

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**THURSDAY, 19 SEPTEMBER 1985**

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## THURSDAY, 19 SEPTEMBER 1985

Mr SPEAKER (Hon. J. H. Warner, Toowoomba South) read prayers and took the chair at 11 a.m.

### ADDRESS IN REPLY

#### Presentation and Answer

Mr SPEAKER: I have to inform the House that, accompanied by honourable members, I this day presented to His Excellency the Governor the Address of the Legislative Assembly, adopted by this House on 3 September, in reply to His Excellency's Opening Speech, and that His Excellency has been pleased to make the following reply—

“Government House,  
Brisbane.  
19th September,  
1985

Mr Speaker and Members,

As the Representative of Her Majesty The Queen, I tender to you and the Members of the Parliament of Queensland, my sincere thanks for the Address-in-Reply to the Speech which I had the honour to deliver at the Opening of Parliament on 20th August last.

It will be my pleasant duty to convey to Her Majesty the Queen the expression of continued loyalty and affection to The Throne and person of Her Majesty Queen Elizabeth II from the Members of the Legislature of Queensland in Parliament assembled.

The Queen is the unifying centre for the peoples of the Commonwealth of Nations, and a sign to the world of our faith in freedom.

I trust that your labours to promote the advancement and prosperity of this great State will meet with success in full measure.

I pray that the blessings of Almighty God may rest upon your counsels.

W. B. CAMPBELL,  
Governor.”

### PETITION

The Clerk announced the receipt of the following petition—

#### Third-party Insurance Premiums

From Mr Burns (446 signatories) praying that the Parliament of Queensland will revoke recent increases in third-party insurance and ensure future increases are determined after public hearing.

Petition received.

### PAPERS

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

Report of the Queensland Probation and Parole Service for the year ended 30 June 1985.

The following papers were laid on the table—

Orders in Council under—

Petroleum Act 1923-1983

Explosives Act 1952-1981  
Regulations under the Petroleum Act 1923-1983.

### AMENDMENTS TO STANDING ORDERS

#### Adoption of Report and Presentation to Governor

**Hon. C. A. WHARTON** (Burnett—Leader of the House): I move—

“(1) That the report on the proposed amendments to Standing Orders from the meeting held on 13 August 1985, be adopted, and

(2) That the amendments be presented to His Excellency the Governor by Mr Speaker for His Excellency’s approval.”

Motion agreed to.

### MINISTERIAL STATEMENT

#### Financial Assistance to Sugar Industry; Allegations by Member for Bundaberg

**Hon. W. A. M. GUNN** (Somerset—Deputy Premier and Minister Assisting the Treasurer) (11.5 a.m.), by leave: In the late hours of last Tuesday, the honourable member for Bundaberg (Mr Campbell) used the Adjournment debate to launch an attack on the Government over its assistance to the sugar industry in particular and rural industries generally. Indeed, the honourable member concluded his speech by charging that this Government has “ripped off” Commonwealth funds and diverted them to purposes other than those for which the Commonwealth had advanced them. That is a serious allegation, and one which I believe should be answered once and for all.

I turn to the specific charges made by the honourable member for Bundaberg and examine them one by one. First, he accuses the Government of deceiving Queensland’s cane-growers as to the amount of assistance provided to that industry in recent years. No juggling of figures by the honourable member can alter the fact that, to ensure the survival of this vital national industry, this Government has provided twice the assistance provided by the Commonwealth Government.

I repeat that, because it is the real point to be made. In recent years, the Queensland Government has provided over \$30m—or twice the assistance provided by the Commonwealth Government—to the sugar industry. I would have thought that that point alone would cause honourable members opposite to join the Queensland Government in asking that the Commonwealth meet its fair share of the cost of helping the sugar industry over its difficult period. Instead, members of the Opposition engage in a nit-picking criticism of this Government.

**Mr Campbell** interjected.

**Mr GUNN**: I know that the honourable member for Bundaberg was not in the front seat when brains were handed out; in fact, he might not have been present at all.

Second, the honourable member for Bundaberg asserts that the \$20m made available for the sugar industry in the Budget presented by the Premier and Treasurer last week is somehow Commonwealth money. That assertion is incorrect. It is being made available from State Government funds.

The funds currently standing to the credit of the Rural Adjustment and Rural Reconstruction Funds come basically from two sources: early repayment of loans, and gains to the funds accruing from low bad-debt ratios and good seasons. This has enabled many borrowers to be moved from concessional to commercial or near-commercial interest rates, as required by the Commonwealth in terms of its agreement with the State. In no way are these moneys Commonwealth moneys, and it is completely incorrect to suggest that they are.

Third, the honourable member for Bundaberg seems convinced that there is something sinister in the return of funds from the Rural Reconstruction and Rural Adjustment Funds to the Consolidated Revenue Fund. Again, I remind the honourable member that the funds which have been so returned are not Commonwealth funds, but State funds which arise from good seasonal conditions resulting in a low bad-debt ratio and a more rapid rise of interest rates towards commercial rates than envisaged. I repeat that it is a requirement of the Commonwealth, not the State, that borrowers move to commercial rates as soon as possible.

