Road and as some work is proceeding on the Western Freeway, can he supply any information, based on money which is available, on the next freeway sections to be constructed and possible dates of completion of such sections?

Answer:—

The honourable member is no doubt aware that the level of funds to be provided by the Commonwealth in 1978-79 and 1979-80 will be about the same in real terms as in 1977-78, which is what the Federal Minister has said so far. There is no precise information on what funds will be available. Under the circumstances, it is difficult to determine when to start certain works, and hazardous to guess when they will be finished.

Bearing this in mind, I can say that a contract has already been let for major drainage work between Marshall Road and Klumpp Road on the South-east Freeway, and two further contracts on this section are planned for release in this current

financial year—one towards the end of this year, one towards the end of the financial year. Beyond that, planning is not firm, but the aim is to push through to Logan Road by 1982.

Work will continue on the Western Freeway as funds become available. Completion of the bridge and approaches at Markwell Street is anticipated late in 1978.

12. COLTER CONSTRUCTION PTY. LTD.

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

Has the report of the investigation by the Commissioner for Corporate Affairs into the liquidation of Colter Construction Pty. Ltd. and associated companies been received and, if so, what did the investigators recommend and what action is the Government taking to implement the recommendations?

Answer:—

The Commissioner for Corporate Affairs has advised me that investigations into matters raised by the liquidator in relation to Colter Constructions Pty. Ltd. have been completed and the commissioner has referred the report to the fraud squad officers attached to his office for further action.

13. HOUSING COMMISSION GRANNY FLATS

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

Has the Queensland Government yet determined a policy on the provision, by or through the Queensland Housing Commission, of rentable, portable or demountable granny flats to be used by Queenslanders caring for their aged parents, where local authority town-planning by-laws prevent the establishment or construction of permanent flats as an extension to a residential dwelling?

Answer:—

The Queensland Housing Commission has not entered the field of portable granny flats although it is well aware of the Victorian operation. It met varying responses from local authorities in its earlier talks with them on this subject. With available finance it has concentrated its efforts in aged-persons housing in two other direc-

(1) pensioner units for rental at nominal heavily subsidised rents;

(2) mortgage finance to allow families to provide extra rooms or granny flats for elderly relatives.

14. HOUSING COMMISSION HOMES

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

How many housing units were constructed by the Queensland Housing Commission in 1976-77 and, of this total, how many were (a) houses for rent, (b) houses for sale, (c) aged-persons units and (d) flats?

Answer:—

Completed housing units provided in 1976-77 were:—

State rental houses	1,120
Ownership houses	803
Pensioner units	91
Financed through co-operative societies	679
		2,693

A further 1,279 units were under construction at 30 June.

15. POLICE POWERS ON UNIVERSITY GROUNDS

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

(1) Is he aware of statements by some university staff and students that Queensland police are not welcome on the St. Lucia campus but that Commonwealth police are?

(2) What powers do Commonwealth police have away from Commonwealth property?

(3) Is the University of Queensland, the Griffith University, the James Cook University of North Queensland or any other tertiary institution in Queensland, Commonwealth property?

(4) Is there any so-called "right of sanctuary" on university grounds, giving an offender immunity from investigation or arrest by Queensland police carrying out lawful duties?

Answers:—

(1) Yes. I do not know whether this statement was originated by Commonwealth police or university officials.

(2) Powers vested in Commonwealth police in respect of offences against Commonwealth legislation are the same, irrespective of whether such offences are committed on or off Commonwealth property. Whilst Commonwealth police have the same powers as Queensland police for offences against State legislation committed on Commonwealth property, it is doubtful whether those powers extend to such offences when not committed on Commonwealth property.

(3) No. The State of Queensland, which includes these universities, is our responsibility and anything relating to breaches

of State laws is our responsibility. The Commonwealth police most certainly do not have authority over State police at universities. We are not going to tolerate a system which developed under Mr. Whitlam where he attempted to set up a national police force which would dominate all State Police Forces.

(4) No.

16. ROSSLYN BAY BOAT HARBOUR

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

(1) What is the situation regarding the reconstruction of Rosslyn Bay Boat Harbour?

(2) If the rock is not suitable, what other plans does his department have in mind?

(3) Does his department intend replacing the existing wooden mooring piles as well as installing new piles at no cost to the Livingstone Shire?

Answers:—

(1 and 2) Recent estimates of the quantity of suitable armour rock in the Kinka quarry necessary to complete the reconstruction of the Rosslyn Bay breakwater are not as great as those forecast before the quarry was opened. However, recent blasting has produced results sufficiently favourable to warrant the continuance of this operation for the present. As there is no easily acceptable alternative to the present approved plans, it is proposed to continue with them for the present.

(3) Yes.

17. ILLUMINATION OF YEPPOON ROAD/
BRUCE HIGHWAY JUNCTION;
BURNETT-CALLIDE HIGHWAY LINK

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

(1) Is it the intention of the Main Roads Department to have the Yeppoon/Bruce Highway junction illuminated, as the turn-off is dangerous at night and needs illumination?

(2) Has the department any plans to link the Burnett-Callide Highway with the Western Highway, from Dululu to Westwood or from Wowan to Westwood?

Answers:—

(1) Provision of lighting at the intersection of Yeppoon Road and the Bruce Highway is included in the job presently under construction. The Capricorn Regional Board advises that installation will be completed by the end of September.

(2) A road to connect Dululu to the Westwood-Wowan Road just north of Gogango Creek was declared as from 1

July 1977 as a main road. The future alignment for construction will be a matter for detailed investigation. The present proposal is to obtain a route which will provide a route from both the Dawson and Callide Valleys through to the Capricorn Highway. This proposal would also involve relocation of the Wowan-Dululu Road onto the northern side of the railway.

With the present funds position, any proposals must be regarded as long term.

18. EXTENSION OF MAIN RUNWAY,
BRISBANE AIRPORT

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

(1) Has his attention been drawn to certain speculation in the news media and amongst concerned members of the public regarding the possibility of the Commonwealth Government's moving to extend the existing runway at Eagle Farm to avoid its responsibility for shifting the airport and constructing new realigned runways nearer Moreton Bay, as outlined in its plan and undertaking of 1972?

(2) Would a proposal to extend the existing runway (a) increase the flooding problem in the waterways north of the airport, as it would not necessarily involve the construction of a major floodway as is incorporated in the 1972 plan, (b) increase noise nuisance to residents in nearby suburbs by allowing larger and more heavily loaded aircraft to take off and land at Eagle Farm and (c) hinder and increase the cost of construction of a further river crossing, either by tunnel or bridge, near the mouth of the Brisbane River?

(3) Will he undertake to discuss these matters with the Commonwealth Minister for Transport when the opportunity presents itself?

Answer:—

(1 to 3) I am aware of the speculation in the media and elsewhere on the possibility of a change in plans for the Brisbane Airport.

I cannot answer the three specific questions asked of me by the honourable member without first having more specific information about the proposals and without technical advice which properly should be sought from Commonwealth Government sources.

Discussions have already ensued at senior officer level between representatives of the Commonwealth Department of Transport and the Main Roads Department. From information made available at these discussions, it would appear that neither the proposal to extend the existing runway nor the more extensive proposal for relocation of Brisbane Airport would

affect to any appreciable extent Main Roads Department proposals for a down-river crossing.

19. DRINKING OF METHYLATED SPIRIT

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

(1) Does his department have any figures available on the incidence of methylated-spirit-drinking in Queensland, Australia or overseas?

(2) Has his department any information on measures that have been taken or suggested, in Australia or overseas, to prevent the drinking of methylated spirit, such as the addition of dyes or emetics and, if so, are these measures effective?

(3) Will he investigate what safeguards could be introduced under the poisons regulations regarding the sale of methylated spirit?

(4) Does he consider that a ban on supplying stores or outlets suspected of selling methylated spirit as a beverage would be effective in preventing such sales?

Answers:—

(1) No. These are not figures usually kept by the department.

(2 and 3) The standard for methylated spirits is regulated by the Commonwealth Spirits Act controlled by the Minister for Customs. I am advised that the standard is presently under discussion by the National Therapeutic Goods Committee. I understand that the methylated spirit currently in use in Australia for the manufacture of therapeutic goods is methylated by 2 per cent methanol or other approved denaturant. In formulating poisons regulations, notice is taken of recommendations from national bodies such as the Therapeutic Goods Committee and the National Health and Medical Research Council. If either of those bodies were to recommend amendments, Queensland would certainly closely examine such recommendations.

(4) Experience in other parts of the world has proved that prohibition was not successful in the control of the consumption of alcohol and it is doubtful whether the prohibition of methylated spirit would be successful.

QUESTIONS WITHOUT NOTICE

PUBLICATION OF TREASURY STATISTICS

Mr. BURNS: I ask the Deputy Premier and Treasurer: Will he please advise why he does not publish and make available to members the monthly reports prepared by the Treasury of the Consolidated Revenue Account, and why in the Treasury quarterly figures published in the Government Gazette the balance of each individual Trust and Special Account is also not published?

Mr. Lee: Why don't you get your new shadow Treasurer to ask it?

Mr. KNOX: Apparently the papers have not yet been handed over to the new shadow Treasurer.

Mr. Burns: I gave them to him. I've too much other stuff to hit you with.

Mr. KNOX: I see. We do publish quarterly figures. I recall that we were late in the publishing of them on one occasion; but they are published regularly and there is no special reason why they should be published monthly.

Mr. Burns: For the information of members.

Mr. KNOX: I am interested to know that members are able to follow them.

Mr. Burns: We try to.

Mr. KNOX: On a number of occasions I have seen Opposition members waving these papers around and showing that they cannot do the simple arithmetic involved in understanding them. They are unable to identify the amounts of money in the various places, even though they are clearly identified in the lists that are published. They have, of course, to be matched with the papers that are tabled when the Budget is brought down. However, I will see whether it is possible to put out monthly figures, but I do not know who would benefit by them.

FINANCIAL ASSISTANCE TO NON-GOVERNMENT SECONDARY SCHOOLS

Mr. BURNS: I place a question on notice for tomorrow for the Minister for Education and Cultural Activities. I shall ask him—

“Has he read the letter from parents of children attending St. Laurence's College, of which I attach a copy for his information?”

(1) What is the reason for Queensland's coming a poor last as far as financial assistance to Queensland non-Government secondary schools is concerned?

(2) Is it true that these schools in Queensland receive only \$195 per student whilst non-Government secondary schools in Victoria receive \$260, in South Australia \$219, in New South Wales \$202, in Western Australia \$260 and in Tasmania \$230?

(3) What action is planned to overcome this distressing position?”

Mr. Bird: I could have answered the question now.

Mr. BURNS: Well, the Minister had better get up and answer it now. I shall make it a question without notice, Mr. Speaker.

Mr. BIRD: I am well and truly aware of the assistance that this Government gives to non-State schools and has given ever since it gained office in 1957. I am also aware

of the attitude shown by A.L.P. Government to non-State schools in the days when they were in office. I appreciate that on the figures quoted it might appear that Queensland has slipped in the last year or two. I am constantly in discussion with the bishops' standing committee and also with representatives of non-State schools. There is a wonderful relationship between us, and the Leader of the Opposition can be assured that my Government and I will give very favourable consideration to the matters contained in the recent submissions made to me by the bishops' standing committee.

DISMISSAL OF 120 MEN BY TOFT BROS. INDUSTRIES LTD., BUNDABERG

Mr. POWELL: I ask the Minister for Industrial Development, Labour Relations and Consumer Affairs: Has he been informed of the decision by Toft Bros. Industries Ltd. of Bundaberg to dismiss 120 men? Will he investigate the allegation that Toft Bros. Industries is shifting its operations from Bundaberg to Brazil?

Mr. CAMPBELL: Any unavoidable action taken to lay off men is of as much concern to the Government as it is to the industry concerned. I think honourable members are aware that the story of the cane-harvester manufacturing industry is one of the great industrial romances of this State. It is a great tribute to the initiative and enterprise of Queenslanders, many of whom were farmers, who, over the years, developed and perfected the mechanical cane harvester and, as a result, built up a magnificent new industry located in Bundaberg. The two firms located in Bundaberg are now substantial employers of labour.

Down through the years since manufacture commenced, there has been an ebb and flow in production according not only to seasonal conditions here but to market conditions overseas. The firm referred to by the honourable member, Toft Bros. Industries Ltd., has built up a tremendous world-wide distribution network for cane harvesters. It is interesting to recall that the manufacturers of cane harvesters in Queensland now control 90 per cent of the world market.

I noticed in the Press this morning that a union representative attributed the decision to dismiss the men to the fact that the firm has established a manufacturing plant in Brazil, but I understand that that plant is fully occupied meeting Brazilian requirements. I further understand that the establishment of the factory in Brazil bears no relationship to the unfortunate dismissal of some 120 men in Bundaberg but is related to the world-wide situation in the sugar industry. We heard this morning from my colleague the Minister for Primary Industries of the problems facing the sugar industry throughout the world. Obviously it is not in a position to continue to invest in mechanical harvesters the capital that it could

afford to invest over past years as a result of the remarkably high price of sugar then.

Mr. Casey interjected.

Mr. SPEAKER: Order!

Mr. CAMPBELL: When I want help from the voluble member from Mackay I will ask for it. It is unfortunate that this downturn in the demand for cane harvesters throughout the world has occurred and we hope that it will be of a temporary nature.

POLICE TREATMENT OF ABORIGINES

Mr. PREST: I ask the Minister for Police: Is he aware of statements since last Wednesday by spokesmen for the Brisbane Aboriginal community that incidents involving Aborigines and police could lead to ugly scenes of confrontation? As the community spokesmen indicate that Brisbane Aborigines feel that they are being harassed, what does the Government intend to do to defuse the situation and reassure Aborigines that they individually will receive fair and equal treatment from the police?

Mr. NEWBERY: I have set up a special investigation department composed of three top officers, all inspectors of long experience in investigation, and they are there to handle matters such as that referred to by the honourable member.

ARREST OF ABORIGINES; CRIMINAL LAW INQUIRY RECOMMENDATIONS

Mr. PREST: I ask the Minister for Police: Is he aware of recommendations by the Criminal Law Inquiry suggesting special consideration and procedures for Aborigines, disadvantaged persons generally and children? In particular I refer to recommendations that it be the duty of a police officer to contact a member of the Aborigines & Torres Strait Islanders Legal Service when an Aborigine is arrested and that an education course be established to assist the police to be more aware of Aboriginal problems? Does the Minister support these recommendations and what steps, if any, have been taken to implement them?

Mr. NEWBERY: I am well aware of all this. It appears to me that the A.L.P. are continuing to attack the police, and I suggest that they give the police a chance to carry out their duties. I suggest, too, that the honourable member put his question on notice.

AGENTS' COMMISSION, BRISBANE MARKETS

Mr. WARNER: I ask the Minister for Primary Industries: Is he aware of the proposed increase in agents' commission at the Brisbane Markets? As any increase would place horticultural growers in a position where many would not be able to continue, will the Minister comment on this proposal and consider having the proposed increase deferred?

Mr. SULLIVAN: No approach has been made to me for an increase in commission rates at the markets. However, I am well aware of the cost pressures that growers in all sections of primary production have faced, particularly in recent years. I am watching very closely all areas under my direct responsibility in which possible cost pressures could arise. The honourable member has my assurance that any proposals that I may receive in respect of variation of agents' charges will receive my careful consideration. The recent decision not to increase the rate of commission was taken only after an exhaustive financial investigation by officers of the Marketing Division.

NEW HIGH SCHOOL FOR ST. GEORGE

Mr. NEAL: I ask the Minister for Works and Housing: Have tenders been let for the construction of a new high school at St. George? If so, when did they close? In view of the importance of this project I know that the Minister will have the information in his head, so I ask the question without notice.

Mr. LEE: Yes, I am fully aware of the importance of the matter to the honourable member. He has made continual representations to me, the Education Department and the Premier over many years. Of course this was the subject of an election promise before the last election. When the work was not carried out the honourable member did not stop pursuing the matter. I am pleased to say that tenders have been called, and they will close on the 16th of this month.

AUSTRALIAN UNION OF STUDENTS TRAVEL SERVICE

Mr. AIKENS: I ask the Minister for Education and Cultural Activities: Is he aware that the travel aid section of the Australian Union of Students is in deep financial water, and it appears that the taxpayers, who are already heavily slugged to keep universities operating, will have to dig deep into their pockets to meet the extra cost of bringing thousands of stranded students home owing to the inefficiency of the A.U.S.? If so will he take urgent action to amend the relevant Act covering universities to stop the practice of conscripting fees from students to be paid to the students union and/or prevent any student body at a Queensland university from affiliating with the Australian Union of Students, controlled as it is by Communists, sexual deviates and national traitors?

Mr. BIRD: Naturally I was extremely concerned to read in today's newspaper about the collapse of the Australian Union of Students Travel Service. I have looked very closely indeed at the matter of union fees. One of the conditions under which the Commonwealth took over the funding of tertiary education was that fees must be paid by the students, that is, fees to what is called a student union body, but those unions are not

unions as we think of them within the trade union movement. They do provide many services to the students at the colleges.

It is very nice to know that at long last there is an awakening by students, particularly in the colleges of advanced education, to the devious things that are done by the Australian Union of Students. Already at least six student union bodies in the colleges of advanced education have decided to disaffiliate from the A.U.S., and the representatives from a seventh walked out on the last federal meeting of the A.U.S. It is expected that the rest of them will also walk out. So we know now that the students are awake to the types of people who have been in charge of the Australian Union of Students. It can be expected that there will be even further disaffiliation from the A.U.S.

Nevertheless I believe that a very searching inquiry is needed into the organisation and running of the A.U.S. Travel Service. I hope that such an inquiry is conducted and that those who have lined their pockets with money paid by students will be apprehended and required to repay that money. I hope that the taxpayers of this nation will not be asked to pay for the return fares of those students who are now stranded overseas. I hope that every student in Australia is aware of exactly what has happened and that there will be an increased rate of disaffiliation from the A.U.S. by other student bodies throughout Australia.

CENTRAL QUEENSLAND MEATWORKS

Mr. HARTWIG: In directing a question to the Premier, I draw to his and the Parliament's attention the very serious situation that exists at the C.Q.M.E. meatworks in Rockhampton. Already the T. A. Field meatworks has closed, with 350 men losing their jobs, owing to industrial unrest. This morning some 800 men have walked off from C.Q.M.E., resulting in a 20 per cent loss of production. The slaughter of a further 875 head of cattle will be affected, which now means that this year there has been a loss of some 14,000 head. I now ask: Can he inform the House whether a shortfall in exports to the United States market will result if this industrial action is pursued? Secondly, what effect will it have on the price paid to cattle producers for their cattle? Finally, would he comment on the disastrous effect it would have on the cattle industry if the C.Q.M.E. meatworks production is lost?

Mr. BJELKE-PETERSEN: A very serious situation exists at the meatworks mentioned by the honourable member, as well as at several other meatworks in this State. What concerns me is the complete lack of regard for the consequences of such action by militant Left-wing union leaders, who are very closely associated, if not affiliated, with the A.L.P.

Mr. Wright: What have they done?

Mr. BJELKE-PETERSEN: I am amazed that the honourable member for Rockhampton does not come out and say something in support of the people. It is typical of the way the Labor Party is completely indifferent to the needs of the people on the land.

Mr. Knox: He's not game to come out and say it.

Mr. Wright: Do you support the sales of beef to Russia? You are talking about the Comms and so on.

Mr. SPEAKER: Order!

Mr. BJELKE-PETERSEN: The honourable member has a very big case to answer to the primary producers and inland people on this matter. People are walking out of the meatworks in his city of Rockhampton, but I have never once heard him speak out in defence of the people who are being hurt—and many people are being hurt. Markets are being lost, both in the United States and Japan. As the honourable member ought to know, many people run a big risk of losing their livelihood or their jobs through the closure of this particular meatworks. I reiterate that the honourable member's attitude is typical of that of A.L.P. members. They go along with this action and never say one word in defence of the people who suffer as a consequence.

Mr. Wright: Who is in Government in this State? Who sits on the Treasury benches?

Mr. Houston: The Premier's all talk.

Mr. SPEAKER: Order! I warn the honourable member for Rockhampton that if he continues with his persistent interjections I will deal with him under Standing Order 123A. My warning applies to the honourable member for Bulimba as well.

Mr. BJELKE-PETERSEN: I would be much happier, Mr. Speaker, if Opposition members would be just as vocal outside this House about the actions of that union and of the people involved. Probably, many rank and file members who walked off the meatworks did not want to, but were led by the militant Left Wing—the organisation that subscribes to the funds of the honourable member for Rockhampton. Is it any wonder he does not say anything in defence of the primary producers? That is typical of Labor's attitude towards country people.

COTTON BUDS

Mr. LAMONT: In directing a question to the Minister for Health, I inform him that since my question to him earlier this week, his answer and the resultant publicity, my attention has been drawn to the fact that numerous cotton bud manufacturers claim their brand of the product is safe for use in the ears and nose. Further, one adult woman has advised me of a 90 per cent loss of hearing in one ear as a result of the

use of cotton buds guaranteed to be safe. I therefore ask: Will the Minister give urgent consideration to framing legislation requiring manufacturers, firstly, to cease advertising that their products are safe, and, secondly, to replace this false advertising with a warning of the dangers of using cotton buds in the ears, similar to the "health hazard" warnings on cigarette packets?

Dr. EDWARDS: As I indicated in answer to a similar question earlier in the week, I have asked my department to investigate this matter. Because of the large number of manufacturers involved in the production of cotton buds, the report has not yet been finalised and sent to me.