The State has a continuing obligation to meet any bad debts that may arise under the scheme now and into the future, and the decision has been taken that consolidated revenue rather than the scheme bear the risk. In bad times, such as those currently faced by the sugar industry, the State is taking a very considerable risk in accepting ultimate responsibility for repayment of the debt. As at 30 June, arrears on advances for debt reconstruction, farm build-up and farm improvement alone amounted to \$8.2m.

The honourable member also seems to misunderstand the nature of the Consolidated Revenue Fund. Funds placed in the Consolidated Revenue Fund do not vanish into thin air, but go towards providing a wide range of services to the community as a whole—including the people of Bundaberg—and, of course, the rural community in particular.

Finally, I turn to the honourable member's remarkable assertion that this Government has misused Commonwealth funds. I categorically deny that assertion. I will make a couple of comments on this aspect.

The State Government has complied fully with the agreements it has entered into with the Commonwealth. All funds provided for advances to farmers (and this amounts to nearly \$100m in the 15 years of the Rural Reconstruction and Rural Adjustment schemes) have been on-lent to primary producers. The Commonwealth has never questioned the States about the administration of the scheme. In addition, the State has provided significant assistance to industries in need from its own resources.

The State Government has met its scheduled interest and redemption obligations to the Commonwealth under the scheme. These payments are made irrespective of whether, because of depressed rural conditions, sufficient payments are made from borrowers to meet them. Any shortfall must be met from the State's own resources. The State guarantees the Commonwealth that it will get its money back. It will see to that.

Where early redemptions are made by borrowers, wherever possible the funds are recycled as further advances to borrowers. Also the State must meet substantially all of the administration costs involved.

In conclusion—I totally reject the honourable member's claims. They are unfounded and reflect a lack of understanding of the operations of the schemes. That is no surprise to the Government. In particular, I find it difficult to understand the honourable member's objections to the \$20m made available to the sugar industry in last week's Budget. The funds are being provided on a very concessional basis and reflect this Government's determination to assist the sugar industry. They represent a much more concrete assistance measure than has yet been made available by the Commonwealth and reflect this Government's determination to provide timely and realistic help.

Once again, the State Government's deeds show up the Commonwealth Government's words as hollow rhetoric.

#### PERSONAL EXPLANATIONS

**Hon. Sir JOH BJELKE-PETERSEN** (Barambah—Premier and Treasurer) (11.12 a.m.), by leave: In answer to a question without notice yesterday from the Leader of the Opposition, I stated that *The Courier-Mail* listed my expenses as being \$53,000, which included overseas travel by myself and officers of my department who travel

overseas organising bank loans and so on. I have checked subsequently with my departmental officers and have been informed that expenses incurred by officers accompanying me overseas on loan business are charged to the relevant department.

I add, however, that many other items are charged to my department. My expenses include the cost of hosting certain Enterprise Queensland functions overseas in areas such as Hong Kong, which were attended by large numbers of the business community, to generate investment and job opportunities in Queensland. They appear on the list as expenses of the Premier. That illustrates how the figure is arrived at.

I repeat that my expenses amount to less than half the amount that the Prime Minister spends on a motor car. If honourable members opposite are concerned, I suggest that they address that concern to their own back yard.

**Mr Warburton:** Your two motor cars are not included.

**Sir JOH BJELKE-PETERSEN:** I ask the Leader of the Opposition to listen to this. The total cost of travel and expenses of the entire 18 members of the Queensland Cabinet was less than the expenses of just one Federal Minister—Mr Hayden—who last year ran up a bill of \$725,000.

**Mr INNES (Sherwood) (11.14 a.m.),** by leave: I rise in response to a report in this morning's newspaper of words uttered by the Honourable the Minister for Lands, Forestry and Police (Mr Glasson) yesterday. I heard the words, but I thought that perhaps I had misheard them. The statement made by him was that the legislation to reform the law relative to drugs would be given to the Bar Association of Queensland, "the senior law enforcement authority in Queensland"

As the only member of the Bar Association of Queensland in the House, it seems to me that the Minister has used those words without properly considering their implication. The Bar Association is not a law enforcement authority and could never be construed as such. The body over which the Minister for Lands, Forestry and Police (Mr Glasson) presides, the police, is the major law enforcement body in the State. The Bar Association of Queensland and its members are committed, under oath, to upholding the laws of Queensland and to acting in accordance with the laws of Queensland. By no stretch of the imagination—and it would be a wrong conception of that association's functions—could it be suggested that it should be seen to be a law enforcement authority in this State.

**Mr CAMPBELL (Bundaberg) (11.15 a.m.),** by leave: Today, the Deputy Premier and Minister Assisting the Treasurer (Mr Gunn) questioned my ability to understand the accounts of the Rural Reconstruction Board. In the first place, I stand by what I said, and, in doing so, I will totally discredit what the Deputy Premier has said.

The Auditor-General's report published this year shows balances of \$38.8m in those accounts. It is clear that there is ample money in those accounts, and it is possible that the Government will make more money.