I do not necessarily subscribe to the feeling that health warnings, such as those on cigarette and tobacco packets, have much effect. I feel that the responsibility of the Government is to undertake an education programme in these matters. We have, of course, undertaken such a programme in the tobacco field.

I appreciate that the honourable member has become very interested in this problem. His emphasis in bringing this matter to the attention of the public is in itself a very wise education programme which will assist in the prevention of a practice that might be undertaken by some people.

I assure the honourable member that I shall continue with the investigation and that as soon as the report is available I shall forward a copy to him.

HUMAN RELATIONSHIP COURSES FOR SECONDARY SCHOOLS

Mr. LAMONT: In directing a question to the Minister for Education and Cultural Activities, I direct his attention to the question asked of him this morning by the honourable member for Wavell, and his answer, concerning human relationship courses available under the home science syllabus, and I ask if he will tell the Parliament whether his assurance this morning that appropriate consultation will take place is intended to encompass the undertaking that Parliament, teachers and parents will have adequate time to discuss any proposals to introduce further human relationship courses in State schools, as the honourable member for Wavell asked?

Mr. BIRD: Yes.

BEENLEIGH POLICE STATION

Mr. GIBBS: I ask the Minister for Police: In view of his recent inspection of police facilities in my electorate, could he advise me—

(1) Has any long-term planning been formulated for the Beenleigh Police Station?

(2) When will the lock-up be moved to a more suitable position?

(3) Is it his intention to construct as a short-term measure a demountable building to overcome the problem of lack of space?

(4) Have any plans been made to convert the police house to office space?

Mr. NEWBERRY: Plans have been prepared for the extension of the Beenleigh Police Station and for a new cell block. This project has a high priority in the next works programme. There is a proposal for the short-term improvement of the accommodation, including removal of the cell block, the provision of a demountable building and the use of the existing residence as office space. These matters are at present under consideration by officers of the Works Department.

FORM OF QUESTIONS

Mr. FRAWLEY (Murrumba) having given notice of a question—

Mr. SPEAKER: Order! The honourable member is now being facetious.

Mr. Frawley: Only in the last part of it.

Mr. SPEAKER: I shall have a look at it.

Mr. LESTER (Belyando) proceeding to give notice of a question—

Mr. SPEAKER: Order! Is the honourable member reading a letter or asking a question?

Mr. LESTER: It is a question.

Mr. SPEAKER: Did somebody write it for you?

Mr. LESTER: No; it is my own.

Mr. SPEAKER: I ask the honourable member to see that his questions are type-written so that the clerical staff will be able to read them.

DISALLOWANCE OF QUESTION

Mr. KATTER (Flinders) having asked a question without notice—

Mr. SPEAKER: Order! The question is facetious, and is therefore out of order.

NOTICES OF QUESTIONS

Mr. SPEAKER: Order! The time allotted for questions has now expired. I draw the attention of the House to the way in which questions on notice are being submitted. Honourable members will appreciate the difficulty of the staff in trying to decipher some of the questions submitted when members, in giving notice, cannot read their own handwriting. For the benefit of everybody, I ask members to make sure that their questions are typed.

PRIVILEGE

UNAUTHORISED USE OF PARLIAMENTARY LIBRARY

Mr. AIKENS (Townsville South) (12.21 p.m.): I rise on a point of privilege. Are you aware, Mr. Speaker, that several rather seedy-looking individuals, including a hirsute individual named Plunkett, are in the habit of going into the Parliamentary Library and imposing on the very courteous and competent staff there to have sometimes hundreds of copies made of documents that have no relation to Parliament? They give the impression that they have been sent there by the Leader of the Opposition, but I am sure they are not. They come from the Trades Hall; they come from all sort of places. They are cluttering up the photostat machine in the library in having all that copying done. Has any complaint been made to you about it? If so, what do you propose to do about it? If no complaints have yet been made to you about it—and I am sure that the lovely girls in the Parliamentary Library who do this work would not bother making complaints; they would rather do the work and suffer for it—will you have some inquiries made and keep these unempt, smelly, hirsute associates of the A.L.P. and the Trades Hall out of the Parliamentary Library?

Mr. SPEAKER: I wish to advise the House that nobody has brought the matter to my attention, nor was I aware of it, but I shall have it investigated. I assure honourable members that this place is for members, and members only, and the staff that operate to assist members, not for outside individuals. If I find that what the honourable member has said is true, those people will have to find accommodation elsewhere.

Mr. WRIGHT: I rise to a point of order. If the allegation is untrue, will the honourable member for Townsville South be called upon to apologise for the accusations he has made?

Mr. AIKENS: I will be happy to do that if the honourable member will apologise for the scurrilous, defamatory, stinking accusations he made about the police with regard to Cedar Bay.

Mr. SPEAKER: Order!

SUPPLY

VOTE OF CREDIT—\$907,000,000

Mr. SPEAKER read a message from His Excellency the Governor recommending that the following provision be made on account of the services for the year ending 30 June 1978—

“From the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account), the sum of \$410,000,000;

“From the Trust and Special Funds, the sum of \$430,000,000; and

"From the moneys standing to the credit of the Loan Fund Account, the sum of \$67,000,000."

COMMITTEE

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

Hon. W. E. KNOX (Nundah—Deputy Premier and Treasurer) (12.24 p.m.): I move—

"That there be granted to Her Majesty, on account, for the service of the year 1977-78, a further sum not exceeding \$907,000,000 towards defraying the expenses of the various departments and services of the State."

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

In the last Appropriation Act, passed by the House in November of last year, Supply for 1977-78 to the extent of \$576,000,000 was granted—\$250,000,000 for the Consolidated Revenue Fund, \$300,000,000 for the Trust and Special Funds and \$26,000,000 for the Loan Fund. The purpose of the Bill now before the Committee is to provide a further sum of \$907,000,000, of which \$410,000,000 is required for the Consolidated Revenue Fund, \$430,000,000 for the Trust and Special Funds and \$67,000,000 for the Loan Fund.

The total Supply which will now be available for 1977-78 pending the approval of the Budget is \$1,483 million—\$660,000,000 for the Consolidated Revenue Fund, \$730,000,000 for the Trust and Special Funds and \$93,000,000 for the Loan Fund. In total, this represents an increase of \$198,000,000 on last year. This increase is necessary mainly to cover the cost of salary, wage and other cost increases that have occurred in the intervening period.

As you are aware, Mr. Hewitt, it has been traditional for the Treasurer of the day, in presenting this Bill, to take the opportunity of commenting on the financial or economic position of the State or other matters of topical interest and concern to the Government. While it is not my intention to speak at length on any particular matter, I do believe that this is an appropriate time to place on record in summarised form an account of the Government's stewardship for the past financial year and a broad-brush picture of decisions that have already been taken on the fundamental policies and principles on which the forthcoming Budget will be formulated.

I will also touch briefly on the economic situation as it affects this State and outline for the benefit of honourable members the prescriptions which this Government sees as necessary to accelerate recovery and which were advanced forcefully by the Honourable the Premier and myself at the all-States economic conference in Melbourne last Friday.

Could I say at the outset, lest any honourable member should have any doubts on the matter, that the State of Queensland is, without a shadow of doubt, in the strongest position financially and economically of all the States in the Commonwealth. I say this without fear of valid contradiction. This very favourable state of affairs has not arisen by accident or chance. It is the result of firm adherence to carefully formulated policies, strict control of expenditures in accordance with those policies, continued pursuit of the most favourable arrangements possible in financial negotiations with the Commonwealth and perhaps, above all, particularly from the point of its overall economy, the fostering of development of the vast natural resources of the State.

The results of these policies were clearly manifest in the financial outcome of the year 1976-77. In a total Consolidated Revenue Fund Budget of over \$1,611 million, in a year of varying fortunes, the State's finances virtually balanced out with a deficit of just over \$1,000,000. This in itself is significant enough, but true perspective is given to the picture when it is appreciated that this was achieved after allocations of some \$69,000,000 in excess of the amounts originally programmed were directed into capital employment-intensive works.

Ten million dollars was provided for a special housing scheme in 1976-77 and a further equal amount was set aside late in the year to carry this very worthwhile scheme on into 1977-78. With this money loans are being provided for construction or purchase of homes by people who do not qualify under the normal Housing Commission guide-lines but who cannot afford commercial rates of borrowing.

Thirteen million dollars was provided for road-works and \$7,000,000 for railways; \$4,600,000 was directed to irrigation and water supply projects, \$5,000,000 to various hospital and health works and a little over \$5,000,000 to the Works Department for schools, police stations, etc.

The sum of \$3,500,000 was distributed per medium of the Agricultural Bank as loans to primary producers, thus assisting in the maintenance of viability in the rural sector.

Local government authorities were very well catered for with an additional \$10,800,000 in subsidies and loans for sewerage and other employment-creating works.

No other State has been able to approach Queensland's efforts in this sphere. In addition to the extra roads, houses, schools, hospitals, sewerage, etc. that this special effort has meant to the State, it has without a doubt, either directly or indirectly, kept or placed tens of thousands of Queenslanders in jobs.

This is a major concern of the Government at the present time and will continue to be while there are Queenslanders who are anxious to work but forced, through cir-

circumstances not of their own making, to suffer the indignity and injustice of the dole queue.

There is no doubt that inflation is being brought under control—statistics verify this—but it is a slow, tortuous process and the knowledge that this is slowly but surely happening is of little consolation to the breadwinner who is out of work or to his family.

While the Commonwealth Government's prescriptions for curing the disease in the economy are working—I give it credit for reducing the level of inflation in this country—and the nation is responding to the treatment, something must also be done to ease the symptoms of the disease and to stimulate the natural recuperative processes.

This was the very point which was advanced forcefully at the all-States economic conference last week by the Premier and myself and which has been advanced in written and verbal form at ministerial and officer level.

It is our firm conviction that, while continuing its main aim of reducing the inflation rate, the Commonwealth should institute certain measures to stimulate the economy as a matter of urgency.

Firstly, there should be a general reduction of all interest rates carefully and progressively until parity is reached with interest rates current in the countries with which we trade. A clear indication to the private sector that interest rates generally were on the way down would encourage confidence, reduce costs and stimulate capital expansion and forward planning.

Secondly, there must be a substantial injection of funds into capital works in the Government sector. This will enable Governments at all levels and their instrumentalities to undertake construction projects either on a day-labour basis or by private contract. Either way, thousands of skilled tradesmen, technicians, professional people and other members of the work-force can be put in regular employment. Down the line, support industries will likewise benefit. For every person employed directly on Government works as many as three or four more jobs would be created to supply the materials, equipment and services associated with his work.

The Commonwealth alone has the funds of the magnitude necessary to make a significant impact in this way on the unemployment level on a national scale if it is to have any lasting and substantial effect on the national economy. The Commonwealth appears to be reluctant to do this. It sees the reduction of its deficit as being the major if not sole means of getting inflation under control. There can be no argument against the contention that unbridled spending such as occurred under the Federal Labor Government with the disastrous consequences that we are now trying to rectify should not, under any circumstances, be advocated.

However, it is my firm belief that the Commonwealth Government must accept that, under the current economic situation and with the current high level of unemployment, a deficit of tolerable proportions is called for and is justifiable.

A high priority should be to get industry moving again so that the hundreds of thousands of people now on the unemployment lists will have regular jobs to go to.

Accent should, of course, be on our export industries in order to enhance our balance-of-payments position, which, mainly because of capital inflow problems, is causing concern.

In my view, we must take all possible action to preserve the exchange rate. The fight against inflation will certainly not be helped by another major devaluation, which by its very nature will lift costs right across the board.

If this means that the Commonwealth Government's deficit cannot be reduced at the rate at which it wants to reduce it, then it should accept this. It is my firm contention, however, that an extra dollar spent on essential capital works in these circumstances would have little if any adverse effect on the deficit. Many more men would be employed than are employed with the initial dollar spent, all of whom pay tax and many of whom would come off the dole pay-roll and in addition of course private industry supplying the projects would be more profitable and thus pay more tax.

Once private industry is "cranked up" under these stimuli and again becomes self-generating, the Commonwealth Government can resume its predetermined course and will undoubtedly then find its goals more easily attainable.

I recall that the honourable member for Wolston asked me a question recently regarding the cost of the devaluation to the State Government. This is incalculable. There will obviously be increases in expenditures as a direct and indirect result of the devaluation, but it must also be recognised that certain revenues will increase. For example, royalties on export coal and other minerals which are calculated on f.o.r. rates will be higher than they would otherwise have been. Higher grain prices could result in increased haulages and increased freight receipts. I could quote other examples but it would be impossible to quantify them.

Thirdly, there is a need for restoration of incentive to workers to increase their work effort and earning capacities by selective personal income tax cuts at the marginal level of earnings. Not many people are inspired to improve their positions or take on additional work and responsibility when they know that a major proportion of the extra money will be consumed in taxes. We have all seen evidence of that.

The philosophy that it is worth while to work and produce must be reinstated in the minds of the individual and industry. There

is also, I believe, a case for cuts in sales tax on certain items such as motor vehicles to encourage consumer spending in areas where specific industries are flagging. As I mentioned earlier, I do not believe that these measures would have an adverse effect on the Federal deficit. The net result could very well be positive.

These are some of the things that the Federal Government can do to get the economy of the country on its feet again and overcome the present catastrophic unemployment position. The Queensland Government will continue to do what it can in the coming year to relieve the burdens on businesses and the individual and to direct as much money as possible into capital works. There will be further pay-roll tax concessions. As promised, the exemption level will be lifted to \$100,000 from January next. There will be no increases in taxes and charges in 1977. The final stage of the elimination of road transport taxes will be implemented in this year's Budget.

There will be no real increases in what might be termed non-productive expenditures; that is, zero growth will be maintained in the Public Service generally and there will be no general expansion of departmental activities or services. Expenditures will be strictly controlled. We will again be concentrating our efforts on the saving of general operating funds for release to the employment-creating capital programmes, which will benefit private enterprise and the development of our State. We will, of course, continue also to foster the establishment of businesses in this State and to encourage the development of all the State's resources.

These approaches represent the limit of the State's capacity to influence economic trends. They are measures which we believe are in the best interests of Queenslanders and are in accord with what we believe the Commonwealth should be adopting as a philosophy in its pursuit of the economic recovery of the nation as a whole.

As I mentioned previously, this Bill, when enacted, will provide the funds necessary to maintain the services of the State until the Budget is approved. I therefore commend the motion to honourable members.

Mr. K. J. HOOPER (Archerfield) (12.39 p.m.): It is indeed an honour to lead for the Opposition in this debate. No doubt when the Appropriation Bill is introduced next year, instead of speaking on behalf of the Opposition I shall be introducing the legislation as Treasurer of the Labor Government.

Authorisation of carry-over finance for Government operations until such time as the Budget has been presented, debated and approved by Parliament is standard procedure and, as such, is supported by the Opposition. However, it is with some concern that I note the apparent collusion on the timing of this debate between the

Government and its Canberra counterpart—the Premier's proteges who have brought economic misery to this country since they usurped power almost two years ago.

It is customary to introduce this financial measure after the Federal Budget, which as honourable members know is to be brought down next Tuesday night. In view of the Federal Budget's considerable effect on State finances, particularly since the advent of Fraser's forced federalism, it would have been more appropriate for the Treasurer to introduce this Bill after members on both sides of the Chamber had had an opportunity to study the ramifications of the Federal Budget. It is quite obvious that the reason for the timing of this Bill is that the Government does not want to draw attention to the Federal Budget. And I don't blame it because it is widely conceded that the Federal Budget that will be introduced next week will be another horror Budget. And of course this is an election year in Queensland!

The Premier and the Treasurer, aware of what the reactions will be to the forthcoming horror Budget, want to convince Queenslanders that all in the garden is rosy. But all is not well in the Queensland rose garden. The Premier and the Treasurer know that next week's Budget will heap untold gloom on Queenslanders. Some of the more enlightened members of this Assembly, such as the honourable members for Chatsworth and South Brisbane, would find it necessary to be drawn into criticism of their Federal counterparts and of the Queensland Government whose Premier welcomed this so-called Fraser federalism.

It is all very well for the Premier and the Treasurer to say, in this election year, that the State will not be increasing taxes or charges in its Budget. I do not believe this, even though the Treasurer said it today. There will be some hidden charges in the Budget. They do this every year. The Treasurer and his predecessors have always stood up in the Chamber, made all sorts of promises and held out carrots in front of the electoral donkeys, but the Budget, when it has been introduced, has contained a lot of hidden charges.

The long-term message is quite clear. The Prime Minister's idea of restrained economic management is to use V.I.P. flights for his family to spend a night at the opera. I am told that on this occasion the opera was appropriately titled, "The Flying Dutchman." The Prime Minister has made it quite clear that higher taxes are just around the corner.

I have not heard the Premier or for that matter the Treasurer repeat in Queensland what the Prime Minister had to say to them in Canberra. In a statement issued on 1 July, the day of the Premiers' Conference, he made it quite clear that non-Labor leaders, such as the Premier and the Treasurer, had given him the nod for his nefarious double-tax plan. I shall quote what he had to say. Nowhere have I seen

it reported that either the Premier or the Treasurer has disputed the statement. This is what Queenslanders have to look forward to. The Prime Minister said—

“Under tax-sharing, the States and local government authorities already have access to, and a guaranteed share of, income tax revenues. In the next stage, the States will be able to increase or decrease their shares of those revenues by increasing or decreasing the rates of income tax payable by their residents. It is important for the proper operation of responsible government that the spending Government should carry the responsibility also for raising the money it spends.

“The tax sharing arrangements are directed to ensuring that this is the situation at all levels of government in Australia. This Premiers’ Conference has not been a haggle over the level of general revenue funds to the States.”

It is a horrifying fact of life that the Premier has been able to keep from the people of Queensland. It has been kept from the Queensland people by the simple expedient of telling them that, in this election year, no increases in taxes or charges will be contained in this year’s Budget.

The Premiers’ Conference attempted to soften the public to the harsh realities of life under the cruel, misplaced priorities of the Fraser Government’s economic mismanagement. We all know who put Fraser there. It was the Premier and his Government cohorts who put the Fraser Government into office and they have to pay for it.

Mr. Frawley: You admit we did give Gough the wave? Give us the credit for getting rid of him.

Mr. K. J. HOOPER: I will give the honourable member for Murrumba the credit for doing nothing. He is solid bone between the ears. He never knows what he is talking about.

Mr. Frawley: Come up to Caboolture and see how you go.

Mr. K. J. HOOPER: The honourable member for Murrumba ran away from the people of Murrumba who have stuck to him so solidly since 1972. To put it bluntly, he has dinged out and raced away to Caboolture which, on paper, appears to be a safer seat. Because of the honourable member’s record in this Parliament and in the electorate, if he speaks in this debate it will be his valedictory Appropriation speech.

The Queensland Government’s ultra conservative ally (the Western Australian Premier, Sir Charles Court) expressed anger and disappointment at the Commonwealth’s inflexible attitude to economic policy. Even the Victorian Premier (Mr. Hamer) expressed disappointment that the Federal Government was so intractable. I think that that is Melbourne grammar for “pigheaded”. More drastic cuts in hospitals, school construction

and sewerage programmes are ahead for Australia and Queensland in particular this financial year, owing to the fact that the Premier and the Treasurer, and their mates on the Loan Council, have restricted State borrowings to a 5 per cent rise. I should like the Treasurer, in his reply, to try to deny that that is so. I point out that that is exactly half of Mr. Lynch’s estimate of the expected inflation rise.

On figures obtained from the Commonwealth Government’s own sources, it is forecast that unemployment will reach 7 per cent by the end of this financial year. Probably it will increase considerably with the influx of school-leavers at the end of this year. Australia’s biggest newspaper group, Herald and Weekly Times Ltd., which can be regarded as a Right-wing supporter and as generally very kind to the Fraser Government, had this to say in its editorial columns—

“At a time when the individual and social misery of unemployment will widen, whilst the States have impeccable credentials for securing valuable overseas loan money, and while essential development and health programmes are scrapped, hundreds of thousands of Australians will stay out of work, and productive machinery and resources will lie idle in a rich and large continent.”

It is well known, of course, that the Queensland Government asked for a 20 per cent increase in loan funds, but from its supposed friends in Canberra it received a lousy 5 per cent. Canberra’s policy for misery, over which this Government has conspired to prevent debate, can only be sold to Queenslanders by the less-than-frank revelations in which this Government is known to excel. The sewerage programme introduced by the A.L.P. has now been scrapped by the Fraser Government. This is one example of the waste of “labour”—if I may now coin a phrase.

The Hayden Budget, which most people agree was probably one of the most enlightened Budgets ever brought down in the history of federation, provided \$115,000,000 towards eliminating the sewerage backlog. Of that sum, \$13,800,000 came to Queensland. Even then, the former Queensland Treasurer (Sir Gordon Chalk) complained that this allocation would not provide the same level of physical work as in the previous year.

It is very interesting to look at what the Government’s political cohorts did when they came to power. The Fraser-Lynch team reduced Queensland’s quota towards eliminating the sewerage backlog to \$1,000,000 last year. That’s right—they cut it from \$13,800,000 to \$1,000,000! Now they have scrapped it altogether. We pay for this additionally in filthy rivers and coastal pollution, let alone the direct dangers for families living in closely settled, unsewered areas.

No doubt in some of these areas there will be an increase in contagious diseases such as hepatitis.

Next I want to mention welfare housing under Fraser, Lynch, Premier Bjelke-Petersen and Treasurer Knox—two farmers and two salesmen, and what a lovely combination! Federal funds for welfare housing have remained at the same level for the last two years, whilst inflation and building costs have increased. I do not think that any member would deny that.

The waiting list for Queensland Housing Commission homes has also grown to the stage where it is nothing short of a scandal. On the basis that an average Queensland family consists of two adults and two children, I am able to say quite conservatively that one in 50 Queenslanders is now represented on the waiting list for a Queensland Housing Commission home. This is an appalling record.

Mr. Frawley: That's untrue. That's rubbish.

Mr. K. J. HOOPER: It is not rubbish; it is a fact. I am only sorry that the Minister for Works and Housing is not in the Chamber. If he were here he would hang his head in shame. He has an appalling record as Housing Minister and if the Premier was doing his job he would have him replaced. I shall be very interested to see how the Government tries to conceal its record in housing in this election year.

An interesting comparison can be drawn between the record of this Government and the economic management history of Labor Governments in this State. Figures that I have obtained from Queensland Housing Commission reports over the years reveal that in 1956-57 a Labor Government built 1,407 houses. The population then was a little in excess of 1,000,000. In 1976-77, some 20 years later, the present coalition Government built 800 homes. The population is now just in excess of 2,000,000. They are official figures and they cannot be disputed. The building industry in this State is going backwards whilst the waiting list is growing. The way things are now going, particularly with the State's new tragic Treasurer, we will be lucky to get 500 new homes this coming financial year.

It is interesting to note, too, what Mr. Lynch read to the Premiers' Conference in a document that indicated his Budget strategy. Although I cannot give honourable members an insight into the Federal Budget, I can give an insight into the Federal Treasurer's strategy by quoting extracts from his address to the Premiers.

Mr. Lamont: With your intimate knowledge of the economy, when do you think interest rates might come down?

Mr. K. J. HOOPER: That was meant to be an awkward question, but it is really quite easy to answer. My answer to the honourable member for South Brisbane is

that whilst this Tory Government remains in office in Canberra I cannot see interest rates falling at all.

Dr. Lockwood: Is that a firm prediction?

Mr. K. J. HOOPER: That is a firm conviction.

I now wish to quote from Mr. Lynch's speech to the Premiers. He said—

"Our policy of fiscal restraint—a policy which, I emphasise, we are pursuing in the interests of the nation as a whole—is not a policy from which the States can be, or should expect to be, exempt.

"It is apparent that they are well able to bear their share of the burden. It is against this background that the Government has reviewed and has reached decisions on . . . the level of funding for particular programs that can be accommodated responsibly in next year's Budget."

If that is not a sign of the times to come in Queensland, I do not know what is. The Federal Treasurer is clearly stating that he will be asking the States to cut services or to raise taxes to pay for them. Here is an example, and I will quote directly again a statement he made at the Premiers' Conference. He said—

"For budgetary reasons, the Commonwealth is obliged to restrain its future expenditure on the Australian School Dental Scheme. In 1977-78 the Commonwealth's contribution towards the capital costs of the scheme will be reduced from 90% to 75%. There will also be a reduction in the Commonwealth contribution to the recurrent cost of training schools, to 75%, and to 50% to the recurrent cost of clinics. In addition, Commonwealth funding on dental scholarships will cease."

This is just another example of something the Premier and Treasurer have not bothered to mention to Queenslanders in this election year. It would be interesting to know what else they are concealing.

Again I will quote from the Federal Treasurer, this time in relation to health. He said—

"Under the Hospitals Development Program, the Commonwealth has made grants of \$245 million to the States.

Again, for budgetary reasons, Commonwealth funds under the program will be restricted to \$50 million in 1977-78."

Let us tell Queenslanders how that little gem will affect them. I know that the honourable member for Maryborough regards himself as an expert in matter fiscal—I know he has an accountancy background—and if he speaks later in the day we will probably hear a very erudite and illuminating address from him. The Queensland-Canberra economic conspiracy we are seeing now is in a sense a more drastic revival of the formula that prolonged the great Australian depression until 1939.

This Government, and the dollar devaluers in Canberra, both need to define clearly their long-term plans, that is always assuming they have any. Queenslanders, especially in an election year, do not want wordy platitudes from this Tory Government, nor do they want the Government to brush the cobwebs off their broken or unused policies of other years, and present them again.

It should not take another war to galvanise Canberra into disposing positively and productively of Australia's resources of idle hands, brains, materials, and equipment. It should not take three-cornered contests for the Liberal and National Party leaders to acknowledge that they have a role to play.

Sudden cuts and juggling in Government spending, a policy in which both the Canberra and Queensland Governments indulge, result in extra wasted effort and expenditure. The plans made in one year are not carried through to the next, and that seems to be the whole history of this sorry Tory Government in Queensland.

I hope the Treasurer, having denied us the opportunity of seeing the Federal Budget by arranging this debate for today, will manage to give Queenslanders an indication of the effect that next week's Federal Budget will have on the economy of Queensland, and the effect it will have on his State Budget.

Mr. Houston: Do you think Sir Charles Court thinks Queensland is the most progressive State?

Mr. K. J. HOOPER: I am sure he does. Where would we find two more reactionary Premiers in Australia than Mr. Bjelke-Petersen and Sir Charles Court? I think one deserves the other.

Mr. GYGAR (Stafford) (12.54 p.m.): Today in considering this Appropriation Bill we are talking about money. We are talking about \$907,000,000, a fact which apparently escaped the spokesman for the Opposition because he did not mention it once during his whole rambling oration.

When speaking about money we speak about Government spending and the economy in general, and the Treasurer gave a very good analysis of how he sees the present state of the Australian economy. When we come to discuss this factor of economic life, we are constantly embroiled in debates about what really is causing the current economic ills of this country. It is indeed unfortunate that these debates often degenerate into slanging matches between those who blame all our ills on Left-wing union leaders and those who suffer paranoid obsessions about the so-called multinational companies. Once again the spokesman for the Opposition has purveyed that stupid untruth.

I suggest that the truth lies somewhere in between. Our ills are caused by a combination of both these factors, and a classic case, which I should like to illustrate today, is the activities of the Australian vehicle-

building industry in general and the activities of the Ford Motor Company in particular, and they make very illuminating reading.

I have just joined the large and increasing band of people who never intend to purchase another Australian-manufactured vehicle. It is just not worth it, and thousands of other Australians have reached exactly the same conclusion. In fact, the stage has been reached now when the Australian motor vehicle manufacturing industry can only be propped up by huge tariffs and tax increases. Indeed, we have reached the ludicrous stage of being forced to ban imported vehicles and put quotas on them to force reluctant Australians to buy cheap, shoddy, second-rate Australian vehicles.

The time has come for this industry to stand on its own two feet. No longer can it be propped up out of the taxpayer's pocket by forcing people to buy vehicles that they do not like, that they do not want and that they think are absolute rubbish. The Australian motor vehicle manufacturing industry is rotten to the core. This is amply illustrated by considering Ford, although one also hears tales of horror from people who have bought Chrysler and Holden vehicles. They are all the same; they are all equally bad.

Let me take as an example what I have been told by people who have spoken to me in the last two days when I indicated an interest in this subject. There is the gentleman who, unfortunately for him, bought a new Fairmont and had to have a completely new engine installed after it had travelled only 100 km. Its brakes have failed three times, once completely without notice. Then there is the person who bought a Fairlane. Its hand-brake and air-conditioner did not work when he bought it and still do not work 12 months later. Six months after purchasing the car he found that all four doors had rusted out, and on closer inspection he found that the wonderful quality control of Australian vehicles had allowed chrome strips to be put down one side and none down the other. In his case, the classic example was when, six weeks after he purchased the car, the grille fell off the front while he was driving along the road and one of the lights blew and he was told by Ford, "Lucas aren't making them for us any more." The only way that he could get a new headlight for his car was by having the dealer cannibalise one that was standing on the showroom floor.

My own vehicle also is rather interesting and again illustrates the wonderful quality of Australian cars. When it rains, there is more water inside the car than outside. The bonnet has a mind of its own.

Mr. K. J. Hooper: What make of car is it?

Mr. GYGAR: It is a Ford—one of the workers' cars. The honourable member drives a Holden, I understand.

Mr. K. J. Hooper: I drive a Holden.

Mr. GYGAR: The honourable member would probably have similar problems. As I said, the bonnet of my vehicle has a mind of its own. When I pull the handle that is supposed to open the bonnet, it stays closed; when I drive along the highway, it opens. The whole vehicle rattles like a kerosene tin full of marbles, and the doors work like Russian roulette—they will let you out, but it is anyone's guess whether they will let you in again when you try to enter the car.

However, Mr. Hewitt, my ire was raised completely when an unfortunate relative of mine bought a Ford four weeks ago. He accepted the fact that all the panels were wrinkled—that is par for an Australian car—that it was rubbishy inside and falling apart even when he took delivery of it, that bits and pieces were not fitted, because that is the way it goes these days; but he did become a little bit upset when, 150 miles after purchase, the carburettor gave up the ghost because it had been improperly assembled, inadequately designed and foolishly manufactured out of materials that were nothing better than rubbish. He became more upset when the grille fell out of his car; he started to boil when the interior panels fell off; and he became even more upset when he discovered that he had a boot full of petrol because the petrol tank had not been installed properly. This is the current state of Australian cars. Mind you, Mr. Hewitt, his boot did not stay full of petrol for long, because apparently the petrol tank was made out of tissue paper and five holes appeared in it in the first 1 000 km.

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

Mr. GYGAR: Before the luncheon adjournment I was going through a horror story of things that had happened to people who had been unfortunate enough to buy Australian-manufactured cars. I would like to continue to refer to that and, in particular, to the unfortunate owner of the vehicle I mentioned immediately before the luncheon break.

Mr. Moore: Yourself?

Mr. GYGAR: No. It was my father-in-law in fact. The honourable member for Windsor might be interested to know that he is not only an English migrant but also a shop steward in a union.

He purchased the Australian road car, the Ford Falcon, and took it on a trip on an Australian road. Admittedly the road went through Mt. Isa via Alice Springs to Oodnadatta, but one would have thought from watching those advertisements on television with Falcons and Fairlanes cruising the dusty roads at high speeds that he would have at least made it there and back in a new car. Alas, that was not the case. He is now the proud owner of a month-old Ford Falcon wreck, which I wouldn't give him 20 cents for. I do not say that happens in all cases. Only yesterday I met a man who swears by a Ford car. He has had it for 100,000 miles, and, as he says, it has never missed a beat.

Mr. Porter: Others swear at them.

Mr. GYGAR: Yes. That person has been uncommonly fortunate. But it does prove one thing: if the Australian motor vehicle manufacturing industry wants to do it, it can do it. What we have to ask ourselves is: why doesn't it? We are told that half the problem—sometimes, indeed, we are told that all the problem—lies with the workers. We have all heard about Monday cars—the ones that we shouldn't buy because bits and pieces are left off them because the workers don't turn up for work or they are too busy thinking about the beach or something else on Mondays. But aren't the companies to blame as much as they are? What happened to good old quality control and maintenance of standards?

The workers are not to blame for that sort of thing; the companies are. If the companies aren't willing to control the quality of their output they can't complain if people won't buy their cars. Again the companies will wail about the low productivity of the Australian worker, which we are told is notorious throughout the world. "It's all the fault of the workers." I think not. I am prepared to acknowledge that everyone involved is to blame. According to statistics the Japanese automotive worker turns out about five times as many cars a year as the Australian worker does. Why is that? I have seen the Japanese at work, but I don't think they work five times harder than the Australian worker.

We can get some insight into the possible reason if we study a table showing the gross turnover, after-tax profit and replacement of plant investment by the Ford Motor Company. I ask leave of the House to have that table incorporated in "Hansard".

(Leave granted.)

GROSS TURNOVER, AFTER-TAX PROFIT AND REPLACEMENT OF PLANT OF THE FORD MOTOR COMPANY OF AUSTRALIA (1972-76) IN \$'000 AUSTRALIAN

—	1972	1973	1974	1975	1976
Gross Turnover (Sales)	404,334	406,509	496,115	584,988	704,513
After tax profit (Includes any prior year taxation adjustment)	16,110	12,303	6,389	16,280	20,225
Capital expenditure on Replacement and Modernisation of Plant ..	33,377	20,561	23,619	31,296	21,412

Mr. GYGAR: The table shows the activities of the Ford Motor Company from 1972 to 1976. It shows that the gross turnover of the company has gone from \$404,000,000 in 1972 to in excess of \$704,500,000 in 1976, an increase of 70 per cent. Its after-tax profit has gone from \$16,000,000 to \$20,000,000, an increase of 25 per cent. Then the table gets interesting because it also shows that its capital expenditure on replacement and modernisation of plant has dropped from \$33,000,000 in 1972 to \$21,000,000, a decrease of 36 per cent. In constant dollar terms, taking into account inflation, it means a decrease of 60 per cent in real terms. How can Australian workers turn out as many cars as the Japanese workers if they are using out-of-date, shoddy machinery that was not replaced when it should have been, and the companies have not kept up with the increases in technology and other advances because they are not willing to put up the money?

Mr. Byrne: They should not change their design and shape so often.

Mr. GYGAR: I do not think that is necessarily true. Look at the Volkswagen, for example. Its design remained the same for many years, and it was a good design. But quite frankly I do not blame car manufacturers for often changing the design of their vehicles. They know that they cannot fool the people for more than two years. After that period everybody realises that an Australian-made model is a pile of junk and will not buy that model after that. So the manufacturers have to change the design. Even so, however, these cars in their design are rubbish. There is no other word that can be used to describe them.

Mr. Moore: And rust buckets, too.

Mr. GYGAR: Yes, they are.

Mr. Moore: The companies are dishonest; that is what it amounts to.

Mr. GYGAR: I would not go quite as far as saying they are being blatantly dishonest. Let me say that they certainly do not seem to be interested in giving value for money. They manufacture fuel tanks from metal that closely resembles tissue paper. The first thing a motorist does when he buys a car is look behind him as he drives out of the car yard to see what has fallen off. The manufacturers simply are not interested in quality. But why should they be? Why should they invest their money in improved design? The Australian car manufacturers have been riding on the gravy train or on the taxpayers' back for a long time.

Dr. Lockwood: Do you think we should have seven days in which we could send a car back if we were not happy with it, as we can do with door-to-door sales contracts?

Mr. GYGAR: We are given what are supposedly 12/12 warranties, but they do not seem to be sufficient cover. Even if a car

buyer has all the faults on his vehicle repaired within 12 months, further faults develop at a most alarming rate afterwards. Perhaps it would be a good idea to allow car buyers to send their vehicles back if they were not happy with them. However, that would create the vast problem of trying to get rid of hundreds and hundreds of Australian-manufactured cars with only about 300 km on the odometer. There would be a positive glut on the market.

What the companies are doing effectively is blackmailing his nation by threats of massive unemployment. If the Australian taxpayers do not prop them up with tariff protection and increased taxes on imported cars or with this latest insane move of imposing numerical limitations on the number of cars that can be imported from—surprise, surprise!—Japan, the car manufacturers make all sorts of threats. Japan happens to be able to manufacture cars that last longer than 10 minutes and, in spite of the fact that they are manufactured in the shadow of Mt. Fuji, manage to run well on Australian roads.

Mr. Moore: They are on almost the same wage scale as we are.

Mr. GYGAR: The Japanese automotive worker is on almost the same wage scale as his counterpart here. So the manufacturers' claim that they are faced with higher costs because of wages cannot be taken into account.

If the car manufacturers ever had the right to expect support from the Australian taxpayer, they have well and truly forfeited that right by now. They are bloated with taxpayers' funds and are thriving on restrictions on freedom of choice by the ordinary Australian people, who want nothing more than a fair deal for their dollar and a car that is sure to get them from point A to point B.

The conduct of the Australian automobile manufacturers is a classic example of how sectional interest groups and organisations can get a stranglehold on the Australian Government and on the Australian economy as a whole. They have done it and it is plain for all to see. It is time that these companies and many others like them either sank or swam. They either give value for money or go broke. That is the rule of free enterprise and of the market forces. If we saw a bit more of that in this country perhaps many of the problems that now face us would vanish almost overnight.

Such a policy would call for fairly drastic revision in the management of the Australian economy as well as in the economic processes in which the Government interferes. It has been said that a person's chances of success are high if he does the things he is best at. It is becoming patently obvious that Australians are not the best at manufacturing cars.

What do we have in this country and what should we be looking at? We have vast mineral wealth and resources; we have huge

areas for agriculture, food and grazing; we have a high level of technology—which is rapidly being caught up with by the expanding Third World; and because of our history of political stability, we have a vast potential for attracting capital investment to this country.

They are the things we are good at. They are the things we are best at. Why for a change don't we do them? Why don't we swing, as Queensland has swung, towards mineral exploitation, towards exploration and development of raw materials, towards supplying the world market with the things it needs and the things we can give it—and forget about this nonsense of artificial prop-ups for inefficient industries that have grown fat and lazy after years of supply of taxpayers' money.

Mr. K. J. Hooper: Would you include the dairy industry in that?

Mr. GYGAR: I would not include the dairy industry in that. If the honourable member studied the economics of the dairying industry in Australia at the moment, he would find that what is needed in fact is a variation in the way the pie is sliced up, because of the dairy farmer's lack of economic power.

Mr. Porter: You could include the A.L.P. They are always trying to milk somebody.

Mr. GYGAR: I do not think the honourable member for Toowong is referring to the type of cows mentioned by the honourable member for Archerfield.

Instead of doing these things—the things that we do best—and profiting by them, instead of forgetting about artificial schemes to prop up inefficient, lazy and sluggish organisations, we have preferred this strange economic way of thinking that says "All problems can be solved by Government intervention. An increase of the money supply will solve everything. We will create a demand. Things will get off the ground. We will have a big deficit Budget." What happens? Suddenly people wake up to what is going on. The purchasing power of the dollar declines and we need another shot in the arm. It has been described by some economists as a syndrome not dissimilar from that of the heroin addict. It gets a fix and after a while it starts to come down again. Then it needs another fix—another big deficit; another increase in activity by the printing presses to churn out money. Then people wake up again. But this only goes on for so long. If we look back to 1929, we might realise what happens eventually when people get fed up with the whole process. There is a crash.

If we have real confidence in this country—and I hope we all have—why can't we show that confidence plainly to the world? Why can't we say, "We are here. We are good at that. We will sell and we will buy."? But on a free market; not one juggled about by devaluations, revaluations

and all the rest of it. If this country cannot support a floating dollar, then surely no country in the world can. That, I suggest, would be a good, strong first step towards rationalising the current economic shambles that this country was thrown into by three years of mad turn-on turn-off printing-press mentality displayed by the present Leader of the Federal Opposition.

If we want to see what can go wrong with the Australian economy, we only have to look back at the three years of Whitlam. Turn on the printing presses and the collapse comes faster.

Opposition Members: Oh, come on!

Mr. GYGAR: I do not say that it is a difference in kind from what other Governments do; it is merely a difference in speed. Labor had the printing presses going all day and all night, instead of just on the morning shift.

We saw in the days of Whitlam (as we should always realise) that Government intervention in these matters just doesn't work. We end up with fat, lazy companies and institutions living on gradually weaker and more depleted taxpayers. Sooner or later the taxpayers give up. In the Australian car industry at the moment we can see all that is wrong with some of the more insane economic measures that we have allowed ourselves to be drawn into over the years. That industry has reached the end. The crash has come and now Australians are coerced by bribery, forced by a lack of selection in the market-place and beaten down by the plain, straight-out inability to buy the vehicle they want into buying the second-rate, shoddy Australian piece of goods. Time's up for the Australian motor vehicle manufacturers, and I hope the Government will realise it and take the appropriate steps to withdraw the props from these organisations so they fall to the ground like the rotten hulks that they have proved to be.

Mr. LESTER (Belyando) (2.30 p.m.): In speaking to the introduction of this Appropriation Bill this afternoon, I should like to direct my comments to the two new mining towns in my electorate—Moranbah and Blackwater. They are known throughout Australia and the world for their exports of coking coal and, indeed, overburden steaming coal, which is used, to a certain extent, for power generation in Australia, namely, Gladstone.

The people generally are young. They have come from many parts of Australia and have settled down very well in these towns. They are making a magnificent contribution to the economy as well as the export and other needs of our country.

Today is a very pleasing day for me because my young daughter Veronica has been able to come from Clermont and listen to her father making a speech in Parliament.

Honourable Members: Hear, hear!

Mr. LESTER: She is a Grade 5 student at St. Joseph's Convent School at Clermont. She has always been a keen student and has always wanted to have a look at Parliament working. Because school holidays do not coincide with the sitting of Parliament, it was not possible to get her here before this.

Mr. Knox: And you are the busiest member of the Assembly, too.

Mr. K. J. Hooper: A nice girl like Veronica cannot be held responsible for her father.

Mr. LESTER: I shall take that interjection and tell my daughter that the honourable member for Archerfield is in fact a very nice man. I hope that I can arrange for Veronica to meet him later because he is not too bad a person.

On a more serious note—realising that this is not the Address-in-Reply debate, I point out that it is the Queen's Jubilee Year. My wife and I had the pleasure of meeting Her Majesty during her recent visit to Queensland. She asked me a little about the activities of Moranbah and Blackwater and some of the other areas. It is pleasing that the Queen did know of the existence of these two towns. Obviously their names are becoming known throughout the world.

While some of the needs of those towns have been provided, their needs are still great. Moranbah has a population of some 5,000 people and with possible expansion through underground mining and the development of other mines, the population could well exceed 10,000. Blackwater has a population of some 8,000 people and with proposed expansion there and the possibility of Oaky Creek operations being centred on Blackwater, the population could well increase in time to 20,000.

Government Ministers have been very much aware of the development and the needs of these towns. I think that all Ministers have visited them, or at least my electorate, at some stage during the course of this parliamentary term.