The second aspect of my explanation is that, as I have said, the Government has been misleading cane-growers. That is true, because the Budget papers—

**Mr SPEAKER:** Order! Because of the number of interjections coming from honourable members, I cannot hear what the personal explanation is about. I am therefore unable to ascertain, one way or the other, whether it is a personal explanation.

I remind the honourable member for Bundaberg that what he is saying must be a personal explanation—that is, in some way, it must affect the honourable member personally.

**Mr CAMPBELL:** The Deputy Premier and Minister Assisting the Treasurer has cast a reflection on my integrity by saying that I did not know what I was talking about when I referred to those accounts. I point out that in the Budget papers for 1983-84, it

is stated that the Government has provided \$10m. I will table that document. In contrast to that, it is stated in *Facts about Sugar* that the Government has provided \$15m, which is completely false and misleading.

**Mr SPEAKER:** Order! The honourable member for Bundaberg has made his point.

**Mr CAMPBELL:** I wish to table the documents.

*Whereupon the honourable member laid the documents on the table.*

### QUESTIONS UPON NOTICE

Questions submitted on notice were answered as follows—

#### 1. Financial Assistance to Sugar Industry

Mr RANDELL asked the Minister for Primary Industries—

With reference to the \$20m made available in the recent State Budget for help to the Queensland sugar industry—

(1) When will this money be made available to the relevant board for distribution and at what interest and on what terms?

(2) Will any money be forthcoming from the Federal Government for assistance in this area?

(3) Will the guide-lines for distribution be relaxed to allow finance to flow through as quickly as possible to enable hard-pressed farmers to obtain carry-on finance?

(4) Will any farmer who meets relevant guide-lines be allowed to obtain this low-interest finance to pay out high-interest loans borrowed this year as carry-on finance to produce next year's crop?

*Answer—*

(1) The money will be made available immediately to the Rural Reconstruction Board for on-lending to producers. The terms of the loans will be for seven years with interest initially at a basic rate of a quarter of normal commercial rates and subject to annual review in the light of industry conditions.

(2) The Federal Government has not made any carry-on finance available to assist sugar producers during this financial year. Negotiations with the Commonwealth for overall assistance to the sugar industry are still continuing.

(3) The chairman of the Rural Reconstruction Board has indicated that the Board will consider sympathetically applications from producers who are unable to obtain their requirements on reasonable terms from any other normal source and are in need of financial assistance to carry on. The carry-on finance will be made available within the broad guide-lines of the Rural Adjustment Scheme. Arrangements will be made to ensure that all applications for assistance are handled as expeditiously as possible.

(4) Generally speaking, carry-on finance for this year's crop already provided by other lending sources would be eligible under this scheme. Each case will be considered on its merits.

#### 2. Fire Brigade Boards, Staffing

Mr SMITH asked the Minister for Environment, Valuation and Administrative Services—

(1) What are the criteria used to determine the operational strength of fire brigade boards in Queensland?

(2) What are the criteria used to determine the operational strength of fire-fighting services in New South Wales and Victoria?

(3) What is the relationship between industry concentration and fire brigade strength in Queensland?

(4) According to accepted national and international standards, what is the maximum number of full-time professional fire-fighters that a fire brigade officer would be expected to command when attending a fire?

*Answer—*

(1) The criteria used to determine the total manning strength of fire brigade boards in Queensland includes consideration of the various factors which affect the fire risk of the brigade's district. These factors include: static population, tourist population, commuter population, geographic configuration of the brigade district, number and type of buildings, number and type of industry, fire-call history and special life and special property risks.

(2) If the honourable member wishes to have information on the criteria used to determine the operational strength of fire-fighting services in New South Wales and Victoria, he would be better off directing his inquiry to those Governments. I point out, however, that, generally speaking, Queensland provides a higher level of fire services than exists in many other Australian States.

I have previously drawn the attention of this House to the comparison between the fire services provided in the Queensland city of Gladstone and in the New South Wales city of Lismore. These cities are of comparable size, but enjoy vastly different levels of permanent fire brigade manning.

On 21 November last year I indicated to this Parliament that Lismore was manned by two permanent officers—one on shift at any one time—supported by volunteer firemen. By comparison, Queensland cities of similar size and, in fact, some smaller centres, enjoy far higher levels of permanent manning. Mount Isa, Gladstone and Maryborough fire brigades service areas similar to or smaller than Lismore—as I said, it has only two permanent firemen—and currently have 24, 24 and 22 permanent staff respectively. Those centres also have auxiliaries. There is a big difference between two and 24.

(3) As I have already indicated, industrial concentrations are taken into account in determining fire brigade manning levels.

(4) If the honourable member for Townsville West is able to produce an accepted national and international standard relating to command structures, I would be most interested. Our research has shown that there is no national or international standard and, in fact, the number of fire-fighters who may be under the command of a brigade officer when attending a fire varies substantially from State to State and from brigade to brigade. The number may also vary according to the type of fire being fought and the rank of the officer involved. In some States and countries, command of fire-fighting crews at incidents involving a small number of appliances is the responsibility of a senior fireman and not an officer.