In speaking to this Appropriation Bill, I make the point that far too much responsibility is thrown onto the State. This disturbs me greatly. We are responsible for schools, fire stations, ambulance services (with the help of subscriptions from the good people), railways, hospitals, court-houses, Housing Commission homes, police, etc. The Federal Government has made some of the money available through grants, but our means of gaining revenue from mining towns and other avenues are somewhat limited. We do get money from railway freights, and so we should; after all, that is a service we give. We do get money from registration fees and royalties. But they give us a fixed type of income whereas, every time wages go up, the Federal Government gets more money through increased taxes.

It gets huge taxes from the mining companies. One mining company last year paid in excess of \$1,000,000 in income tax as well as sales tax and other forms of taxation. In addition, the Federal Government received income tax and sales tax from the people employed by the mining companies. The point I make is that the Federal Government has a far bigger responsibility to look after the needs and the expansion of those mining towns.

It concerns me greatly that there is as yet no A.B.C. television service in Moranbah. Although I know that not a great deal can be done about that in this place, i.e., the State Government, I still make an appeal here to the Federal Government to please provide an A.B.C. television service at Moranbah. I ask those Ministers who can possibly do so to push this issue for me and to see if they can help Federal members obtain this necessary amenity for the people of Moranbah. There was quite a battle to get such a service in Blackwater but it is there now.

I should like to remind the Committee that the State Government has a great responsibility to make sure that schools, hospitals, medical services and other facilities in these towns expand as more people continue to move to the area. I hope that the days are gone in which we had to push for teacher housing, extra school accommodation and court-houses. The Minister for Justice and Attorney-General has just entered the Chamber to listen to this speech. I compliment him on making his recent visit to Blackwater to be present at the opening of the court-house in that town. I am sure that he is trying hard to help me obtain a court-house for Moranbah. Conditions in these towns have become much better, particularly in the last 2½ years, but that does not mean that nothing remains to be done. In fact much remains to be done and it is up to each one of us here to see that it is done.

Mr. Houston interjected.

Mr. LESTER: I point out to the honourable member that his interjections do not worry me but they annoy the people of Blackwater and Moranbah because the honourable member is attempting to reduce the time available to me to make my contribution and try to help these people.

The school needs of the great number of young people in the mining towns present an enormous problem. There are very many children in pre-schools and Grades 1, 2, 3 and 4 in the Blackwater and Moranbah schools. The numbers fall off after Grade 4. At present in each of these towns there are a pre-school, a primary school and a high school. There is an enrolment of over 1,000 at each primary school. It must be pointed out that the high school in Moranbah is one of the most modern in Australia. Although much of the high school at Blackwater is modern, it was built before the

Moranbah High School was built and is not quite as modern as that school. It is nevertheless doing a good job.

I point out further that it would also be of great help if school libraries could be provided at both the Moranbah State schools. That would relieve accommodation problems and improve the quality of learning in both schools. There are a number of demountable classrooms still at Moranbah and Blackwater and they present me with some problems in my efforts to obtain better accommodation for schoolchildren. This is, however, a problem that is gradually being overcome and even today I have received further letters from the Minister for Works and Housing pointing out how efforts are being made to overcome the difficulty.

I point out that one of the great needs in both towns is a second State school. It must be realised that the Government needs a definite indication of the projected rate of expansion of the mines. I hope that the Government and the mining companies can get together and sort out exactly what has to be done. In that way the Government would be able to provide more schools but to act in such a way that at no time will there be a surplus of school buildings. This has happened in some places, particularly in the cities where projected population has fallen short. Too often we see large schools built and then there is a shift in population and some of the class-rooms become idle.

I have spoken with the Minister for Industrial Development, Labour Relations and Consumer Affairs about the problem of technical training. We are looking at this matter in an endeavour to upgrade the quality of training for apprentices in both Blackwater and Moranbah, and by the time the electors of Belyando see this speech the Minister will have visited both Blackwater and Moranbah and had a look at some of these problems.

I now want to discuss health problems in my electorate. I long for the day when we can get dental therapy units at both the Blackwater and Moranbah State Schools.

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

Mr. LESTER: It surprises me, Mr. Hewitt, that so many members opposite are incredibly rude when I am trying to make a worthwhile contribution to further the welfare of the people of Blackwater and Moranbah.

We have one 14-bed hospital in each town, one well-equipped ambulance in each town and two doctors in each town. There is certainly a case for the extension of these hospitals so that better and more personal care can be given to the patients. We have an unusual problem with these hospitals in that the doctor/patient ratio changes very quickly because the more serious cases which require prolonged treatment are usually taken to Emerald, Rockhampton, Clermont

or Mackay and thus we cannot build up our patient numbers in order to prove that we do need extensions to the hospital.

In July in Blackwater one doctor dealt with some 600 out-patients at the hospital, and it is amazing that he coped as well as he did. There is a definite need for a third doctor in Blackwater, and if anybody can come up with a suggestion which will enable this town of 8,000 people to attract another doctor, we would be very grateful because this would lower the doctor-patient ratio.

I ask the Minister for Health if it would be possible to base a flying surgeon in the Central Highlands to cater for the fast expanding population which could reach some 35,000 people if all the proposed mining projects go ahead. If any time is the right time to have a surgeon based in the area, it is now. I would like to see more specialist services introduced into the area. I compliment the clinic sisters who attend to mothers and their babies on the very capable manner in which they perform their work. I was very pleased to see that we had only a little difficulty in securing a clinic sister to replace the one at Moranbah who just resigned.

The new court-house in Blackwater has just been completed, and I heard only today that a court-house for Moranbah will be on the 1977-78 works programme. The people of Moranbah who have battled with me to get this court-house will be enormously pleased as tenders should be called soon.

I also want to point out the problems that the shire councils have in trying to administer the mining towns situated in the Duaringa and Belyando shires. The chairman of the Duaringa Shire Council (Kerry Park), the shire clerk (Derm Stower) and the chairman of the Belyando Shire Council (Jim Turner), the shire clerk (Peter Lawrence) and Moranbah town officer (Mr. Coughlin) face enormous problems in administering these expanding towns. All I can say is that the more the Government can do to help our shire councils and the good jobs they are doing, the better off our community will be.

It is indeed wonderful to see the new shire hall going up in Blackwater. It will be of great importance to the people of Central Queensland and will assist to overcome the accommodation problems that now exist when functions are held.

Roads in my electorate have been improved considerably in the last 2½ years, and Blackwater has a better connection to Rockhampton than Moranbah has to Mackay. Blackwater is served by the Capricorn Highway. It has been widened and huge sums of money have been spent on it. A start has been made on the Dawson and Comet River bridges. However, the road needs widening between Yamala and Emerald for the benefit of people of Blackwater going west to Emerald.

There is a relatively good road from Moranbah to Mackay, but the section nearer Mackay is not really good. Work is needed urgently on the Nebo Creek bridge. It is good to see in the Chamber the Minister for Police, who is the member for that area, listening to me speak about the problems relative to the Nebo Creek bridge. It affects the people of Moranbah and Dysart, and on many occasions people are held up there. The Minister has raised his hand to indicate that he is fighting like hell to have the work done, and I thank him for his continuing efforts and his continuing support.

It is very pleasing, too, to see in the Chamber the Deputy Premier and Treasurer (Mr. Knox), listening to my pleas on behalf of these mining towns. He is a very good Treasurer, has worked hard for Moranbah and Blackwater, and has helped me personally in many ways. His advice in the corridors of this building recently put me in the right direction to get final approval for the court-house in Moranbah. I thank the Treasurer for that. He is indeed a scholar and a real gentleman.

Social development is a problem in these mining towns, and it is a great pity that the present service is being phased out. Doreen Schafferius did wonderful work in Moranbah, and Rhonda Cahill is continuing her work in Blackwater. They have done magnificent work and assisted many people with their problems. That also is true of the social worker in the DURINGA Shire.

There are housing problems in these towns, and the private person, in particular, is finding it difficult to obtain housing. There are not sufficient Housing Commission homes, and I look forward to the time when both miners and other people will be able to obtain houses without delay. I should like to see some sort of pension scheme devised for people who have been there 20, 30 or 40 years, so that when they retire they can take over the house in which they have lived much of their life instead of having to leave it. If people were able to stay in these areas, close-knit family units would develop. Sons and daughters who have jobs in the town would then have the support of not only their parents but also their grandparents, as is often the case in other towns in the State. I should like the State Government, the companies and the people involved to investigate my suggestion and see what can be done.

I press very strongly for State Government assistance to establish a petrochemical works in the Bowen Basin, preferably in the Central Highlands. Such a scheme, costing about \$1,400 million, would create a lot of employment for sons and daughters now growing up in towns in the Central Highlands. It is all very well for people to say, "You must solve our employment problems and do this, that and the other thing." The only way in which the present

unemployment will be overcome is by providing more jobs. There would be no better way of doing that than by establishing a petrochemical plant.

Of course, a new powerhouse is badly needed. With the completion of the Wivenhoe Dam to augment Brisbane's power needs, there is no doubt that the Central Highlands should be the next area to receive assistance.

Although I could say much more, my time is running out. I thank all the people who have supported me over the last 2½ years as the member for the area. I ask them to support me again, and I look forward to representing them as the member for Peak Downs. I assure them that we will work hard together, with both the State Government and the Federal Government for the betterment of Moranbah and Blackwater in the years to come.

Mr. HOUSTON (Bulimba) (2.50 p.m.): I am sure the Treasurer was very thrilled at the speech of the honourable member for Belyando, as would be the other Ministers who happened to float into the Chamber for about two minutes to give him an opportunity to give them the praise that he considers them to be worthy of.

A Government Member: He knows how to get things done.

Mr. HOUSTON: I have no doubt about that at all. As a matter of fact if he keeps following in my footsteps in getting things done, he will become a good member. When the Treasurer spoke to him, why didn't he tell him that this debate is not an Address-in-Reply debate but a financial debate? Unfortunately it takes time to learn. I do not know whether the honourable member for Belyando was one of the members the honourable member for Warwick was referring to when he said, "You know, you have to say the right thing." I am glad that the honourable member for Warwick is in the Chamber.

The Treasurer commenced his speech on the note one would expect by saying that Queensland was the strongest State in the Commonwealth. Of course, if one went to Western Australia one would hear Sir Charles Court say that Western Australia was the most progressive and strongest State in the Commonwealth. The same sort of story would be told in Victoria, South Australia and in New South Wales. How can the Treasurer of Queensland honestly say that when we remember that Queensland is still a claimant State and that we have such a high unemployment rate here? We have record unemployment, yet the Treasurer boasts about our being the most progressive State.

Mr. K. J. Hooper: There will be a 7 per cent unemployment rate soon.

Mr. HOUSTON: There will be very shortly. It is coming up very close to it, and the Government has done nothing at all to reduce it substantially.

Let us have a look as some of the other things the Treasurer said. He suggested that \$69,000,000 was transferred from one account to another. An amount of \$83,500,000 was allocated in the last State Budget to cover increases in the Public Service and other awards. That method of including a substantial amount of money in the Treasury Vote for use in unforeseen circumstances, or for use such as the Treasurer used it, was introduced by the present Treasurer's predecessor, Sir Gordon Chalk. A few years ago he introduced that method of setting aside a substantial amount of money for any purpose for which the Government wanted to use it. As I say, last year's Budget showed that amount of \$83,500,000. As public servants did not get salary increases to that extent beyond what was already included in the various departmental Estimates to cover anticipated increases, he was able to use \$69,000,000 for another purpose.

I have no fight with his using that money at all, but why make a big political song about it? It was done because of its propaganda value. The previous year when \$110,800,000 was set aside in the same Vote, not one cent of that money was used. The final financial figures for that year showed that \$51,000,000 was unused, and the Government did not have to use the \$110,800,000. The year before that in 1974-75, \$80,000,000 was set aside. That money was spent but that was of no great propaganda value because it was not an election year. Consequently there was no need to talk about it when it was used as an ordinary allocation of money to various Government departments.

The Treasurer has had much to say about promises that there will be no increase in State taxation this year. If he were to increase taxation this year on the ordinary elector, he would be the first State Treasurer for many years to do it on election eve. It is quite customary not to increase taxation in an election year, and people expect that practice. But we must remember what the Treasurer did last year and the year before.

In 1974-75 pay-roll tax went up from 4½ to 5 per cent. Remember that it was only 2½ per cent when the State Government took over the then Federal tax in 1970. It is true that the present exemption is \$83,200 and it will go to \$100,000 on 1 January 1978. That exemption figure will still mean that many relatively small employers will be caught in the present 5 per cent web. Hospital fees have increased since 1974-75. Private beds in public hospitals went up from \$19 to \$40 a day. In this term of this Government intermediate bed fees rose from \$16 to \$30 a day. Reports that are now

coming in indicate that the fees will rise again very soon. So how can the Treasurer claim that there have been no increases? There have been many increases over the past two years.

The Budget that was brought down two years ago increased stamp duty on cheques from 6c to 10c; it increased conveyance duty from \$1.25 to \$1.50 per \$100 with a maximum of \$3.50 per \$100 on a transaction over \$500,000; it increased home-buyer's duty from \$1.25 to \$1.50 per \$100, or a rise of 20 per cent; it increased duty on general insurance from 2½c to 5c per \$100 of the sum assured.

In the same Budget motor vehicle comprehensive insurance and duty rose from 45c per vehicle to 5 per cent of the premium. There were also substantial rises in motor vehicle registration fees. The stamp duty on workers' compensation insurance was lifted from 3 per cent to 5 per cent of premium.

The 1975 Budget also increased liquor licence fees from 6 per cent to 7 per cent for general licences, and last year there was a further increase to 8 per cent. The same fees are paid by tavern and spirit merchants with retail licences. Two years ago other spirit merchant licence fees were set at 15 per cent on actual sales and were reduced last year to 12 per cent. Nevertheless over this Government's present term they increased.

The 1975 Budget increased rail freights and fares by an average of 40 per cent and last year they rose by another 15 per cent on top of that. Fares rose by 61 per cent in that period of two years. In spite of that, however, I don't hear one word of complaint from the Country Party members. At the time of the increases very little was said by them and now, just prior to an election and on the last occasion on which they will have a chance to talk on financial matters prior to this year's Budget, they are not saying one word about them.

The Country Party member for Belyando spoke about all the matters that he referred to in his previous speech and the speech before that. In fact, I have heard the same comments from him so many times that I feel I know every little street and footpath and every little mud-hole on the footpath in every little town in his electorate. I want to know what he is doing for his State. If all 82 members spoke about a little town in their electorate every time they rose to their feet, Queensland would be even more backward than it is.

In 1975, too, the Transport Department's licence fees increased, as did court fees and Titles Office fees. Now we have heard that private solicitors intend to increase some of their fees, and I have no doubt that the State will soon follow suit.

The Treasurer has said that there have been no increases in charges or fees. Let the Government be judged on this present three-year term. As I say, we have seen a 61 per cent increase in rail fares and a similar

increase in rail freights. And the Treasurer talks about the cost of living in country areas!

As to this State's general finances—taking them as being all square at the time of the 1971-72 Budget, we find that at the end of that year the State had a surplus of \$2,700,000; 1972-73 also showed a surplus, of \$1,200,000; in 1973-74 the State had a deficit of \$1,500,000; and in 1974-75 we had a deficit of \$8,300,000. I might add that at that stage the unemployment position in Queensland was not as bad as it is today. In fact the then Treasurer (Sir Gordon Chalk) deserves credit for having decided that in spite of the unemployment situation that existed at that time he would budget for a deficit. He made no apologies whatever for doing so. Queensland was able to hold its position better than most other States could maintain theirs.

The 1975-76 Budget commenced with a deficit of \$5,900,000 yet finished with a surplus of \$714,219. That means that in that financial year we should have been spending money—not wasting it—to hold our position. Many State projects could have been planned and commenced to help relieve unemployment.

The surplus for the 1976-77 Budget was to be \$149,420. The Treasurer told us today that there will actually be a deficit of \$1,000,000. He is claiming that that is a balanced Budget. I do not think there is any credit to be claimed in that. I would have given the Treasurer a lot more credit if he had said that our unemployment is the lowest in the Commonwealth; that, although in the rest of Australia unemployment is over 5 per cent, ours is down to about 3.5 and we have a deficit of \$6,000,000 or \$7,000,000. I would have given him credit for that, but I am not giving him any credit for boasting about balancing a Budget while at the same time thousands and thousands of families in Queensland have to rely on the dole.

Queensland's unemployment in July rose by 1,237 to 49,819, or 5.6 per cent of our work-force. The two Government members who have spoken hardly mentioned the word "unemployment" at all. I would expect Government members in this debate to be suggesting ways and means of overcoming this terrible problem. Let us look at the situation. The Government likes to go back and blame Whitlam. Let us have a look at some of the things it is responsible for. I remember that two or three years ago, when we were all talking about unemployment and worrying about it, Minister after Minister in this Government boasted about Queensland being in a great situation because of this great State Government. If credit is going to be claimed when things are running well, then responsibility has to be accepted when things are not running so well. In June 1976 38,586 people were unemployed in this State. By July 1976—a

month later—it had dropped by 240. However, in June 1977 there were 48,582 unemployed, an increase of 9,996 over that 12-month period. In July 1977 49,819 were out of work. In other words, in that one month, instead of dropping as it did 12 months ago, it increased by 1,237. In the 12-month period from July 1976 till July this year the number increased by 11,473—yet the Treasurer comes in and says we are the greatest State!

We know that unemployment increased in Queensland in one year by 30 per cent. Those receiving unemployment benefits—not just out of work, but entitled to money after the full check of the Social Security Department—rose by 748 to 34,340. Of those people who claim they are out of work and want a job, 69 per cent are actually receiving unemployment insurance—in other words, the dole.

Mr. Miller: How do those figures compare with South Australia?

Mr. HOUSTON: I haven't compared them with South Australia.

Mr. Miller: I think you should.

Mr. HOUSTON: I am worrying about this State—Queensland. If the honourable member for Ithaca wants to make comparisons with any other State, then he should make them with all the States, from month to month. I know he is trying to be smart, as South Australia is a Labor State. South Australia has a far better record of administration and a far better record of development than this State has.

However, I am concerned with Queensland. I do not want to worry about what other State Governments do for their States. I would like the good parts of each of them to be displayed in our State. What I am saying—and this is what hurts Government members—is that 69 per cent of those who are registered as unemployed are on the dole. If the dole is being paid, of course, it means that only one person in the family is receiving an income. So, when we are talking about 34,000 being on the dole, that is not just 34,000 people; it is 34,000 families—in many cases a wife and any number of children. That is how many are on the dole.

Mr. Newbery: How many of those are on strike?

Mr. HOUSTON: There wouldn't be one on strike who is on the dole, and the Minister knows it. He shouldn't try to mislead this Parliament. He misled the people about the Police Force, so he should not come in here and mislead them about people on the dole. The worst thing affecting this State is unemployment. I am spending my time pointing out to the Government that it should do something for the unemployed.

The Government talks a lot but doesn't take much action. The Government talks about great development but how much development is really going on in the State? The Government will blame anybody. The honourable member for Stafford complained about motor cars. We often hear people talking about the employees. It is always the employees. It was refreshing to hear the honourable member for Stafford blaming somebody except the employees. Surely if a motor car is not worth buying, we have to go to the management and the administration. It is a lack of supervision. It is not the tradesmen because the same tradesmen are assembling imported cars and manufacturing and assembling Holdens, Cortinas and other makes of cars. The foreign cars are assembled here by the same quality and type of worker. If there is any difference we have to go to the top, to the management.

One of the troubles in this State is that the Government offers no incentive. It offers plenty of excuses. It blames anybody else at all. What is it really doing to encourage people to establish factories in country towns? What has it done to get the Federal Government to remove sales tax on transport fees? How often have we heard a Government member condemn successive Federal Governments over the years that I have been here that still charge sales tax on the costs associated with road and rail transport? If one thing makes for the difference between the prices of articles in Brisbane and in country towns, it is the tax on transport fees. If the Government wants to do something it should get its colleagues in Canberra to remove that type of taxation when the forthcoming Budget is introduced.

Mr. Jones: Tax on freight.

Mr. HOUSTON: Tax on freight. It is completely wrong. It is wrong in every sense. Yet the Government has done nothing about it.

We have to get people to buy more goods. I go along with that idea completely. The only way to do that is to put purchasing power in their pockets. Give them a chance to buy the goods. It is no good saying to private enterprise that it should employ more men unless it can sell the goods already manufactured. Every warehouse has goods on the shelf. More money has to be put in people's pockets so that they can buy the goods. The best way to do it is for the Government to undertake some developmental work. We hear talk about bridges and electrification. The Treasurer mentioned \$79,000,000. How far does that go? Give people the money and they will buy the goods.

Last but not least let me talk about "Buy Queensland Made". The people can only buy the products that are on the shelves to be sold. The State Government and the Federal Government should go to the major shops and tell them to stock a higher percentage of Australian-made goods. Any

housewife who was asked if she would prefer to buy Australian-made or imported goods would reply that she would prefer Australian-made goods.

Mr. Gygar: She will tell you that she wants the best value for her money, too.

Mr. HOUSTON: Yes, but she will also get value for her money. I have great faith in the Australian worker, provided the administration is right. With the correct administration and the correct supervision there will be good workmanship. I want to see more and more Australian-made goods on the shelves.

Why are clothing factories closing down? The honourable member for Carnarvon suggested that shoe factories and clothing factories should be closed down so that we can buy more imported goods. Give us Australian-made goods. The people will buy Australian-made goods only if the goods are there to be bought.

Mr. Doumany: What sort of car do you drive—a Toyota?

Mr. HOUSTON: I will drive any motor car. If there is one thing about me, it is that I am capable of driving any motor car. Unless the honourable member is absolutely sober, I do not know that he can drive any make of motor car. I can, and I have had the privilege of driving quite a few.

(Time expired.)