### 3. Acquired Immune Deficiency Syndrome

Mr McELLIGOTT asked the Minister for Health—

With reference to the concern expressed by the Queensland AIDS Committee that the Queensland Government has done little to provide accurate information and education on AIDS to the public and also to the opinion that current legislation is counterproductive to the containment of AIDS—

(1) How was the amount of \$68,000, provided by the Federal Government for AIDS control in 1984-85, expended?

(2) What amount does Queensland expect to receive from the Commonwealth in 1985-86 and will it be matched dollar for dollar by the Queensland Government?

(3) Given the three major elements of the national strategy to contain the disease, namely, an accurate, comprehensive program of community education, measures to

ensure the integrity of the blood supply and the need to encourage modified sexual behaviour, what specific programs are planned for Queensland for 1985-86?

(4) Has the number of persons from high-risk groups seeking voluntary testing dropped considerably since the introduction of the current legislation and the doubt about the confidentiality of medical records in Queensland?

(5) Is a substantial number of persons returning positive tests unwilling or unable to provide accurate information about their previous sexual contacts?

*Answer—*

(1 to 5) I wish to outline the activities of the Queensland Government and its Health Department in attempting to contain the spread of AIDS and to keep it among the lower levels of AIDS in major cities in Australia or the Western World.

The Government has adopted a variety of legislative and educational activities designed to contain the spread of this disease in Queensland. The legislative measures passed by this Parliament were supported by all parties in this House. The amendment to the Transplantation and Anatomy Act to support the measures being taken by the Blood Transfusion Service to ensure a safe blood supply has been adopted by all Australian States. The amendment to the Health Act is belatedly being adopted by other States.

The department has produced, for distribution to the general public, a pamphlet concerning AIDS. This has already been distributed to a variety of community groups including unions and professional and voluntary bodies. It is available on request to anybody who wishes to have it. A second pamphlet has been prepared for schools. It has been distributed to State schools and made available to private schools.

The department has produced for medical practitioners and other health professionals, a handbook on the management of AIDS, which I will table. I have been very pleased with the positive response to this initiative. I have received from the Commonwealth Minister of Health, the Honourable Dr Blewett, the Queensland branch of the Australian Medical Association and from a number of other services, letters of congratulation on its quality. Several medical schools round Australia have requested use of this book for the teaching of medical students, and the Royal Australasian College of Surgeons has already included it in the curriculum for post-graduate training. We have supplied, on request, 500 copies of the book to the Northern Territory. The National AIDS Task Force has recommended that all States adopt the book and has suggested that the Commonwealth urge States to allocate resources to enable it to be printed and distributed in every State throughout Australia.

A similar book, modified for nurses, is in an advanced stage of preparation and will be distributed in the near future.

Senior departmental officers have maintained a deep knowledge of the development of AIDS on a world basis, and my deputy director-general has visited San Francisco and Atlanta in the last 12 months to obtain first-hand information. He is also a member of the National AIDS Task Force and has made significant contributions to the proceedings of the task force. Senior laboratory staff and senior medical staff in the department, hospitals and the Blood Transfusion Service have been involved nationally and in Queensland in the planning of clinical services, the introduction of the screening test and the education of health professionals.

Queensland will receive \$238,000 from the Commonwealth in 1985-86, and it will be matched dollar for dollar by the Queensland Government to allow the continuation of the major effort that this State is making.

The education of the community to understand that this disease is mainly sexually transmitted will be continued. It is unfortunate that a number of Governments and organisations have pushed the concept of safe sexual practices, particularly for the male homosexual community. There is only one safe sex practice and that is to ensure that

one's partner is negative for AIDS. Anything less than that is less than safe. The unfortunate adherence to the concept of safe sex practices without including specific reference to knowing the AIDS status of one's partner is, in the Government's view, opposed to all previous experience in infectious diseases in public health.

It is not unreasonable to suggest that the misconception of safe sexual practices has been a significant part of the reason for the continued spread of the disease in the homosexual community, and it is hoped that this misconception will not be able to influence the heterosexual community. Identification and contact-tracing of carriers is the main action which is likely to contain the spread of the disease. This Government is not prepared to endorse a dangerous misconception, and has chosen the legislative course. It is the first State in Australia to do so and now notes that other States are belatedly following suit.

Queensland was the first State to introduce legislation to protect blood banks from the donation of AIDS-infected blood by high-risk donors. These policies were introduced into the Queensland Blood Bank during last December and have proved to be successful. They have now been adopted nationally. The blood supply is now also screened for AIDS antibodies and is believed to be amongst the safest available in the world.

The legislation concerning the notification of AIDS as a sexually transmitted disease was introduced in 1984 and the majority of persons who have presented for testing have done so subsequent to that legislation. The numbers now are about 20 000, of whom only a very small number are positive.

There has never been a lapse of confidentiality in the medical records concerning venereal disease controlled by the director-general for more than 50 years. Currently, Queensland is the only State in which infection by AIDS is covered by legislation requiring confidentiality.

Our clinical medical staff who are contact-tracing AIDS-positive people are, in general, receiving good co-operation from their patients, and we expect that to continue. As the honourable member for Townsville suggests, a number of infected male homosexuals are unable to give information about all contacts because of the large number of anonymous sexual contacts that some of these men have. My department is under no illusions that the task is an easy one.