Mr. AKERS (Pine Rivers) (3.10 p.m.): I rise to give my support to the Treasurer in his introduction of the Bill. I do so having last night sat through a Pine Rivers Shire Council Budget meeting at which that council was forced to raise rates and charges to enormous heights. General rates rose 18 per cent. Sewerage charges rose from \$108 to \$134 and water charges rose to nearly \$60.

Mr. Miller: Why?

Mr. AKERS: Those increases were forced on the council by a series of problems related to growth rates and interest rates. Interest rates are a direct result of the actions of the friends of the member who preceded me which he did his best to keep away from during his speech. Interest rates are enormous at present.

The Pine Rivers Shire, along with others, especially in the Moreton region, is growing rapidly and these councils are being forced by high growth rates to borrow vast sums of money each year to finance essential works. These are works that people demand and must have, but their cost far outweighs the revenue generated by them. Whilst well-established cities such as Maryborough and Bundaberg and a number of country towns have had water and sewerage systems installed for a long time, shires with high growth rates such as Pine Rivers and Albert

are being forced in a few short years to catch up at high costs and high interest rates.

For example, this year the total revenue from the sewerage programme for the Pine Rivers Shire is estimated at \$1,580,000. The cost of running that scheme, without any extensions of work at all and without providing an extension to even one more house, will be \$1,640,000. The shire is therefore forced into borrowing. Under the present system for the financing of local authorities, they must borrow to carry out extensions of work. The Pine Rivers Shire Council is being forced into borrowing more than its revenue for this year. This year it will cost \$1,613,000 simply to extend works to new houses, and that is from a loan programme of \$3,800,000 for the whole year. Against that \$3,800,000, the total revenue generated is only \$5,900,000. That means that there is \$5,900,000 to carry out works and to finance previous loan repayments.

Last year the interest and redemption charges on loans amounted to \$1,665,000. That means that \$1,665,000 out of last year's total revenue, which was of the order of \$5,000,000, was absorbed by repayments on previous loans. Last night we allowed an increase of \$545,000 in the amount going towards interest and redemption payments on works carried out previously. This \$2,210,000 will be paid back in interest and redemption payments on money used for previous works.

Interest and redemption rates are made worse by the current high interest rates. I ask the Treasurer and the Federal Government to do something about high interest rates that have to be met by local authorities. In August 1973, if a council borrowed \$100,000 to carry out water and sewerage works the interest rate was 7.4 per cent. Over 40 years, interest and redemption payments per annum would have amounted to \$7,828, to give a total repayment of \$313,100. The interest paid on that loan over 40 years would therefore have amounted to \$213,100.

On the same amount of \$100,000 borrowed this year to be paid back at an interest rate of 11 per cent, the interest and redemption payments each year would be \$11,154. The council would therefore have to find another \$3,400 this year in interest alone on a loan of \$100,000. The total repayments over 40 years would be \$446,100 which would make total interest charges of \$346,000. So over that period the council has to find an extra \$133,000 just in interest charges.

These amounts multiply each year and for local authorities in these high-growth areas the situation is getting worse and worse and worse. The loan indebtedness of local government is skyrocketing. I gave the figures in this Chamber earlier this year and I ask honourable members to go back through "Hansard" and have a look at them. The problems are getting worse and something

must be done about them. We must have some new form of finance for local authorities. The piddling amount coming out of this tax-sharing scheme for local government is totally insufficient to have any effect on the huge load being put onto ratepayers. Out of the figure of \$5,900,000 which was allocated at the meeting last night, a figure of \$400,000 was the total we could allow as an estimate of what the council will receive through the tax-sharing scheme. The loan indebtedness of the council is now something of the order of \$17,000,000. Imagine, fewer than 50,000 men, women and children owe about \$17,000,000!

Rapid cost increases have forced the council to increase its charges, and these increases mean that the average householder who pays general rates and water, sewerage and garbage collection charges this year will be paying a rate bill of \$370, or a little more than \$7 a week. He will be paying this just to live in an area, and this is totally unacceptable. This figure compares with a rate bill last year of \$290, which means that a ratepayer is faced with an increase of something like 28 per cent in what it costs him just to live in an area.

I was interested to hear what previous speakers in the debate had to say. In his introductory remarks the Treasurer said that Queensland is in an excellent position financially. Unemployment, although it is unacceptably high in this State, is among the lowest in Australia and there are hopes that huge projects will be getting under way in the near future. The entrepreneurs had been frightened away by the Whitlam Government, but they are coming back because they recognise that the Liberal and National Parties will at least give them a reasonably stable environment in which to operate. But they will not stay here while we have the Seamen's Union acting as it has done and closing down entire projects. I hope those entrepreneurs who are slowly gaining some sense of confidence in Queensland did not listen to the two Opposition speakers in this debate, especially the speech of the newly promoted shadow Treasurer. God help us if he ever becomes Treasurer.

Mr. K. J. Hooper: I will be next year.

Mr. AKERS: God help us if the honourable member is Treasurer next year because anyone wanting to invest in Queensland who reads his speech will die of fright. This is the fellow who nearly destroyed the building society industry earlier this year, and now his leader is turning him loose on all the businesses of Queensland. I believe it shows the importance the Leader of the Opposition places on the Treasury portfolio, the second most important portfolio in Queensland, when he palms it off onto this fellow, who, in his first speech on the subject, did nothing but make a series of trivial and puerile attacks on the honourable member for Murrumba and generally make silly schoolboy statements.

This is the first speech of the man who is supposedly the alternative Treasurer. Honourable members should look at him now. He is still laughing about it. He does not realise how serious the matter is.

I understand that when the honourable member for Archerfield was appointed to the shadow portfolio, Mr. Burns was quoted in "The Courier-Mail" as saying that he wanted the benefit of Mr. Houston's experience in the coming election campaign. I suppose the inference to be drawn from that is that he is not capable of leading the party himself on Treasury matters but must rely on the old leader. He has managed to oust the honourable member for Bulimba from the position but still wants to rely on him. Another inference is that he wants to take away from Treasury matters the experience that Mr. Houston supposedly has. Perhaps the A.L.P. has given up hope of having any effect on the leader of the Liberal Party in this Chamber and has passed the shadow Treasury portfolio over to someone who does not matter.

Of course, all that the A.L.P. does is a sham; none of it really matters. The fact is that the members of the Labor Party are fighting among themselves. They are all out to get Tom Burns's neck. There are only 11 of them at present. The Leader of the Opposition was reported in the Press as saying that he did not have many to choose from, but they are all after his neck. Although there are only 11 of them, they cannot work together. What would the position be if they ever got the numbers to be able to govern this State? Let the entrepreneurs and the other people who matter in providing jobs in Queensland look at the alternative Government, look at what a mishmash it is, and look at the possible new Treasurer. That is what they should look at.

I suggest also that they look at some of the candidates that have been selected by the A.L.P. for the next campaign.

Mr. Houston: Is that all you have to talk about when we are discussing finance?

Mr. AKERS: I know that is important, but the honourable member has missed the point. Financial matters are important to the whole of Queensland when the people have to consider what the alternative Government has to offer. If they read the speeches of the two possible alternative Treasurers—and I doubt whether one of them will still be here after the next election—they will not bother about the A.L.P.

There is not much hope, either, in the new members who might be elected, when I look at the A.L.P. candidates selected for the seats around Pine Rivers. If for some unforeseen reason the A.L.P. candidates win Murrumbidgee and Sandgate, what hope is there for Queensland? The candidate for Sandgate will not even answer my letters civilly.

In his present position as a council alderman, he writes childish letters to me on matters that are very important to the people of the area. He writes stupid letters to p. and c. associations blaming everybody else for the shortcomings of the Brisbane City Council. When a child was knocked down by a car, he blamed everybody else instead of taking some positive action. He said, "It is your Government's regulations that stop it." About two weeks later I was informed by members of the p. and c. association concerned that he had said, "That wasn't right; I have checked on that. It is the city council's fault." That is the sort of fellow the A.L.P. is putting up for Sandgate.

Mr. Frawley: That is Warburton.

Mr. AKERS: That is Mr. Warburton. It was said in one of the local papers that he is a friend of the Leader of the Opposition. Mr. Burns will find out how friendly he is if he wins the election. If he loses the election, of course, Mr. Burns will not hear from him again. If he wins the election, Mr. Burns will feel his knife in his back.

The candidate specially selected by the Q.C.E. to contest Murrumbidgee, Mr. Kruger, is also a member of the Pine Rivers Shire Council, a council that is facing the serious problems that I described earlier, problems that affect all the people of the Pine Rivers area and mean that they are going to pay much more money this year than they paid last year. Mr. Kruger sat through a full Budget meeting of the council last night and the only speech he made, and not till the very end, was when an increase from \$2.50 to \$7 a year in dog registration fees was being discussed. Although the expenditure of millions of dollars was being discussed, the only matter on which he spoke was dog registration fees. The strange thing is that he happens to be a dog breeder.

A Government Member: Like the former shadow Treasurer.

Mr. AKERS: Slightly different dogs from those of the former shadow Treasurer.

That is the standard of the candidates they have produced. When we look at what they have got now, God help us if they do get the numbers this year!

This Government and the Federal Government must take action as soon as possible to alleviate the enormous problem of ratepayers in this area.

Opposition Members interjected.

The CHAIRMAN: Order!

Mr. AKERS: I will just repeat that. The Government must take action as soon as possible to alleviate this problem. Other forms of finance must be found.

Mr. K. J. Hooper: Oh, what repetition!

Mr. AKERS: Of course it is repetition. The problem with members of the A.L.P. is that they can't believe anything when they hear it. One has to say something a thousand times before they will start to listen to it.

Some action must be taken as soon as possible to take this load off ratepayers directly, because rates are a totally unfair type of taxation. They hit everybody an equal amount, and they do not relate at all to whether a person is able to make that payment or not. The whole point I am trying to make today is that we must as soon as possible take some firm action to overcome this problem. If we don't take some action soon, the people will react and they will have members of the A.L.P. as their Government. They will have the Queensland Central Executive's choice of candidates as members of the Government. The good, tried-and-true people will be tossed out and they will have stuck in office these people we don't want.

Mr. HARTWIG (Callide) (3.27 p.m.): This debate gives each of us an opportunity to discuss not only the affairs of his electorate but also affairs that pertain generally to this great State of Queensland. If one looks around one cannot but admire the great job this coalition Government has done for Queensland over its 20 years of office.

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

Mr. HARTWIG: In decentralisation Queensland stands head and shoulders above any other State. Queensland's fast development has brought with it many problems to the present State Government. Any State that is developing as fast as Queensland is must have teething problems.

Mr. K. J. Hooper: I'll bet you talk about the plight of the beef industry. I'll give you a long shade of odds.

Mr. HARTWIG: The honourable member wouldn't even know what the plight of the beef industry was. He shouldn't write off the plight of the beef industry as a joke. Let him wake up to himself.

Decentralisation has brought with it a great demand for more schools, more court-houses and more hospitals. It has also brought problems in providing more services. That brings me to the field of local government, which was commented upon by the honourable member for Pine Rivers. I suppose that local government today is having just as trying a time as any other tier of government. Local government has to depend on rates for revenue. In some instances, I believe, we are nearing saturation point with local government rating. By that I mean that the revenue collected by the smaller shires by way of rates has dwindled whereas at the same time their costs have spiralled. The general rates have increased by as much as 25 to 30 per cent and the water, sewerage and cleansing rates have also risen. These

increases are an indirect tax on the people, many of whom are out of work or have a dwindling income.

Mr. K. J. Hooper: Your Government put them out of work.

Mr. HARTWIG: No it didn't; the honourable member's militant unions did that.

It is unfortunate that in this country, with the highest standard of living in the world, some people are hell-bent on destroying our very way of life. They do not care too hoots about it. I refer, of course, to the handful of militant persons who want to see the country torn asunder. I would not refer to them as Communists, because anyone who has visited Communist countries knows full well that such behaviour would not be tolerated even in those countries. So the old smoke-screen of Communism cannot be put up to hide these people. Who would have thought a few years ago that in Australia there would be a man who, in spite of the fact that he is the leader of thousands of people, is denied a visa to enter the United States of America?

Mr. Casey: Who?

Mr. HARTWIG: The honourable member knows who he is.

Mr. Casey: No I don't. That's why I'm asking you.

Mr. HARTWIG: If the honourable member does not know, he ought to do his homework. This man is the leader of a major trade union and is a member of the trade union movement. Yet he was denied a visa to enter the United States. He is one of those handful of persons to whom I am referring.

Something has to be done to get the unemployed people back to work. I don't know whether we are pursuing the right line to encourage the employers to re-engage the unemployed. There are, of course, two sections of workers: the unemployed and the unemployable.

I well remember the Minister for Mines and Energy saying at a function that no society can afford to take from those who have and give it to those who have not. He was referring to money. By that he meant that no country could do that and survive.

People who are working are doing so not only for their own livelihood but also for the army of unemployed. Think about it. I don't know the answer to the problem. Whilst I never give Doug Anthony a rap-up, I think he put forward a damned good suggestion when he said that there should be a flat rate of income tax. People will not work unless there is an incentive to work. I often wonder how hard Governments try to keep down spiralling costs and wages. I remember Sir Gordon Chalk telling me that if wages went up by 10 per cent across

the nation the Federal Treasury would receive an increase in revenue of the order of 19 per cent.

To finance Medibank, unemployment benefits and all the associated trappings of the welfare State that we have got ourselves into, the Government is committed to paying out billions of dollars annually. Sooner or later I am sure the people who are working will jack up on paying 65 cents and 70 cents in the dollar. A doctor said to me the other day, "I could live on two days' work a week." I said, "I suppose with the fee you charge you might have some grounds for saying that." That is a general indication of the situation that has arisen in our society as a consequence of high taxation.

Meatworkers, because of high taxation, are encouraged not to work more than they have to. That comment applies to the average worker. Once we saw people taking week-end jobs. I know many people today who do week-end work but will not accept anything but cash. Obviously, they are trying to gain a little bit extra without paying taxation; so our high rates of taxation are leading to a dishonest element in society.

Having toured Asia some time ago and having racked my brains many times since as to how we can overcome our present unemployment problem, I am quite satisfied that we have to encourage more worker participation in industry. That statement, coming from me, might surprise some Opposition members; but I believe that, if people are paid a reasonable wage and are given some incentive to produce more, they will work harder, which would mean higher productivity. That would in turn lead to further employment and even greater productivity.

I am concerned with a situation highlighted in a letter I received recently relating to a great industry in Central Queensland—the cotton industry. The letter, which came from the Cotton Marketing Board, referred to the difficulty in maintaining the rate of its first advance payment to growers for the 1977 season crop. On 2 June the Reserve Bank advised that it was suspending further payments pending an investigation into the advance rate. That was due to a fall in the C.I.F. index to U.S.75.65c a lb. The Cotton Board protested to the Reserve Bank, without success, and has now applied through the marketing division of the Department of Primary Industries for a State Government guarantee for a 19.4c reduction.

I fully support this approach to the Queensland Cabinet, and I am sure that every member joins me in hoping that that approach will receive a sympathetic hearing and that steps will be undertaken to assist such a very important primary industry. Some people in Central Queensland have undertaken to grow cotton this year for the first time. They have gone into significant debt to do so. I am led to believe that 6,562 bales remain to be advanced against. A lot of that cotton comes from Central Queensland.

I wish to refer to another industry that is important to Central Queensland, that is, the poultry industry. As honourable members know, there is a hen levy of \$1 a bird. There is talk of increasing that to \$2. I would object vigorously to that suggestion. However, recently there was introduced a scale of hen quota fees, and the present scale is something like this: with 850 birds, a farmer pays \$70 per annum, or approximately 8c a bird; with 2,000 to 3,000 birds, \$90 a year, or 3.6c a bird; with 20,000 to 100,000 birds, a flat levy of \$270, or 0.24c a bird. I have taken this matter up with the quota committee and I understand that it has recommended a more equitable system of levying. I give it my full support. I will not be convinced that it is right for a small poultry farmer to pay 6c to 8c a bird while a man with 20,000 to 100,000 birds pays only 0.24c a bird. That is most unjust.

I place on record the value to Queensland of our great mineral industry. In 1972-73, our mineral production was worth \$399,200,000 and 13,688 people were employed. In 1975-76, the production had risen to \$988,600,000, with 15,142 people being employed.

As I said yesterday, more money should be allocated to the Police Department. In Queensland today we have one car to every eight policemen. And this is 1977! We have 15 uniformed and plain-clothes police officers employed at Biloela and Yeppoon. They share one car at Yeppoon and two cars at Biloela. I pay a tribute to the Minister for Police and the Commissioner of Police. They are doing a great job. Over the past 12 months there has been better than a 50 per cent clean-up in the crime rate, something we have not achieved for many years. I commend the Minister, who is in the Chamber, and Commissioner Lewis on the fine job that they are doing. Let us give them a greater allocation of money so that they can employ more police (which we definitely need in Queensland) and provide more residences, better accommodation and better police stations. Surely we as a Government realise that to maintain law and order and to clean up crime we must have an efficient work-force—and they do perform well—and police officers must be housed well and be given good facilities.

I touched on the Transport Department the other day. I hope that the Minister for Transport allocates more money for accommodation.

Because of its vastness and because of its tremendous decentralisation, Queensland does have problems. I give full marks to the Ministers who have covered the State. I have had in my electorate the Minister for Welfare and Community Services and Minister for Sport, the Minister for Main Roads, the Minister for Primary Industries, and the Minister for Health. Next week the Minister for Police and his officers will make

a two-day visit. At all times I have endeavoured to get Ministers to my electorate to give them a first-hand knowledge of the requirements of the people whom I serve and who have put me in the position of looking after their cares.

Mr. Frawley: Very well, too.

Mr. HARTWIG: I thank the honourable member for his kind comment. I have worked hard and all who have come to me, irrespective of their politics, religion or colour, have received a courteous hearing and my assistance wherever that has been possible.

In the couple of minutes of my speech that remain I should like to congratulate the leader of the State (the Premier), the Deputy Premier, Cabinet Ministers and active back-benchers, including A.L.P. members, for their contributions towards making Queensland a better place in which to live. That primarily is why we were all elected.

Before resuming my seat, I should like to mention one other matter that concerns me. From time to time there is cyclone devastation in this State. I should like to know who in Government declares a storm to be a cyclone. Who in Government can say that an area has been devastated by a cyclone if the weathermen have not declared a storm to be a cyclone? Recently great damage was done by a storm at Yeppoon, but the weather bureau at no time said that a cyclone had struck the Capricorn coast. Great damage was done but, because it was not declared a cyclone, people could not obtain cheap money to repair the damage that they suffered.

Mr. WRIGHT (Rockhampton) (3.47 p.m.): At the end of each financial year there is a legal requirement on this Assembly to provide credit on which the Government can continue to operate until the annual Budget can be presented, debated and finally approved by a vote. I suppose this could be termed by the lay person carry-on finance so that the wheels of Government can continue to turn.

Last year the amount appropriated in Appropriation Bill No. 1 was \$732,000,000 of which \$305,000,000 was required from Consolidated Revenue, \$360,000,000 from the Trust and Special Funds and \$67,000,000 from Loan Fund. Today the Treasurer has explained that this year the amount has increased considerably. In fact, it has gone up to \$907,000,000, of which \$410,000,000 will come from Consolidated Revenue, \$430,000,000 from Trust and Special Funds and \$67,000,000 from the Loan Fund. It is a far cry from the \$87,000,000 for which Sir Thomas Hiley asked in 1957. This must make members realise just how expensive government has become. It also makes one realise the sheer lack of Government activity in such areas as road construction, housing, education and health programmes.

The Treasurer went on to say that the State finished the financial year with a deficit of \$1,000,000 and he was able to say that an extra \$69,000,000 was spent in certain areas to which I shall refer in a moment. But whenever the Opposition criticises the Government for not spending massive sums on road construction, housing and so on, the same old excuses are given. We hear the Treasurer saying that the impact of wage increases has been such that there has been an extra cost of \$60,000,000 or \$70,000,000. He will talk about the escalation of costs generally and the demand for services and the need for their expansion. It is just as usual to blame general economic conditions for the State Government's own failings and shortcomings.

Conservative Governments rarely, if ever, blame themselves—always some outside uncontrollable factor; but if a Labor Government is in power, it is the fault of that Government, whether it be at State or Federal level. That was certainly the case with the Whitlam Government. It is not surprising to me that during the Address-in-Reply debate and the debate on the Bill now before us, Government members have attempted to blame the Whitlam Government for the economic ills of this nation. They have naturally added the problem of the unions. Whitlam gets blamed for everything. I remind honourable members that the Whitlam Government came to power in December 1972, and I would hark back to a speech made by the then Treasurer, Sir Gordon Chalk, recorded in "Hansard" volume 257 at page 185. On 24 August 1971 he made a major comment when he introduced a similar Appropriation Bill. He said—

"The fact cannot be disputed that the current rate of inflation is much higher than can be tolerated without concerted effort on the part of Governments and other responsible bodies to bring the economy back onto a more even keel."

That was 15 months before Gough Whitlam came to power. The Treasurer of this State was saying that the inflation rate was intolerable.

Mr. Knox: What was it?

Mr. WRIGHT: I am coming to that.

Mr. Knox: It was 4 per cent.

Mr. WRIGHT: The Treasurer said it was 4 per cent. I will come back to that. Sir Gordon Chalk said that the economy at that time was unbalanced. He went on to say, and this is recorded at page 188 of the same "Hansard", that the problem of inflation was world-wide. But is it not amazing that when Labor won the Federal Treasury benches a year later the economic problems that beset our nation were suddenly alleged to be self-induced, to be local and nothing to do with world-wide factors or influence?