In high-risk cities in the world, such as San Francisco, New York and Sydney, the incidence of infection amongst the active male-homosexual community is of the order of 50 to 60 per cent. In some groups, this is of the order of 90 per cent. These major pools of infection, through the activities of bisexual males, now constitute a major threat to the heterosexual community.

**Mr De Lacy:** Why don't you write a letter?

**Mr AUSTIN:** If the honourable member for Cairns does not consider that AIDS is a serious topic, that is his business; but I happen to do so.

*Answer (continued)—*

Some types of education programs developed for male homosexuals do not appear to have prevented the spread of the disease. These programs often appear to promote homosexual acts by their explicit content. Sodomy is illegal in Queensland and it will remain so. There is no intention to promote sodomy in any way.

The Queensland Government will continue those policies which are currently associated with the low incidence of AIDS in the major cities in this State.

The community can rest assured that the Queensland Government understands the difficulty of the problem and will be prepared to make decisions and provide information to the community and the health professions aimed at minimising the future spread of the disease.

As I said, the Queensland Government gives that assurance. One has to question what would happen if there were an ALP Government in this State. What would be the policy of the honourable member for Townsville (Mr McElligott)? What is his position on homosexuality? I understand that the honourable member is bound by Australian Labor Party policy in this area. For the information of honourable members, I read what the ALP policy is in this area—

“Give equal rights to homosexual couples in terms of State taxation probate benefits, ownership and transfer of property, pensions, superannuation and other fiscal benefits.”

The policy continues—

“Immediately released from detention or held under anti-homosexual laws, and ensure that all fines be refunded to them and others previously prosecuted under such laws.”

Further on, the policy states—

“Legislate to remove criminal sanctions against homosexual acts between consenting adults in private in line with A.L.P. philosophy that it is improper for the State to intrude into the privacy of the individual.”

**Sir Joh Bjelke-Petersen** interjected.

**Mr AUSTIN:** That is right. One has to ask whether the members of the Australian Labor Party in this House support that policy. If they do, can the people of Queensland be guaranteed that they would be given adequate protection from an ALP Government? Will the honourable member for Townsville stand up in this place and deny that he supports that policy? I will wait and see.

*Whereupon the honourable gentleman laid on the table the document referred to.*

#### 4. **Capital Gains Tax**

**Mr McPHIE** asked the Deputy Premier and Minister Assisting the Treasurer—

With reference to the actions of the ALP tax-gatherers in Canberra who are about to commit political suicide over the issue of tax reform—

In which way is a new tax on capital gains likely to be received by Australians and what effect will such a tax have?

*Answer—*

There seems little doubt that the Labor Party's version of tax reform, to be officially announced today, will mark the beginning of the end for the Hawke Labor Government.

Despite the fact that Labor's proposals have been leaked—it was more like a deluge—all over the country in a bid to soften the effects, the reaction to Labor's tax changes finally hit home on the stock-market yesterday with the all ordinaries index suffering its biggest fall in two years.

I understand that heavy selling of Australian stocks continued in London overnight because business fears the impact of the taxation grab about to be unleashed by Messrs Hawke and Keating. Of particular concern is the threatened new capital gains tax to operate at the individual's marginal tax rate.

I am sure that Labor's election promise that it would not impose a new capital gains tax—the 152nd broken promise—will ring in the ears of small-businessmen, rural producers and all who strive to improve their lot in life until the next election provides the opportunity to toss the socialists off the Treasury benches in Canberra.

Because 73 per cent of Australians oppose capital gains tax, according to the latest Morgan Gallup poll, Labor is doomed. Even within Labor's own ranks, the poll showed that only 27 per cent supported a capital gains tax, and I challenge members opposite

to declare where they stand on this issue. I challenge them to say something about this issue later.

A capital gains tax has been described as anti-incentive, anti-success and a disaster for business. At a time when other nations, such as America, are moving to reduce capital gains tax because it reduces investment incentive, Labor in Australia is moving in the opposite direction. That is no surprise to me.

This tax highlights Labor's fundamental lack of understanding of Australian business, and the capacity of that party's left wing to impose its will to the detriment of Australia and Australians generally.

## QUESTIONS WITHOUT NOTICE

### Local Government Appeals

**Mr Warburton:** In directing a question to the Minister for Local Government, Main Roads and Racing, I refer to reports in today's media that, in respect of the rezoning of land for development, the Government intends to stop appeals to the Local Government Court by objectors other than the applicant. I now ask: Bearing in mind that most Local Government Court hearings of this kind centre on large shopping complex developments, is it not correct that the court has upheld numerous appeals by third-party objectors on legitimate town-planning grounds? Does not this show that there is a need for such appeals to be retained?

I further ask: Is it not correct that a simple amendment to the relevant Act can prevent unnecessary delays because of vexatious and frivolous appeals? If that is the case, is it not correct that the proposal by the National Party to prevent people objecting to the rezoning of land, whether it be for major shopping complexes, quarries, gravel pits or high-rise buildings, is a massive sop to major developers and a complete insult to the State's small business sector and to Queenslanders with legitimate objections?

**Mr HINZE:** I do not know whether the Leader of the Opposition knows the position in the other States.

**Mr Warburton:** I am only interested in this State.

**Mr HINZE:** Well, I am referring to the Labor States of New South Wales, Victoria, Western Australia and South Australia.

When this matter is discussed at ministerial conferences, I find that the approval rate in this State is slowed up by the process that the Government is now considering amending.

**Mr Warburton:** You could fix it easily with a minor amendment.

**Mr HINZE:** Well, if I started——

**Mr SPEAKER:** Order! On a number of occasions I have asked honourable members not to turn question-time into a debate. The question has been asked——

**Mr Fouras:** That is a normal part of the process.

**Mr SPEAKER:** Order! Honourable members will restrict themselves to——

**Mr Fouras:** Oh——

**Mr SPEAKER:** Order! I will warn the honourable member. I call the Minister.

**Mr HINZE:** I know that the Leader of the Opposition served for a considerable time in local government, and that is why I am trying to explain to him that the Government is bringing this State into line with all other States regarding this particular appeals clause.

An investigation into the matter has revealed that, of the 1 000 appeals lodged, only 20 were proceeded with. That is some indication of how little determined the appellants were to proceed. That is a very, very small percentage. The Government treated the matter seriously. After discussion in the party-room, the decision was taken. The honourable member must realise that the Queensland Government takes cognisance of the Local Government Association of Queensland, which represents all of the 134 local authorities in this State. The chairman of that association is Sir Albert Abbott. From that association the Government has received communication asking for this change.

**Mr Warburton:** I'll bet it has.

**Mr HINZE:** Yes, of course it has.

The Leader of the Opposition makes comparisons on development between Queensland and the other States. The State Government is simply recognising that, if there is a clogging-up and if people have been using this measure to stop development in this State, it should relieve developers of that responsibility. That is the way in which the Government sees this at this time. I believe this will be good for the development of this State.

#### **Oasis Holdings Pty Ltd; Hersfield Development Corporation**

**Mr WARBURTON:** I ask the Minister for Local Government, Main Roads and Racing: Is he aware of the increased activity in Queensland of two Victorian-based shopping complex developers, one being a company operated by Bruno and Rino Grollo and the other being Hersfield Development Corporation, which is operated by George Herscu?

Is the Minister also aware that the Grollo brothers and Herscu were charged and convicted of a total of 124 counts of giving secret commissions in relation to the Norm Gallagher affair?

Is the Minister also aware that the head of the royal commission into the affair, Mr John Winneke, QC, was highly critical of both Herscu and the Grollo brothers, and that the Grollo Brothers later admitted they had lied to the royal commission?

I know that the Minister is aware that a Grollo company, Oasis Holdings Pty Ltd, is seeking a rezoning of land for a major shopping complex at Burleigh Heads in the heart of his own electorate and that the rezoning application is at this time the subject of four appeals to the Local Government Court, one being from small business in his own electorate.

Finally, I ask: Are these the sorts of people and developments that the Minister is trying to protect by this forthcoming legislation, and is the fact that the Grollo company application seems to have a good chance of being overthrown by the Local Government Court one of the real reasons behind this forthcoming legislation?

**Mr HINZE:** I have no particular knowledge of the two companies to which the Leader of the Opposition referred. I know of the people. I take on board the thrust of his question, which is, "Be careful." All that I am aware of are the news media stories in relation to Norm Gallagher. Those stories involved one of the companies that the honourable member referred to.

I have some knowledge of the application for the development in the Burleigh Heads area. If the Government proceeds to allow that development in that area, legislation will come before the House, which will provide ample time for scrutiny of that development.

I have to make the point that that legislation will not be retrospective.

### **Effects on Tourist, Restaurant and Catering Industries of Proposed Fringe Benefits Tax**

**Mr NEAL:** I ask the Minister for Industry, Small Business and Technology: Does his department have any indication of the expected effects of the so-called fringe benefits tax on Queensland's tourist industry in general and on the restaurant and catering industries in particular?

**Mr AHERN:** Recently I have received very strong representations about that matter from restaurant-owners and, principally, small-businessmen. Australia has between 15 000 and 18 000 restaurateurs who believe that a similar number of jobs will be affected by the proposed tax, depending on its severity. Approximately 350 restaurants in Queensland employ a dozen or more employees. The owners of those restaurants are most concerned that the proposed tax could very easily place significant numbers of them in jeopardy. They wonder why it is proceeding. Because they are very concerned about it, they have made representations to me in my role as Minister for Small Business. I am certain that it will have a devastating effect on that industry. I endorse the concern of the restaurateurs.

### **Fire Services**

**Mr HENDERSON:** I ask the Minister for Environment, Valuation and Administrative Services: If media reports on the current state of fire services in Queensland are true, how was the service able to cope so well with the recent massive fire emergency at the Reids building in Ipswich? Does the performance of the fire services support or demolish that media criticism? How does the Ipswich situation compare with recent equivalent fire emergencies in Philadelphia and Sydney?