Let us go a little bit further because of what the Treasurer said a moment ago. In the same debate on the Address in Reply, Government members in this Parliament continued the attack on the Federal Government and blamed inflation as an excuse for their own mismanagement. I refer honourable members back to a speech made by the honourable member for Chatsworth. Honourable members will agree that he is a man who is respected on all sides for his integrity and also, I think, for the skill and detailed knowledge he has displayed of the Treasury portfolio in this Chamber. On page 191 of the same "Hansard" to which I have referred, Mr. Hewitt, referring to the White Paper on the Australian economy said—

"The White Paper then points out that the Consumer Price Index for the last December and March quarters showed that price escalation had effectively reached a rate of 6 per cent per annum, which is very close to being intolerable."

So almost two years before Labor came to power in Canberra the inflation rate had already reached 6 per cent, and by the time that Labor won the Treasury benches in December 1972 it was forced up to almost 9 per cent because of McMahon's electioneering and inflationary-prone Budget. There is clear proof in the speeches of both the previous Treasurer and the present Chairman of Committees, Mr. Hewitt, that before Whitlam ever achieved power this nation was in an economic mess, firstly because of world economic factors and, secondly, because of the spending spree of the McMahon Government in a desperate effort to win an election.

I suggest to members that the situation has not changed; in fact, it is drastic. The Liberal-National Country Party in the Federal sphere has now been in power for 20 months. Surely it has had ample time to turn on the lights. But it cannot do it because not only is there a power blackout but it cannot find the switch. Fraser has failed in the eyes of Australia and every Australian as an economic manager. He certainly has not delivered the goods, and every honourable member on the Government side knows it. Every member on the Government side in the Federal House knows it. He has tried every trick in his little gold-plated bag but none have worked. He has devalued; he has revalued and then devalued again. He has increased interest rates and he has lowered interest rates; he has siphoned off excess money in the community; he has cut consumers' spending power; he has introduced tax indexation to try to increase consumers' spending power, he has introduced the investment allowance and then he has introduced a credit squeeze. Then he has used the old textbook remedy of curtailing Government expenditure in order to reduce increasing demand on the productive resources of a nation—of our nation—so as to dampen those forces which always tend to lift up the prices of those

resources. But it still has not worked and all we have is a massive rise in unemployment. Almost 350,000 people in Australia cannot get a job, and in Queensland the figure is almost 50,000.

Not only is unemployment rising but productivity is down and business confidence is low. I bring to the attention of honourable members a report on the A.B.C. last night by the immediate past president of the Institute of Credit Management, Mr. Merv Carey. It was given prominence on the 7 o'clock news. Mr. Carey said that throughout Australia in the last financial year \$600,000,000 was lost through the failure of businesses—\$600,000,000!—and in Queensland \$100,000,000. If we want to put it in more meaningful terms, let us look at the number of industries. In Queensland, 356 firms were wound up or went into voluntary liquidation during 1976-77—not under Labor, but under the Fraser Government in Canberra and under the Petersen-Knox coalition in Queensland.

Mr. Doumany interjected.

Mr. WRIGHT: I accept that part of the reason for some of the failures may be the shyster \$2 companies that this Government refuses to come to grips with; but the major reason is the depressing economic climate throughout the nation and in this State. There has been a serious decline in the economic position of Queensland since 1971. I hark back to the words of Sir Gordon Chalk in 1971—I refer to page 185 of "Hansard" volume 257—when he said—

"... work is readily available in Queensland for almost anyone who seeks it..."

I ask honourable members to contrast those words with the plight of Queenslanders today, when 50,000 cannot get jobs and 40 per cent of them are under 20 years of age. What a bleak future! What a shocking future for the young person today! Yet when the Opposition, through its Leader, puts forward a concise, reasoned and rational programme to overcome unemployment by way of an amendment to the Address-in-Reply motion, what did we find? The Premier refused to consider it. He even refused to acknowledge the fact that there was an unemployment problem and he tried to make out that the A.L.P. had found out only as a result of a survey. He has refused to increase staffing in the Public Service, and I shall deal with that matter later.

What the Premier has done—and the Treasurer has done it, also—has been to try to find a scapegoat. In some respects they have found that scapegoat. In his introductory speech, the Treasurer made great point of saying that one of the reasons Queensland has done so well—in fact, Queensland is better than any other Australian State—is the very good, positive and advantageous financial relationship that the Government has been able to negotiate

with Canberra. I think honourable members will agree with me that that was the effect of what he said. But what do we find, Mr. Hewitt? The Minister for Local Government and Main Roads rants and raves and says that the Commonwealth will not give him any money. That is not the story that the Federal Minister for Transport tells the people of Queensland. He says that this Government is working a three-card trick with its allocations of funds for road-works.

Let us look at the other Ministers. The Minister for Mines also blames Canberra because of its failure to grant export licences. The attack is always on the worker, and specifically on wage and salary increases given to employees.

Mr. Gygar interjected.

Mr. WRIGHT: We heard the honourable member for Stafford use that argument earlier. However, I must admit that, for the first time ever, a Government member blamed the employer rather than just the worker, and for that the honourable member for Stafford gets two points or a boiled lolly.

There is a constant debate in the community about the effect of wage increases on trends in the economy. I acknowledge that labour costs are a major component in the cost structure of goods and services. I accept that, under the prevailing economic system, as unit wage costs rise, there is usually a related rise in prices. But wages and labour costs are not the sole determinant of costs. I suggest that in many cases, in the prices of many goods and services, capital charges or costs of some kind or other are the main element. It is important to realise that these costs, whether they be capital or labour, are not the sole determinant of prices. There is another factor that has to be considered and that is opportunity profits, or "rip-offs" is a better way of putting it, and members must accept that many a price charged is not based on cost of production but instead is based on what the market will pay.

Another factor prevails in the marketplace. This is not so only in the case of goods; it applies also in the case of services. I think we could use the example of land developers, who make minimal releases of land in order to keep prices up. That frequently occurs in primary industries. Because of a huge demand and a limited supply, up goes the price of fruit, potatoes and so on. It also occurs in the area of trade skills for services, for example electrical appliance repairs. I draw the attention of honourable members to the absence of competition. While we admit that labour costs are an important, even a vital factor, in the cost make-up, it is wrong to blame solely wages for inflation.

The Treasurer has made much of the strong economic position of Queensland. Let us have a look at it. He says he spent an extra \$13,000,000 on roads. Contrast that with the attacks made by the Minister for

Local Government and Main Roads on the Federal Government. He said that our roads were the worst in Australia. The Treasurer said that the Government spent an extra \$5,000,000 on health, yet Government members have made repeated attacks on the administration because of lack of health facilities in country and Western areas. I cite the honourable member for Flinders.

In a very praiseworthy manner the Treasurer says, "We have increased the amount available through the Agricultural Bank by an extra \$3,500,000." Earlier this year when I made representations to the Agricultural Bank I was told emphatically that there would be no new loans—there would be no new clients and the amount of money available to old clients had to be limited. It had to be selective; it had to be tough. Yet the Treasurer tends to praise himself as if to say that he has done something wonderful for primary industry.

Take the \$10,000,000 in the special housing scheme. The statistics given in this Parliament show that there are in the vicinity of 8,000 applicants for Housing Commission houses, and there has been a cut-back in the number of homes being built by the commission.

The Treasurer makes a lot of the \$5,000,000 for police, education works and so on. Every honourable member knows the number of temporary class-rooms and the overcrowded schools in developing areas. His only real claim to fame is that the State will end with a \$1,000,000 deficit. Although that may be so, this State Government certainly has not met the needs of the people of the State, nor has it met their demands.

While the Treasurer makes a great point of saying how great is the State's mineral development, I suggest that this would have occurred regardless of what Government was in power. At this point there is an overseas demand, a demand that was not there 20 years ago when Labor was in office. Queensland happens to be in the fortunate position of being able to supply that demand. Whilst this Government will take the credit for certain developments, it is always interesting to note that it denies responsibility for the problems. There is no question that the Fraser Liberal-National Country Party coalition Government is largely to blame—this has been previously outlined—because of its inadequate economic management. But this Government is just as responsible and just as guilty, and this was admitted six years ago by the then Treasurer, Sir Gordon Chalk, when he said that it was the responsibility of all Governments to act to overcome the problems. It is not good enough for this Government to continually bash the unions and try to place the blame on the worker.

We have to realise that wage increases are obtained only after applications have been made through the industrial tribunals. The unionist, the employee, the worker, has to

prove his case. He has to prove that his purchasing power has fallen behind. Under wage indexation he is always three months behind. Because of partial indexation as a result of the broken promises of the Fraser Government, he is falling further and further behind. Purchasing power is being continually eroded. The time has come for this Government to stop finding scapegoats. The time has come for it to accept some responsibility. The first attack surely has to be on unemployment.

It is interesting to note that the Treasurer has now changed his tune. Last year his answer was to bolster up the private sector. At that time the Opposition kept saying, "Don't forget the importance of the public sector. Don't forget the flow-on effect, the dependence of the private sector on public expenditure." Now he has made the turn-about, and he realises the importance of expanding the public sector, and is putting up many propositions—

Mr. Knox: Not at all.

Mr. WRIGHT: I would like the honourable gentleman to go back through his own speech. He kept emphasising the private sector in support of what Mr. Fraser was doing. I suggest that he is now following the A.L.P.'s proposal. I will give him one bit of credit. Earlier this year and at the end of last year he made some comments about the need for greater works programmes. The Treasurer kept saying that they should be funded by the Federal Government. I say they ought to be funded as well in part by the State Government.

It is all very well to be asking the Federal Government for money, using the excuse that as the Federal Government invests it will receive a higher return because of the tax paid by a greater number of workers. But there has to be increased expenditure in capital works programmes by this Government with this Government's money, with the people's taxes, on roads, irrigation, housing and schools. Local authorities must be involved to enable them to overcome their employment difficulties as well. In fact they must be involved to the maximum.

We have to emphasise the need for projects in decentralised areas. Coupled with this, there has to be an increase in Government expenditure together with a decrease in the costs facing employers. I welcome the increase in the level of exemption from pay-roll tax to \$100,000. But is this sufficient incentive to industry to decentralise? When we look around the State and see the number of industrial estates that have been set up by this Government in country areas and have failed, we start to wonder why they failed. We realise that under present circumstances, with secret freight rates, special incentives and special advantages being given to metropolitan industry country industry just cannot compete.

Surely it is necessary to create a Department of Decentralisation, which could be responsible for the promotion of industry in country areas. Surely it is necessary also to have total exemption from pay-roll tax for those industries that go to the bush. Let them be exempt from pay-roll tax for five years. If a company with 20 employees pays pay-roll tax at 5 per cent, it is, in effect, paying a phantom employee; it is paying for one extra.

Coming back to my final point—I suggest that real pressure be put on the Federal Government to force interest rates down and to give industry the incentive to expand and to employ. It will do this only if it can borrow money and obtain development finance. As well we need to force the Commonwealth Government to remove the iniquitous sales tax on freight and to review the tax on undistributed profits so that companies can use that money on expansion.

(Time expired.)

Mrs. KYBURZ (Salisbury) (4.8 p.m.): Despite the remarks of the previous speaker, there is no doubt that Queensland is indeed in a very healthy state and that that is due to expansion and development. The credit for much of this development must go to the present coalition Government.

I am constantly amazed at political journalists and other would-be pundits who continually refer to the Australian mixed economy as a free-enterprise economy and that type of economy alone. To some, that is a term of derision; to others, a term of praise. Our economy is a mixture of private enterprise and public sector expenditure. If free-trade forces were allowed to prevail, there would indeed be no protectionist policy in the form of tariff protection. Private enterprise can provide the solution to some of the unemployment problems, but the crippling taxation structure and sales tax charges are stifling private enterprise in Australia today.

There is no doubt that Australia is extraordinarily well off compared with other countries. For a population of 13,000,000 our expenditure on such items as education, social welfare and defence is indeed enormous. The working public are appalled at the amount of taxation taken out of their pay and salaries for those many services (including the right to social welfare payments) that are taken totally for granted.

The ever-increasing expenditure on education, including buildings, training and staffing, is increasingly coming under public scrutiny, and rightfully so. That a reallocation of resources is necessary is not doubted. This ought to happen quickly and be fully explained.

Education expenditure in this State has so escalated that we ought to be publicising it and doing so loudly. I cite the expenditure

of the Department of Education from Consolidated Revenue only and I compare three terms. The expenditure in those terms is as follows:—

Year	\$
1956-57	22,694,108
1966-67	63,137,000 plus
1976-77	396,665,171 (estimated).

That indeed is a very large escalation and one of which we ought to be justly proud. That people can still criticise, however, is beyond doubt. We all see reallocations of expenditure in various ways. Literally millions of dollars has been poured into my own electorate. I cite some of the larger amounts only to show the people generally just how much money we are putting into education buildings—

Salisbury Primary School—\$250,000 to replace a wing damaged by fire;

Coopers Plains Primary School—a \$37,000 health services room and a pre-school for \$60,000;

Runcorn Heights—a brand new school at a cost of \$250,000;

Calamvale Primary School—an additional block for \$64,000, a pre-school for \$190,000 and furniture and remodelling to the tune of \$60,000;

Woodridge North Primary School—a pre-school for \$120,000, a dental clinic for \$53,000, and a speech therapy and remedial room, which is used for that alone, for \$35,000;

Harrisfields Primary School—\$60,000 for a library block and \$69,000 for a new teaching block;

Woodridge Primary School—\$69,740 for a new toilet block, tuck-shop and covered area (which I believe came from the electorate of Archerfield) and \$128,000 for a pre-school centre;

Woodridge Opportunity School—\$66,000 for a dental clinic; and

Woodridge High School—\$224,000 for a new library, \$134,000 for an administration block, \$293,900 for a first-year centre, and \$10,900 for bitumining the area around the administration block.

They are a few of the larger amounts expended on education in my electorate alone.

There have indeed been innovations in the Education Department itself. A circular distributed by the department seeks teachers with special ability in foreign languages. I am very pleased to see this move by the Education Department, which stems from the Modern Language Teachers' Association, to try to use the cultural and linguistic backgrounds of many of our teachers. The

Research and Curriculum Branch is putting together some sort of course for our schools that will be bilingual and multicultural. This type of development can only be commended.

In the field of housing there is expenditure on welfare housing. This has been criticised by some, and in fact many of its facets deserve criticism. I feel that many people on the Housing Commission list should not be there. In fact, the Housing Commission staff should be brave enough to say to people that they will be so far down the list that they need not bother applying. After all, a young couple who are soon to be married certainly should not apply for a Housing Commission house, flat or other assistance; yet such people continue to say that they ought to be getting what is considered to be welfare housing.

We need to see more expenditure on units for aged people and on units that are more accessible for the physically handicapped. That is extremely necessary and is an area of expenditure that has been totally swept under the carpet. The Minister has started to vacuum clean that department, and I thank him for that; but there are still a lot of cobwebs. Let us make it a total spring clean. I would like to see much of the money allocated to three-bedroom houses being redirected to units for the aged and physically handicapped.

The truth is that the political marketplace influences the allocation of resources. I cite for example the supporting mothers' allowance, which was introduced by the Whitlam Government but in fact had been previously mooted. It was introduced to pander to the under-18-year-olds and gain their votes. The lack of profit motive in the administrative and policy sections of Government is a major cause of the inexorable rise in Government spending. That the Public Service heads have a vested interest in the mushrooming of public services is beyond doubt. University staff, the heads of colleges of advanced education, lecturers and students all have a vested interest in maintaining the increases in education spending, just as local government engineers have vested interests in the expenditures of local government, in more ways than one.

There is no doubt that no such thing as egalitarianism still prevails in Australia in society today in the spending of money. It is now class structure, and class structure relates to training, intelligence and aspirations. After all, a quarter of the work-force gains its livelihood from the pay-roll of Government agencies. Therefore one wonders in just what way the escalation of the

Public Service is going to have a deciding influence on this so-called private-enterprise economy.

One thing in the private-enterprise economy—and I eschew the term “free enterprise” because it certainly is not a free-enterprise economy—is the Prices Justification Tribunal. The Prices Justification Tribunal is nothing but a farce, an absolute and total farce. It ought to be dismantled without delay. In one of the most heated sessions to date we have seen Colgate Palmolive facing a barrage of criticism from various people over its desire for a 2.8 per cent rise to cover costs of advertising. The Federal Government told the tribunal to withdraw those decisions. In one criticism it was stated that the Federal Government was pandering to the Press moguls and other elements of big business rather than ensuring that the consumers were not being ripped off by this avaricious company. Those things are all correct and I do not deny any of them. Of course, certain Governments have to pander to Press moguls and so on. Both would be guilty of that, there is no doubt, because the power of the Press is undeniably too great in this country.

However, there is one method of, shall I say, “attack” open to women—simply not to buy any Colgate Palmolive product and to show that company that we, the purchasers in this land, do not want to pay a 2.8 per cent rise in price to cover advertisements depicting silly women smothered in lemons in an effort to convince us that we ought to be buying that wretched soap powder. We do not want to pay for the advertising that says one soap powder is good in hot water and another one is good in cold water. If a woman is not intelligent enough to read what is written on the side of a soap powder packet she jolly well ought not to be in the supermarkets spending her money, because obviously she would not know how to do so. I do believe that the Prices Justification Tribunal is a farce. This whole business about Colgate Palmolive has shown it to be so. That the Government leashed its dogs, so to speak, and called them off this company is in fact a shame and a sham.

I now refer to the financial statements of the Shell group of companies in Australia. In the annual general report of the chairman and chief executive officer we see what would be in fact one of the major statements on employee participation. Employee participation would have many beneficial

aspects in the present economy. I know that this has been raised in the Chamber before. It states—

“Private enterprise needs to develop a social philosophy which meets the needs of modern society and which can counter the well-articulated and widely disseminated views of those who have an opposing philosophy. It is my personal conviction that the continued prosperity of the private enterprise system is vital and that greater and more effective employee participation is an essential ingredient in achieving that aim.”

In fact, to that end the Shell group of companies has produced a booklet titled, “The Philosophy and Aims of Shell in Australia”, which it has issued to all employees. It has had discussions with the unions of the employees all over the wide spectrum of the employees there and it has in fact endeavoured to include a large degree of commitment in the employees of that company. That is a most formidable task for any company, especially one as large as Shell.

On several facets of the Federal Government I wonder whether we have a wider, more mixed economy than I had ever thought. I have made criticisms of Australia Post. It is supposed to be a public service and it is not. If we see the amalgamations of all the unions which come under the control of Australia Post and Telecom, we shall see a gigantic and dangerous union and in fact, very little public service. It is the policy of Australia Post that if an unofficial post office is a booming and viable concern and is making money, it will be closed down and an official post office will be built to reap the good business benefits that have been created by the unofficial post office. I wrote in those terms to the Minister for Post and Telecommunications and his reply was that that is not the case—that there has been no decision to close post offices. In my electorate the owner of the Salisbury East Post Office was assured that he will be allowed to stay there until that post office is closed. When the owner bought this post office he set about building it up. He built up stamp sales, the changing of cheques and Commonwealth Bank services to such an extent that he now has a booming little business. Now the big hand of Government is striking down and the Government is saying, “We need rationalisation of inefficient services.” Good heavens!

I can only say that this monumental piece of Government bungling, with overtones of union bungling as well, is disgusting in a private-enterprise economy. I think it is disgusting that, because a union decides that it needs opportunities to advance further, the Government should consider closing post offices. Australia Post needs a good shake-up; in fact, it needs a thorough vacuum cleaning.

I have not been one to heap praises on the Premier when they have not been due. In fact, I have been one who has openly criticised him. I must say, however, that his statements about the Seamen's Union and the Utah company struck a chord not only in my heart but in the hearts of many of the average people in my electorate. That the Seamen's Union is guilty of attempting to pull the wool over the eyes of the public is beyond doubt. Its claim that Australian seamen should be the only ones to work in Australian ports is clearly preposterous. After all, what is the ethnic breakdown of the Seamen's Union? I ask the Seamen's Union for a clear statement of that position. Where do the people come from who now form the Seamen's Union? Do they come from Ireland or Czechoslovakia? Where do they come from? And are Spaniards not just as much entitled to work as Australians?

The Seamen's Union in fact have excellent conditions. They are also guilty of gross racial discrimination. I propose to quote now from an article that I read recently—

"The pro-Soviet nature of the leadership is shown by the anti-Jewish resolution . . ."

That resolution reads—

"All societies produce their criminals and misfits. Under a socialist society, those who reject the accepted democratic (communist) principles and actively support a return to the past of privileged classes and repressions belong to such categories. In this context we do not support criticism of the USSR or any socialist country which limits by its own constitutional law such anti-social individuals.

"We reject any acceptance by the Australian Government of the proposition that Australia accepts as migrants those Jews who choose to leave the Soviet Union, and, subsequently, Israel. Such individuals have demonstrated their undesirability as citizens."

Well, my gosh!

Mr. Wright: Who wrote that?

Mrs. KYBURZ: That was a resolution of the management and delegates of the Seamen's Union in March 1975. Those delegates evolved the policies that were subsequently endorsed by the Seamen's Union at stop-work meetings. That article shows how illogical the Seamen's Union can be and leaves no doubt in my mind of its hypocrisy.

In the first place, the Seamen's Union negotiated with Utah for the payment of Australian rates of pay to the Spaniards. The union then turned round and demanded that they all be sacked. What hypocrisy! That must be the epitome of political chicanery. I have not seen anything so sadly funny in Australian union politics in the last 10 years.