**Mr TENNI:** I have no doubt that fire services in Queensland are the best that they have ever been. The level of staffing and strength of all fire brigades throughout Queensland in terms of manpower, vehicles and equipment, is excellent. The service offered at the fire in Ipswich is a prime example. I congratulate the officers who attended that fire on being so prompt and active in preventing the spread of the fire to other parts of the city.

The fire that occurred in Sydney burnt out half a block of buildings. There is no doubt that there is something wrong with the New South Wales Fire Brigades Board. Queensland has not experienced similar circumstances. In the last two years, I have taken positive action to ensure that every board is correctly manned and has the correct equipment to fight any fire that may break out in any part of Queensland.

I thank the honourable member for bringing this matter to the attention of honourable members and to the attention of the people of Queensland. I assure honourable members that I will continue to do everything that I can for all people and for all property throughout this wonderful State.

### **Mr P. Beattie**

**Mr HENDERSON:** In directing a question to the Premier and Treasurer, I refer to an article on page 3 of the *Telegraph* on 17 September 1985 titled "Beattie seeks party nod for Redlands poll". Why is there an apparent push within the ALP and sections of the media to get the former State secretary of the Queensland Railways Union, Mr Peter Beattie, into the Parliament of Queensland?

**Sir JOH BJELKE-PETERSEN:** I would not know why the ALP wants to get Peter Beattie into Parliament. No-one in the organisation seems to want him. Perhaps this is an attempt to get him out of the hair of the party organisation.

**Mr Gunn:** He wants to get out, too.

**Sir JOH BJELKE-PETERSEN:** He wants to get out of the party and find some place to which he can escape from his problems.

**A Government Member interjected.**

**Sir JOH BJELKE-PETERSEN:** That may be. He may be seeking to undermine the Leader of the Opposition.

I believe that the people of Redlands have a deep respect for the Government and the role played by the late Minister for Water Resources and Maritime Services (Mr Goleby) and his wife. The Government is extending the electric railway line to Cleveland. I believe that the people of Redlands will stand solidly behind the candidate who is ultimately chosen by the National Party.

**Misappropriation of APM and Pine Rivers Community Credit Union Ltd Funds; Mr P. Blake**

**Mr KRUGER:** I ask the Minister for Justice and Attorney-General: In view of his statement to the House on 10 April 1985, which appears in 1984-85 *Hansard* at p. 5065, in which he drew the attention of the House and subsequently the public to the alleged misappropriation of a sum of \$30,000 from the funds of the APM and Pine Rivers Community Credit Union Ltd and a subsequent statement by the Premier and Treasurer accusing me of having taken that money, why did the Minister not make a similar statement in respect to matters raised in this House by my colleague the honourable member for Ashgrove (Mr Veivers) on 3 September 1985 regarding a Mr Patrick Blake? As it could be expected that the Minister would have been aware of the magnitude of that fraud, it could also be expected that a statement should have been forthcoming at that time.

Why was the APM and Pine Rivers Community Credit Union Ltd the only organisation to be selected for mention in recent times when misappropriation of funds is a recurrent problem?

Does the Minister now admit that that statement was intended to embarrass the previous chairman of the board or myself, and that it was all a cheap, nasty, rotten political stunt?

**Mr HARPER:** I regret that the honourable member's conscience seems to be troubling him about this matter.

**Mr Kruger interjected.**

**Mr SPEAKER:** Order! The honourable member has asked his question. He will listen to the answer.

**Mr HARPER:** I do not propose to take further, in this House, either of the matters referred to by the honourable member. Both matters have been or will be dealt with according to law.

**Jupiters Casino**

**Mr BORBIDGE:** In directing a question to the Deputy Premier and Minister Assisting the Treasurer, I refer to the ongoing smear campaign against the Gold Coast casino by the honourable member for Chatsworth (Mr Mackenroth). I draw to the attention of the House that that project has approximately 25 000 share-holders throughout Queensland, including approximately 5 000 share-holders on the Gold Coast. What is the response of the Deputy Premier and Minister Assisting the Treasurer to the latest recycled smears by the honourable member for Chatsworth against that project, which will employ 2 000 people? In addition, why are the Labor Party and, in particular, the honourable member for Chatsworth so determined to destroy that outstanding project?

**Mr GUNN:** I thank the honourable member for his question. I have in front of me a copy of an article that appeared in *The Courier-Mail* in relation to that matter.

I remind the honourable member for Surfers Paradise that members of the Labor Party always knock progress. Everything that is suggested is knocked by ALP members. They are knockers of progress.

The Jupiters casino on the Gold Coast will create jobs. Along with the multitude of projects presently under way on the Gold Coast, the casino means progress for that region. I can assure honourable members that no cloud hangs over the reputation of the Hilton group.

I turn to the video machines about which the honourable member for Chatsworth spoke. It is unfair to attack a public servant for doing his duty. The Government has acted to ensure integrity in the matter of the video machines to be used at the Jupiters casino. I make it quite clear that Jupiters, not the Government, set the approval date 31 July on the machines. The honourable member should have known for some time that machines would have to be checked by the New Jersey and Nevada Gaming Commissions. He ought to know that. It has been said again and again. The honourable member for Chatsworth is a knocker, just like his Labor colleagues.