I now wish to refer to the report of the committee that inquired into the enforcement of criminal law in Queensland. This is a matter on which all members have been extremely silent. The large report of that committee contains a great deal that is true and we should all be concerning ourselves with it more than we are. I think that expenditure on the Police Force should be greatly increased. Further training should take place within the Police Force. I want to refer to certain sections of this report. It states—

"After all, it is the incompetent and the lazy who will take most advantage of a system that does not repudiate the fabrication of evidence and brutal and illegal practices."

It says further—

"Could it be imagined that the situation already described that was reached in the Education Liaison Unit would have been reached if there had been someone in control of it who had even a rudimentary understanding of social science?"

We ought to be developing in our Police Force different departments with greater understanding. The report also states—

"At the centre of the problem is the extraordinarily extensive hierarchical organisation which will soon have 16 divisions in a force of only slightly more than 3,500."

In fact, many things come out of this inquiry but I would like to see in this coming Budget a greater allocation for the Police

Force. I do not mean this in terms of building and housing, but in terms of police education. I think one of the solutions to the problem would be a better-educated Police Force. I also suggest that police should not be used to enforce unpopular laws. A lot has been written about this in the report—in fact a whole chapter. But no law should be made in the expectation that it will be rarely enforced or regularly broken. Certain sections of the report deal with what many young officers have to do and it refers in particular to the fact that the Licensing Branch uses new recruits to go into hotels because they look young, unscrubbed and so on. The report states—

“They were used as agent provocateurs in hotels, brothels, massage parlours and gaming houses. Almost invariably ugly scenes followed upon arrests made as the result of their activities. They were commonly reviled in the worst possible fashion and frequently police officers had to intervene to protect them from assault. They usually had outlived their usefulness by the end of the four month period and they are then posted to other service.”

What an easy way to break their will!

(Time expired.)

Mr. BYRNE (Belmont) (4.28 p.m.): It was quite obvious when we heard the speech of the honourable member for Archerfield leading in the debate on the Appropriation Bill on behalf of the Opposition that the Opposition, and therefore the A.L.P. in Queensland, has reached new depths of despair and dearth of talent.

Mr. Moore: We need the ringmaster of the Show. He has forgotten about Parliament House.

Mr. BYRNE: Of course, there are more important duties that might take the Leader of the Opposition away from Parliament. Probably being ringmaster of the Show is a more fitting role that he is able to fulfil than being ringmaster of an Opposition of 11, because the changes that have occurred on the front bench of the A.L.P. in this place, which is also the back bench, show that no matter how they are shuffled, moved around or which particular portfolios they shadow, they are all equally competent in all of them, and I might say that that level of competence is not exceptionally high.

But I think it is very important for us to realise that the honourable member for Archerfield in assuming this new role as

Treasury spokesman for the Opposition managed—in the time that he had available to him, and he spoke for only a very short period—to convey nothing of any great content to this House, but he did show, above all, that he is the tweedledum and tweedledee of the A.L.P. rolled into one. He is the tweetiepie of the Opposition in the Parliament because he had no sensible answer to offer to the very crucial economic questions in the country today. No-one in this Parliament or outside it will say that the economy is at its greatest strength. Everyone admits that there are weaknesses in the Australian economy today, but the Opposition, through the voice of the honourable member for Archerfield, today came out with no principles, no policies, nothing of a constructive nature and nothing which would lead towards any sort of an economic recovery. There was nothing but the criticism we heard and the promises made under the Whitlam Government in Canberra. Indeed as the “Telegraph” prints it—

“In his maiden economic address, Opposition treasury spokesman Mr. Hooper, said next month’s state budget would contain hidden charges.”

So when he has no facts to speak about he starts moving into the field of mystery and myth.

Mr. K. J. Hooper: Which paper?

Mr. BYRNE: The honourable member is probably a little behind the times. I think he will find that it is the next edition of the “Telegraph” in which he is written up very briefly. I might add that it comes at the very end of an article in that newspaper that is more appropriately headed “Knox plans for boost to economy”. Quite clearly, the media can appreciate the fact that what is being offered by the Treasurer is something far greater than has been offered by the Treasury spokesman for the Opposition. He offered nothing but myths and mystery, referring to hidden things, things that people would not see. He moved into the realm of trying to create things that do not necessarily exist. Having nothing whatever to offer on today’s economic circumstances, he moved on to the denigration of the Government and fellow members. If that is the style of debate that we are going to see from the new Treasury spokesman for the A.L.P., not only does the Government have little to fear from him but the people of Queensland, when they have an opportunity, obviously will appreciate that this man never will have

the calibre required of a person to administer the many hundreds of millions of dollars that reside in this State.

I wish now to refer to statements that I have made previously in this Chamber about the economic circumstances existing today. I point out that in 1972 the then Federal Treasurer (Mr. Snedden) brought down the last budget of the McMahon Government before the Whitlam Ministry took office. There was a growth factor of about 12 per cent in his Budget at that time, and he intimated that in order to hold back inflationary pressures and to curtail the increase in unemployment that would occur at a later date, he would have a boosting Budget in 1972. The growth factor increased from about 8 per cent in 1971-72 to about 12 per cent in 1972-73. Because of that, the Whitlam Government was able to perceive a downturn in unemployment and a hedging of inflation upwards, which was to be expected because of the growth factor then imposed.

Mr. Snedden intimated when he brought down that Budget that it would be necessary in the following Budget to have a growth factor of about 8 per cent to assist in containing the economic pressures, stop inflation becoming rampant and maintain the employment pressures. In 1973 Mr. Snedden was no longer Treasurer and the Budget was brought down by the Treasurer in the Whitlam Government, and the growth factor that that Government imposed on the community through its Budget was something of the order of 23 per cent.

When a Government tries to increase expenditure to that extent, it necessarily means that the community has to provide a 23 per cent increase in taxation. That was what occurred. But it also imposes a greater burden on the productivity of the nation to meet this new level of finance that a Government requires for its ventures. It might be all well and good for that to occur if the Government then utilised those funds in capital-producing areas—in other words, in productive areas. However, instead of its going into those areas, the additional capital that the Government took up through taxation went into increased budgetary expenditures in non-productive areas—dead areas that would not be productive of further capital themselves.

That was good enough, and in the 1973-74 Budget we saw, as I said, a 23 per cent increase. But in 1974 there was an election

and, once again, more promises were made. The election was very close and very marginal and Whitlam saw that he had to boost his stocks to a much greater extent in the community, so he made even more promises than he had made previously. In order to fulfil these promises, it was necessary for the Government to have an increased growth factor, so in 1974 the growth factor was about 42 per cent over the previous year's budgetary allocations.

The average budgetary growth factor during the previous 20 years of Liberal administration had been more in the realm of 8 or 10 per cent, going down as low as 3 or 4 per cent during Menzies's time and up to as much as 11 per cent.

At a time of national and productive downturn, at a time of trade and economic downturn throughout the world, Australia's Labor Government decided that it would have an unprecedented growth factor of 42 per cent in its budgetary expenditure. So at that time we saw Medibank come in, along with the many social services the Government had promised it would bring to fruition.

That 42 per cent increase in Government expenditure meant that one of two things had to occur, or perhaps both. There had to be an increase in the amount of taxation the Government took from the community, which definitely occurred, and as well as that, in order to compensate for the fact that the Government was not able to get sufficient money from income tax, it had to start the build-up of its Budget deficit. It is quite reasonable for a company to budget for a deficit. All companies have to budget for a deficit if they are going to survive. It is no good their resting on a basis and saying, "We are never going to be overdrawn." Of course, companies strike out towards a productive area. They utilise their funds in an economically sensible manner so that the expenditure will be productive.

It is my argument in relation to the Federal circumstances today that we could quite easily carry a Budget deficit and not be perturbed by it as long as we saw that any increase in the expenditure of the Federal Government was in productive areas. That is why I mentioned previously the importance of the area of housing. Housing is an area that is productive both of employment and of demand for items and commodities that people utilise in the making, development and upgrading of their homes.

So in 1974 we saw those factors arising. In 1975, despite the warnings the Federal Government had received, we saw a growth factor again of 21 per cent. We know the end result of these three years of gross extravagance, three years of utilising funds for non-productive purposes, three years of increasing income tax on the community and therefore effectively decreasing the standard of living, which the people were not able to determine for themselves, but rather had it determined for them by the Labor Government. The end result was an increase in the Budget deficit in non-productive areas, and we saw this continue at a time of world economic downturn and a lack of productivity and prosperity in our nation. A serious circumstance then existed—one which could have only a detrimental effect on the community at that time and long into the future.

When Mr. Fraser took power at the end of 1975 the Budget that had to be drawn up had to be a containing Budget. The budgetary growth factor that he imposed was in the realm of 15 per cent—still far too high. In an endeavour to make the change-over towards gaining stronger control of the economy, Mr. Fraser decided to strike a middle course of action. Instead of taking it back to 8 per cent or nil per cent and have no growth factor and therefore a decrease in taxation and also necessarily a very rapid decrease in services and the involvement of Government in services, he struck a middle course and said, "We will try to maintain it at 15 per cent." Of course, inflationary pressures and pressures from various community groups, and the expectation of the community because of the promises made by the previous Government above and beyond what the country was able to afford, have made it very hard to maintain it at that level.

Probably it would have been far more effective and a far better thing for the Government in that first Budget to strike a growth factor of nil per cent and maintain a flat level at that time. It would have created a great deal of hardship in the community in the short term, but it would have enabled a far greater and far swifter reining in of funds and far greater stabilisation in the community.

Mr. Casey: Life wasn't meant to be easy.

Mr. BYRNE: I disagree with that comment. I do believe that the good Lord meant life to be easy for us. Once again I do find a point of difference in philosophy with the Prime Minister of Australia.

Mr. K. J. Hooper:hovels on earth but oh mansions in the sky.

Mr. BYRNE: One day the honourable member will come to an appreciation and an awareness of what that really means. It will be such an insight into his own life and understanding of life that it will probably open up entirely new vistas for him. I do hope that it occurs soon.

We saw the growth factor that occurred in the Federal Budget last year. One looks towards the circumstance that is going to exist in 1977. I should hope that the Federal Government would pursue a similar course of action, and that it would contain the growth factor in Government expenditure, thereby containing the growth of income tax collection from the community, but more importantly I would hope that it would alter its priorities of expenditure to areas of a more productive nature rather than its expenditure being dead money, with dead productivity and no return.

So in 1977 I am looking forward to a circumstance that will see a greater allocation of funds towards the area of housing. If there were huge expenditure on housing and if money were made available on a loan basis—it may be deficit money but it still could be made available to the community by way of a loan—at a certain low interest rate, that interest rate would still have to be subsidised because of inflationary pressures. So the overall effect would be that the Government would be subsidising that interest rate.

Over the years people who move out of rented accommodation and purchase their own homes would find that they would be able to meet their repayments and would be able to refund this money to the Government. The only difference along the way is that a percentage of interest rate over that year is the subsidised loss by the Government. The effect, however, would be absolutely unbelievable. In the building industry, an industry that has been depressed, there would be created a demand for houses, a demand for consumer goods and a demand for land development. The result would be not only an increase in productivity and a reduction in unemployment but also a stabilising of the economy and, more importantly, a release from the insecurity that comes with living in rental accommodation.

It is important to reflect upon the achievements made in this State over the past 20 years. I am only 26 years of age, as is

the Cavendish Road State High School, the second high school in the State to be built. Today in Queensland we see a large number of high schools, miles of sealed highways, miles of freeways, a large number of public buildings, large areas for sport and recreation and a large number of hospitals. All of this has occurred at greater speed over the past 20 years than in the preceding 50 years. It is quite clear that Queensland has benefited to a great extent from having in office a Government whose concept of free enterprise is one that moves towards productivity and away from the handing out of money on unnecessarily dead-service items.

It is important to perceive why the unemployment problem has increased markedly over the past five years. Any study of figures points to a dramatic increase in the number of women in the work-force. Women who take on either part-time or full-time jobs are occupying positions that would otherwise be filled by school-leavers. They are thereby depriving girls of school-leaving age of job opportunities. I am not saying that women should not be seeking jobs. Economic circumstances demand that they seek jobs. Women who want to maintain a high standard of living for their family and purchase their own home are forced by the inflationary pressures of our time to work. The only way in which many young couples are able to achieve their goal of home-ownership is by both husband and wife working. That means, of course, that girls particularly who leave school have had job opportunities taken from them.

It is not surprising, of course, that employers would rather have older and more experienced women as employees. The wage differential between adults and girls leaving school is so small that it makes a great deal of sense to employ a more experienced woman than a girl who has just left school.

We have to realise that the unemployment problem is not one created specifically by individual Governments. Rather is it one caused by the inflationary and high-interest pressures flowing from bad economic management at the Federal level in the period from 1972 to 1975. The unfortunate aspect is that the people who will suffer in the long term are the entire population of Australia. There has been a very serious downturn in the incentives offered to young people, whose optimism has been broken. Furthermore, this psychological downturn cannot be corrected very easily.

A young person leaves school with great optimism, going out with great hopes of making something of himself, of doing something in the community and of succeeding. He finds he is turned away once, twice or three times. It does not take long for that boisterous confidence, which is really a facade for a very fragile optimism, to be broken down. It is the community that must stand the loss. It is not surprising to see these young people turning to circumstances that are detrimental to themselves socially and also to the well-being of the community as a whole.

Obviously, therefore, the highest priority for all Governments in Australia today rests in the field of unemployment. I think they all appreciate and recognise that. This Government is working towards the resolution of it. However, in trying to resolve unemployment it is important to remember that, although we might resolve it for the people leaving school, we might create it in other sections of the community. We cannot afford to have a solution that simply moves the problem to another area—even though I consider that school-leavers and bread-winners are the most important groups in the community.

Mrs. Kyburz: And the over 50s.

Mr. BYRNE: Yes, that group as well.

I briefly summarise my contribution to this debate by referring to the total ineptitude by the Opposition's spokesman on Treasury matters. It is unfortunate that a man of such low calibre, who made such an abysmal and pathetic performance and showed such a lack of insight into economic affairs, should stand up and make the type of speech he delivered today. I hope the community will become aware of the fact that a person came into this place, assuming a very important role for which he was virtually unprepared, and spoke glibly about a matter of great importance to the community. Next time we hear the honourable member for Archerfield speak on economic matters, I hope he will be far better informed, far better prepared and able to offer something for the benefit of this Parliament and for the benefit of the community generally.

Mr. CASEY (Mackay) (4.47 p.m.): This afternoon we have seen another example from the member for Belmont and several others of the way in which Government members—and Government Ministers on

some occasions—try to belittle the human dignity of people in this Chamber. They referred to my colleague the honourable member for Archerfield in a rather shocking way. The member for Archerfield comes into this place and does the best he possibly can, in his own way, for his constituents and for the people of Queensland. One thing that can be said about the member for Archerfield is that he contributes to the debates in this Parliament. The Government back-benchers who like to be so paternalistic about these things should go back a little in the history of this place and read the speeches of some of the men who now hold positions in their own Cabinet. I specifically refer to one—the Minister for Local Government and Main Roads. They should read some of the speeches that he made in this Chamber before he was appointed to Cabinet, yet in their minds he holds a very responsible position. As Parliamentarians we all hold responsible positions, and it ill behoves any person to make such accusations. All I say is that people who live in glass houses should not throw stones.

The debate on the Appropriation Bill gives us an opportunity to talk about some of the financial problems of the Government. We all realise that the Government has a fixed area of financial responsibility. When the Treasurer starts allocating his funds for the year, he knows that many things within his ambit are fixed. He cannot vary them. The flexibility he has in framing his Budget comes from those areas of additional income that are available to the Government.

The major one in recent years in Queensland has been mineral royalties. According to an answer given recently, they now amount to over \$48,000,000 per annum. Most of that relates to major mining projects, many of which have been operating for a considerable period. The greatest individual amount of royalties paid to the Government comes from Mt. Isa Mines, a great undertaking that has been operating much longer than this Government.

What we have noticed from the Government is that many new mining projects are being constantly announced and reannounced. Over and over again the same project comes up in the Press like the rerun of a television movie. They include Hail Creek, Norwich Park, Galilee Basin, Millmerran, Tarong and Aurukun. None of them has yet got off the ground. But time after time, year in and year out, the Press carries a repetitive announcement concerning them.

One of the most classic examples is the Julia Creek oil-shale deposits. In July 1970, there was a great announcement by the Premier about those deposits. He said that his Government considered them to be of great importance to the State. They were his words on that occasion. The people of Julia Creek were told that their town would double in two years. The whole of the State was told that this was a great source of energy. What a great source of energy we had available to us in the State of Queensland. We all know that "energy" is the in word in world economics these days. Stories were going around that in no time at all, great shale crushers would be scattered around the countryside near Julia Creek, that huge retorts would be used to get the fuel from the oil-shale and that vanadium, a steel hardener, would be a very important by-product of this project. Even 100 acres of the old town common was set aside and reserved for the Housing Commission.

Since 1970, we have had several reruns, as I classify them. It keeps coming up and coming up. But what is the present position? In Julia Creek today the cattle are still grazing on the town common. There is no sign of the development of the great Housing Commission estate. Instead of having doubled, the population of the town has dropped by almost 40 per cent since 1970. The people of the West can only hope. Recently they have begun to call themselves Australia's F.B.I.—the forgotten bastards of the Inland. That is their term for their lifestyle in that locality.

One episode in the Premier's "Personally Speaking" programme, to cap it all, a few months ago was titled "No Shortage of Energy". I have looked through the copy and have not been able to find one word about Julia Creek. It does not even now rate a mention in his energy programme as stated on that occasion. Yet suddenly it bobbed up again a few months ago. Somebody said that we will have a big oil-shale development at Julia Creek. That is a classic example of the type of thing that has been happening for a number of years, particularly when we get close to election-time.

Let me deal with a few other things that have been flogged around the countryside for a while. In September 1975, when the Hayden Budget introduced the \$6 a ton levy on coal exported from Queensland—and other States, I would add—Mr. Bjelke-Petersen said that the Whitlam Government

was completely wrong in introducing that levy. He said that it was a terrible thing and that it should not be tolerated under any circumstances. By January 1976, with the Fraser Government in Canberra, Mr. Bjelke-Petersen said that Queensland should get the \$6 a ton levy and that he was going to fight Canberra to get it. Now he is saying that the mining company needs it and he is happy that it has been reduced and will be phased out by the Federal Government. So the profitability of the mines is not coming back to the people of Queensland or even to the people of Australia.

Let me now deal with the contentious project at Norwich Park. Early in 1975, the newspaper headlines said that Norwich Park was being held up because the Whitlam Government wanted Australian equity in the project. That was the reason being given at that time for the hold-up. In January 1976, the headlines said that there was stalemate between the Commonwealth and the State. Whitlam had gone by then and the Fraser Government was in power. In January 1977, the headlines said that it was held up because of a freight disagreement between the Queensland Government and Utah. The Treasurer was one of those who participated in the discussions that were then holding up the Norwich Park development. I am not necessarily critical but these things seem to happen all along the line. And now, six months later, we are told that the blame for holding up this development must fall on the Seamen's Union or some other unions. It is now said that they are wholly and solely to blame. Nothing is said about the other negotiations that have held up the project for years. The dispute over the manning of ships was always there as a sleeping giant and surely this matter should have been negotiated with all the other issues.

Even the figures of additional costs caused by the manning of ships with Australian seamen are far in excess of the real costs. It is this point that seems to be the main issue at the moment. I draw the attention of members to a recent statement by President Carter that he wants at least 10 per cent of all ships trading to America manned by American crews. If it is good enough for the President of the United States, supposedly the largest free-enterprise country in the world, to want 10 per cent of ships trading on American shores to be manned by American crews, surely it is reasonable that that suggestion be followed

in Australia, irrespective of whether it be made by a militant seamen's union, the Federal Government or any other body.

Surely the ethnic backgrounds of seamen, to which reference was made by the honourable member for Salisbury, have nothing to do with the matter. I am one who has no regard whatever for ethnic groups in Australia. I am an Australian and, so far as I am concerned, our seamen are Australians. We all live under the same conditions in the same country and I cannot see why the comment about ethnic groups was made. All that we want is work for Australians in vital areas such as the manning of ships coming to and leaving our shores. It would seem that the Seamen's Union is completely to blame for everything that is happening in Queensland today.

Mrs. Kyburz: Oh, rubbish!

Mr. CASEY: That is what the Premier is saying, and that is almost what the honourable member for Salisbury said a little earlier.

Let us consider a few of the other real causes of some of the troubles in Australia today. In Melbourne the chairman of the Associated Australian Resources Group, which is involved in mining in several areas in Australia and is a major partner in the proposed Hail Creek development, was quoted as saying on 4 August, only last week, that negotiations for the sale of coal to Japan were delayed by an easing in Japanese demand.

I read recently an extract from a survey carried out by the Mitsui Bank, one of the major trading houses in Japan, which clearly stated that the Japanese growth rate had slowed and that it would become even slower. Other publications originating in Japan reveal that Japanese industrial sources have indicated that growth has run them into problems, particularly in the fields of pollution and the environment. Japanese people are no longer content to die in their smog-filled cities and, because of the heavy industrial growth that there has been in Japan in recent years, there are tremendous problems concerned with pollution and the environment.

Surely we, as the people of Queensland, must feel concerned that we are exporting our problems of this nature to another country. Surely we must feel for the people of Japan. Surely they must be allowed to

live their lives in a clean and healthy environment if that is their desire. It is for these reasons that many Japanese industries are running into severe problems.

There has been a forecast of a great decline in shipbuilding in Japan, especially the construction of tankers. Many now on the slips in Japanese shipyards will not be sold. They will simply be pushed out into harbours and anchored because they have been financed but cannot be sold. A decline in the production of steel and passenger cars has also been forecast in Japan in the coming years.

The Mitsui Bank forecast to which I have already referred clearly indicates that there will be decreased Japanese imports of metals and coal. These trends, coming from authoritative sources in Japan, are the reasons for what is happening in this country today.

Anyone who has seen this study of recent steel production figures throughout the world will know that there has also been a decline in virtually all countries in the world in the last quarter with the exception of West Germany; yet the Queensland Government says, "The problem here is the unions. This is the reason we are having our cut-back. This is why there are problems. This is why we can't get our deals negotiated." Those are just statements of convenience by this Government. They do the Seamen's Union proud if they think they could have such an effect on the overall world economy. Probably it is a desire to delude Australians into thinking this because one of Australia's greatest problems is that we think of ourselves as occupying a place of importance in world affairs. But we are a very small consumer nation, and this is one of our biggest problems. The Minister for Primary Industries is in the Chamber, and he knows as well as I do that we have no difficulty whatsoever with our home-consumption market for primary products but where we have problems at present is in the pricing of our export products. This is causing problems for just about all our primary industries. If we had a larger consumer market in Australia our primary producers would receive a much better return.

Mr. Sullivan: We agree on something, anyway.

Mr. CASEY: We agree on more than one thing, although we do disagree from time to time. But this is a fact, so let us not keep kidding ourselves and let us not keep

kidding our fellow Australians that piddling little industrial disputes in Australia are affairs of world-wide importance. Indeed, they matter not one little bit.

Australia has been tied to Japan as its resources market for a number of years now. As to our future resources market, as I said we are looking at surveys and forecasts indicating a downturn in Japanese production. I believe we must turn to that sleeping industrial giant, China. We must turn to some other country in close proximity to us where we can compete with other countries. Of course, Japan fears China as a competitor, and this may be a way in which we can help to negotiate better deals with Japanese companies. If the Premier dropped his fixation about a Commo under every bed and started to enter into trade negotiations with China, I think we would be a lot better off.

I would like to see a trade delegation headed by the Minister for Primary Industries sent to China to negotiate further sugar contracts with the Chinese people. They are willing to enter into contracts so long as they can be shown good intentions by the Queensland Government. Let us face the facts. We are already selling some of our primary products to Communist countries. In the past few days we signed a contract for the sale of beef to Russia. This shows that we are quite happy to sell to Communist countries. Last year something like 250,000 tonnes of sugar went to Chinese markets, but this is only a drop in the bucket to them. There is tremendous potential for increasing our sales of sugar to China.

I think it is time we sent a Queensland Government trade delegation to China. Let us not be critical of the Leader of the Opposition and the honourable member for Rockhampton because they went to China and talked to people over there about these things. Let us conduct negotiations on a Government-to-Government basis. Let us show the people of that great nation that we who live in this part of the world are content to live with them as neighbours. We do not necessarily have to agree with their politics, just as we do not agree with the politics of Indonesia at the present time. Let us face it, we may not necessarily agree with the politics of the people of Papua New Guinea in the future. As for China we must say, "O.K., there is scope for increased trade here. Let us as a Government, as the representatives of the people

of Queensland, open up these opportunities." We must do this instead of just belting unions and trying to associate them with these Communist countries.

It is pretty true that one cannot make a horse work by belting it, and so it is with the unions. The New South Wales Government seems to have good relations with the unions at present. Of course, it is a Labor Government. It is getting on quite well with the unions. The latest steaming-coal contracts in particular and several of the coking-coal contracts that have come to Australia have gone to New South Wales companies. Potential purchasers have swung their interest from Queensland to New South Wales. Is it because we have a Government in New South Wales which is prepared to co-operate with the unions? That may be so. So let us stop belting the unions. Let us in Queensland say, "We as a Government are prepared to work with the unions." I say that a Labor Government in Queensland would be prepared to work in harmony, accord and co-operation with them in order to bring about the industrial development of this State. It would not use the tactics of "divide and conquer". They were the tactics of Attila the Hun and Mao Tse-tung, and we are seeing them used in Queensland.

These are very important measures that the A.L.P., as a Government, would be looking at. They are measures that would enable us, as the Government of Queensland, to bring about better mining of the State's resources, better production of goods, and better job opportunities for the people of this State. We would be prepared to implement them.

I should like to make one further point while dealing with mining. At times we hear a great deal of talk from people in overseas corporations. Let me take the Utah corporation, which is in the forefront of the news at present because of the situation at Norwich Park. I believe that we would get a far better deal from the Utah corporation if we were talking to Australian directors, and this is one of the matters that must be considered when any legislation is being framed on agreements entered into with companies. If we cannot get an Australian content in the companies, at least we should be able to say, "We want Australians to run and operate the companies and to make the decisions here in Australia."

Let no-one try to tell me that that cannot be done. We already have in Queensland an excellent company with a wonderful track record. I refer, of course, to Mount Isa Mines. Its board of directors is virtually all Australian and has been for a number of years. Men who have been brought up and reared in Australia have undertaken all the negotiations with this Government, previous Governments and overseas Governments for the sale of commodities.

The Utah corporation already has amongst its executive officers many highly qualified Australians who are making major decisions on the company's operations. Why should not they be entitled to become directors of the company and put forward plans to the Government?

Hon. W. E. KNOX (Nundah—Deputy Premier and Treasurer) (5.7 p.m.). in reply: I appreciate the interest that honourable members have taken and thank them for their contributions to the debate. Although all members made valuable contributions on the various matters that they raised, I hope I will be pardoned if I do not answer members individually. I intend to deal with some of the matters that I think are relevant to the proposals I put before the Committee.

I congratulate the honourable member for Archerfield on his maiden speech in the debate on an Appropriation Bill. I hope he stays for my reply, or I shall be wasting a lot of time. I am surprised that the honourable member has not been given the privilege of a front bench seat, as he is now a senior shadow Minister. The normal courtesy is that senior members are given front-bench seats in their respective parties. I understand that the honourable member is rather reluctant to assume the office that he has been given, and perhaps that is a modesty which we have not hitherto seen.

Mr. Casey: Don't be sarcastic.

Mr. KNOX: The honourable member has just defended the honourable member for Archerfield, and I thought he did so in such a way as to damn him with faint praise.

Mr. K. J. Hooper: I thought so, too.

Mr. KNOX: Yes. The honourable for Archerfield is entitled to many more compliments than being defended in that manner.

I might also say that I am delighted to see that the honourable member for Archerfield has thrown away some of his old clothes and is now wearing clothes that become a man who might be a future Chancellor of the Exchequer. Although I heard on one occasion that he thought statutory reserves were a cemetery full of statues, I welcome the honourable member for Archerfield to the lists, and we will probably enjoy parry and thrust occasionally.

The honourable member spoke of some of the problems facing the State financially and tried to suggest, of course, that there would be hidden charges in the Budget. I make it quite clear—and I repeat it because I have never said anything else—that there will not be any increases in taxes and charges in 1977. I have never stated that there would be no increase in charges at some future time. I said in April this year that there would be no increases in charges in this calendar year, and the Government has been able to hold that position. It will continue to do so for the remainder of the calendar year.

Mr. Wright: Are you saying that about administrative charges only or are you talking about rents for Housing Commission homes?

Mr. KNOX: I am talking about the taxes and charges of the Government. That position has been held to, and it will continue. When the honourable member tries to suggest that there may be hidden charges at this stage, I am not in a position to disclose, nor would I disclose at this time, whether or not there will be any provision in the future for increased costs and charges. There are certainly none for 1977.

As to the honourable member's observations about double tax, this State is not supporting the principle of two taxes. I have said that on previous occasions, and I do so again to make it quite clear that we are not going into the two-tax situation.

As to the question of the economic management of this part of Australia—Queensland is a very important part of Australia, being responsible for 24 or 25 per cent of the nation's export income, and we have reason to be proud of the fact that it has been extremely well managed despite the problems. I trust that the honourable member will understand that the 5 per cent increase in the loan allocation to which he

referred is the result of the decision made by the Premiers, including the Labor Premiers, together with the Commonwealth. Because of the strictures placed on us by the Commonwealth, we were not able to raise the loan allocation by more than 5 per cent.

Mr. K. J. Hooper: You and the Premier didn't fight the Prime Minister very hard.

Mr. KNOX: I assure the honourable member we did. So did the Labor Premiers. In fact we met separately on three occasions. The Premiers, as distinct from the Prime Minister and his advisers, met on three occasions. Once the meeting was actually chaired by the Premier of New South Wales. On each occasion we came up with unanimous views, which were presented to the Prime Minister, but we were not in a position to change that decision. We certainly fought very hard and long on the various matters that we thought ought to be rectified concerning loan allocations.

I think the honourable member is a little astray about the workings of the Loan Council. With the passage of time and his reading of some of the documents associated with it, no doubt he will become aware that we have some joint responsibility in the decisions it makes.

The honourable member for Bulimba said that we were still a claimant State. There is nothing derogatory about a State being a claimant State. In fact Queensland is the only State that goes before the Grants Commission. The amount that the Grants Commission awarded to Queensland was announced the other day. It was nearly \$25,000,000. Last year it was \$27,000,000. I don't mind Queensland's being called a claimant State if we get \$25,000,000 or \$27,000,000.

Mr. Houston interjected.

Mr. KNOX: It is our funds; it is our money; it is only being returned to us; it is income that has been raised in this State; it has been paid by Queensland taxpayers. It is the money of our people and we are entitled to receive it back through this device. That is how it comes back. The only difficulty is that our overall operations have to be bared to every other State. They can examine our accounts, and the Commonwealth can examine our accounts. Because of the way in which the affairs of this State are run—not only the political affairs, but also the administrative affairs—we are prepared to let anybody or any

tribunal examine them, as the Grants Commission does. They are thoroughly examined. We are quite prepared to have our officers cross-examined on oath, which they are. We would be happy to have them cross-examined about the way in which our affairs are conducted. I am proud of those officers and also of the way in which our affairs are conducted. They are subject to this type of scrutiny by observers from other States who sit in on the meetings and listen to the proceedings. They are able to ask questions, too.

As I say, our affairs are open to this sort of scrutiny, and they are in very good shape indeed. The fact that we have been able to succeed where others have failed—other States have decided not to appear before the Grants Commission—and the fact that we have obtained something like \$49,000,000 over the past 12 months reflect great credit on the officers who have done this work and who have been prepared to be examined.

Mr. Casey: Does that include the cross-negotiations between the Trust Funds as well?

Mr. KNOX: It includes all the finances of the State. They are open to examination by the Grants Commission. The officers appear before it and are examined on oath. The Commonwealth has its observers present and they, too, are able to see for themselves how this State's affairs are conducted.

Queensland is the only State in the Commonwealth that is doing this, and we are proud of the fact that we are doing it. As I say, our affairs are in excellent shape. We have nothing to hide and we are prepared to submit ourselves to this examination. I have no hesitation whatever in allowing this to be done. As a result of this State's applications to the Grant's Commission, it has benefited to the tune of nearly \$50,000,000 over the past 12 months.

Mr. Houston: Even with that you have unemployment of 5.6 per cent.

Mr. KNOX: If we had not followed the policies as announced by me in last year's Budget, the rate of unemployment in this State would be much higher than it is. But does the honourable member realise that over 2,000 Queenslanders are presently out of work as the direct result of industrial disputes?

Mr. Wright: That's 4 per cent of the unemployed.

Mr. KNOX: All the honourable member thinks of is percentages. I am talking about people with wives and families. They are not percentages; they are people with wives and families.

Mr. Wright: The unemployment rate is nearly 6 per cent.

Mr. KNOX: The honourable member does not care about that one little bit. He would love to see unemployment rise to twice that level so that he could try to gain political advantage from it. That is his attitude. He does not care one jot about the people who are out of work as the result of industrial disputes.

Mr. Houston: Why don't you put on more young people in the Public Service?

Mr. KNOX: We have filled the vacancies. We have appointed hundreds of people. The honourable member cannot distinguish between establishment and filling vacancies; he does not understand. Many hundreds of young people joined the Public Service last year and they are in permanent employment in the Public Service. But we have not expanded the establishment of the Public Service—as we did on previous occasions, by between 5 and 6 per cent. As a result of savings such as that, we have been able to divert money into the private sector through public works and thereby provide employment for many thousands of Queenslanders.

Now let me tell the Committee where we get the \$70,000,000 from.

Mr. Houston: Use your money on paying salaries.

Mr. KNOX: The honourable member's idea is that we should have a giant Public Service.

Mr. Houston: No, it's not; it is to give people work.

Mr. KNOX: Whether the money is spent on expanding the Public Service or on expanding private enterprise, it is still creating employment for people.

Mr. Houston: Your record is shocking, and you know it.

The CHAIRMAN: Order! The Committee will come to order.

Mr. KNOX: Whether we spend \$100, \$1,000 or \$10,000 on employing someone in either the Public Service or the private sector, that person gets employment.

Mr. Wright: You have changed your tune.

Mr. KNOX: I have not changed my tune. As I said in my Budget speech last year, when we made savings we would divert the money from Consolidated Revenue into public works to provide maximum opportunities for contractors, subcontractors and people in private employment. Something like \$70,000,000 was provided. This is where we got it from. The honourable member said there was some sleight of hand.

Mr. Houston: No I didn't. I said that you had been putting it away for the last four years in massive amounts for this type of project.

Mr. KNOX: You mean to say that I have been putting it away for the last four years for this year? How ridiculous!

Mr. Houston: No, I didn't say that. I said you have been putting it away every year.

Mr. KNOX: You don't know what you're talking about.

The CHAIRMAN: Order! The honourable member for Bulimba has made his point. I suggest that he allow the Treasurer to answer.

Mr. KNOX: I thought the member for Archerfield was the spokesman for the Treasury on that side of the Committee. I think it would be a very good idea if they swapped places so that the honourable member for Archerfield, who is capable of making relevant interjections on occasions, could make a contribution to the debate.

Let me deal with the aspect of where the money comes from. It will be found that in the last Budget, as the honourable member has mentioned publicly on several occasions, an amount of money was set aside for increases in wages during the year. It is quite true that during the year those increases were not as great as were provided for.

Mr. Houston: No-one expected they would be as great.

Mr. KNOX: We had hoped that they would not be as great as we provided for. It was expected that the rate of inflation and the cost of living would not accelerate at the rate they had in the past.

Mr. Wright: What are you going to do next year?

Mr. KNOX: We hope, if it goes down the way it has been, that another amount of money will be available in the next financial year.

Mr. Houston: How much are you going to put away this time?

Mr. KNOX: The honourable member will see when the Budget papers are printed. It was in the Budget papers that I provided last time. The figure was in those quarterly reports that he complained about wanting monthly.

One form of savings resulted from the rate of inflation being reduced and the cost-of-living increases not being as great as was anticipated. Another was that, because of competition in the private sector, contract prices this year were a lot keener than they were 12 months ago, as anyone involved in contracting or local authorities would know. We were able to get keener prices and our costs were much lower than in the previous year. That was an improvement to the community and resulted in tremendous savings. The combined effect of those, plus the fact that we did not increase the Public Service establishment by the 5 or 6 per cent that has been usual in recent years, enabled us to divert funds to public works and other like projects. That is how it was done. There was nothing peculiar about it. I stated in the Budget last year that that is what we would do, and progressively I have made public statements in this place and elsewhere explaining the arrangements. The very large savings we have made have been usefully and gainfully employed in providing employment for this State's private sector. I think we have reason to be grateful for that.

The honourable member for Mackay spoke about labour relations and how, if the Labor Party were in office, it would have better relations with labour and so on. That is just a lot of nonsense.

Mr. Casey: It has been proved. It is happening in New South Wales right now.

Mr. KNOX: Newcastle has 13 per cent unemployment. New South Wales has a higher percentage of its work-force unemployed than Queensland does. Under a Labor Government New South Wales has found no solution to its waterfront problems. That Government has not been able to solve the problems associated with the shipping industry.

Mr. Houston: You won't allow trade between our ports.

Mr. KNOX: Nonsense.

Mr. Casey: They are still waiting for it in the North.

Mr. KNOX: There is nothing to stop A.N.L. trading interstate. It trades interstate and has in fact been doing so for many, many years.

Mr. Casey: That's not what he said.

Mr. KNOX: What is he talking about?

Mr. Houston: "Intrastate" is what I said.

Mr. KNOX: He doesn't know the difference between "intrastate" and "interstate". He said we weren't allowing interstate trade. Of course we are. A.N.L. ships come into Queensland ports from Sydney every second day.

Mr. Casey: Intrastate?

Mr. KNOX: That is right, but that is a different subject. That is not what the honourable member was talking about when he was talking about Newcastle and Sydney.

Look what labour relations are like under a Labor Government. New South Wales is the example that we like to look at first. It is a pretty poor situation there when Mr. Wran has come out and condemned the trade union movement in that State for its lack of co-operation with him. A fortnight ago in South Australia Mr. Dunstan came out vigorously and accused the militant unions of disrupting the economy of his State to such an extent that they were destroying industries permanently in the State. Mr. Dunstan had no hesitation in stating the position in South Australia.

Coming a little closer to home, look at the very poor labour relations the Brisbane City Council has with its employees.

Mr. Doumany: Dreadful!

Mr. KNOX: Dreadful relations. Its employees are almost continuously in disruption with their Labor bosses. It has been proven over and over again that whenever there is a Labor Government in office—local government, State Government or national Government—labour relations deteriorate enormously and the ability

to discipline and handle the situation is lost because Labor politicians depend on those people for their political future. This was recently displayed by the Leader of the Opposition sending a list of names to the Trades Hall to see which would be approved and—

Mr. Houston interjected.

The CHAIRMAN: Order! I now make an appeal to the Deputy Leader of the Opposition to restrain himself. I call the Treasurer.

Mr. HOUSTON: I rise to a point of order. Naturally, Mr. Hewitt, I respect your request, but could we suggest that the Honourable the Treasurer speak about—

The CHAIRMAN: Order! The Honourable the Treasurer will continue his speech and the honourable member for Bulimba will resume his seat.

Mr. KNOX: I suggest that the honourable member for Bulimba contain himself and have a talk with Vi Jordan, Frank Melit and a few other people who have lost their endorsements.

Mr. Casey: When will you agree with Mrs. McComb?

Mr. KNOX: I agree with Mrs. McComb all the time.

Whenever Labor is in office—in local government, State Government or Federal Government—relations with the trade union movement are deplorable. It is a matter of record that that is so and we all know why it is so. It is because of the inability of Labor politicians to effectively handle the situation owing to their obligation to their industrial masters. That is a matter of considerable record.

The suggestion that we held up Norwich Park because of freight rate agreements is incorrect. The Norwich Park project went ahead on schedule.

Mr. Casey: It has been on the board since 1974.

Mr. KNOX: The only thing that held it up, up to that time, was the levy imposed by the Federal Government. The negotiations for the freight rates were going on when the other preparations for Norwich Park were going on. The project was not held up while those negotiations were going on simultaneously with the other negotiations.

Mr. Casey: That took over three years from when it started.

Mr. KNOX: Of course. Norwich Park was ready to go on the eve of the Federal election when Whitlam became Prime Minister of this country. When he became Prime Minister, at least three major projects in Queensland stopped still. They stopped still because of the attitude of the Labor Minister for Mines (Mr. Connor) to the mining industry in this State. A deliberate discrimination was practised against Queensland by the Labor Government in Canberra. It was deliberate, and that is why everything was held up.

The honourable member for Rockhampton said that the development of the mining industry would have taken place regardless of the Government in office. Let me remind him of the situation in 1957 when I first came into this Parliament. In 1957, when we took office, we found the proposals for the Weipa agreement, which had been lying idle in the pigeon-holes of government because of the policy of the socialist Government in this State prior to 1957 that the Weipa deal should be a socialised or nationalised deal, that it could not be done by private enterprise.

The Government decided that the Weipa project would be carried out by private enterprise. It was beyond the resources of any Government in this country and, because it was beyond such resources, it was not being done at all. We took the documents out of their pigeon-hole, blew the dust off them, called the appropriate people in and said, "We will negotiate for the development of Weipa and Gladstone. Private industry in this country will be encouraged to undertake it." There is now the enormous development that can be seen at Gladstone and Weipa, with the possibility of future expansion. That resulted from the change in 1957 from a Labor Government to a Government of our political persuasion. But for that change this development would never have taken place. In fact, if there had been continuous government by Labor since 1957 many of the projects that have now come to fruition would never have got off the ground.

I think it appropriate that I should now wind up the debate. Various members spoke on matters concerning their electorates. I thank them for the compliments that they paid to the Treasury and for their thanks for assistance that they have received. I trust that in the future there will be a continuation of the assistance given to all members from

the funds of the Treasury, which I can assure them will be husbanded with great care and responsibility for many more years for the benefit of the people of this State.

Motion (Mr. Knox) agreed to.

Resolution reported, received, and agreed to.

WAYS AND MEANS

COMMITTEE

VOTE OF CREDIT—\$907,000,000

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

Hon. W. E. KNOX (Nundah—Deputy Premier and Treasurer): I move—

"(a) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1977-78, a further sum not exceeding \$410,000,000 be granted out of the Consolidated Revenue Fund of Queensland exclusive of the moneys standing to the credit of the Loan Fund Account.

"(b) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1977-78, a further sum not exceeding \$430,000,000 be granted from the Trust and Special Funds.

"(c) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1977-78, a further sum not exceeding \$67,000,000 be granted from the moneys standing to the credit of the Loan Fund Account."

Motion agreed to.

Resolutions reported, received, and agreed to.

APPROPRIATION BILL (No. 1)

ALL STAGES

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

SPECIAL ADJOURNMENT

Hon. T. G. NEWBERY (Mirani—Leader of the House): I move—

"That the House, at its rising, do adjourn until Tuesday, 30 August 1977."

Motion agreed to.

The House adjourned at 5.38 p.m.