#### **Union Action against Tourism Industry**

**Mr BORBIDGE:** In directing a question to the Premier and Treasurer, I refer to threats of industrial action by the Federated Liquor and Allied Industries Employees Union against tourism and hospitality industry operators who refuse to sign a pledge, drawn up by the union, not to abide by legislation that may be enacted by the Parliament. I now ask: What is the Government's response to such a blatant threat of industrial blackmail?

**Sir JOH BJELKE-PETERSEN:** The trade union movement throughout Australia has adopted a very militant attitude. Its attitude is that it is above the law. The Queensland Government will continue to maintain the law and make the unions subject to it whenever there is an opportunity to do so. That has been made quite clear. Yesterday, when opening the annual conference of the Queensland Hotels Association, I pointed out that, if possible, the Government would lend all necessary support in the courts and wherever else it is needed.

I congratulated the members of the QHA on their stand. They said that they will confront the unions in the courts and seek damages as compensation. That is a very healthy and encouraging sign, not only to the Government but also to other industries faced with the problem of confrontation by militant union-leaders. The more associations take the action adopted by the QHA, the better it will be for the State and the quicker there will be stability in our tourist industry, which means so much to Queensland.

We can only condemn the militant union-leaders, who are supported by honourable members opposite and the Federal Government. Why they lend such support, nobody will ever know. They back the militant union-leaders and encourage them to break the law whenever possible. The honourable member for Wolston (Mr R. J. Gibbs) was even prepared to go to goal in support of their breaking of the law. He found that he could not break the law, and he had to face the consequences.

#### **Actions of Former Totalisator Administration Board Chairman**

**Sir WILLIAM KNOX:** I ask the Minister for Local Government, Main Roads and Racing: As the opinion of Mr Cedric Hampson, QC, has been widely circulated and its contents are known, as two answers given by the Minister for Justice and Attorney-General (Mr Harper) in the last few days reveal that the advice he has received is consistent with that tendered in the Hampson opinion, and as no action appears to be open under the Criminal Code but action of another type may be open, is he prepared, firstly, to examine whether the conduct of the immediate past chairman of the Totalisator Administration Board has been in breach of the Racing and Betting Act and its rules and, secondly, to discuss with the chairman of the TAB (Mr Ian Callinan, QC) whether

there has been a breach of fiduciary duty, which appears to be the advice received by the Attorney-General and revealed in the Hampson opinion?

**Mr HINZE:** I accept the question from the leader of the Liberal Party, the honourable member for Nundah. In all of my discussions with the present chairman of the Totalisator Administration Board, he has avoided any comment on occurrences at the board prior to his becoming chairman. He speaks and writes in that way. He is one of Australia's top Queen's Counsel. I am certainly prepared to consider the request made by the member for Nundah, but I am sure he would agree with me that the Minister for Justice and Attorney-General must have considered those points when responding to questions in the Parliament. I will discuss the matter with him.

#### **Presentation of Address in Reply to His Excellency the Governor**

**Sir WILLIAM KNOX:** I direct a question to the Premier and Treasurer. In view of the traditional arrangements made for the presentation of this Parliament's Address in Reply to the Opening Speech of Her Majesty's representative, the Governor, and the failure of the Opposition to be represented at this morning's presentation by you, Mr Speaker, of that Address in Reply, and as I am not permitted by the Standing Rules and Orders to direct a question to you, Mr Speaker, I ask the Premier and Treasurer: Will he inquire whether the absence of Her Majesty's loyal Opposition this morning was deliberate or accidental?

**Sir JOH BJELKE-PETERSEN:** I do not know whether the leader of the Liberal Party uses the correct term when he says "loyal"; but that is a matter for honourable members opposite to make up their minds about. So often, of course, members of the Opposition demonstrate other than a loyal attitude. For instance, the honourable member for Mackay (Mr Casey) and other Opposition members defiantly sit down when the royal anthem is played. Whether that is an indication of a continuing policy or a continuing attitude, I will leave to the imagination of all honourable members. However, in my opinion, it is quite in keeping with a general policy of the Australian Labor Party.

**Mr R. J. Gibbs** interjected.

**Sir JOH BJELKE-PETERSEN:** Members of the Opposition are prepared to go to gaol and to break the law, as the honourable member for Wolston did.

**Mr R. J. Gibbs:** The story is that Government members are overpaid. The Government believes in ripping thousands of dollars out of people's pockets.

**Mr SPEAKER:** Order! The honourable member for Wolston makes a travesty of democracy.

**Sir JOH BJELKE-PETERSEN:** The honourable member for Wolston is beside himself with rage. He says anything, and what he has said is completely untrue. He and other members of the Australian Labor Party are prepared to do anything to wreck the system and will do anything they can to denigrate Her Majesty and the institution of Parliament. They refused to go to Government House and they refuse to stand up when the national anthem is played. I can see that it annoys members of the Opposition to be caught out, and they have been caught out. The people of Queensland will ultimately realise just that——

**Mr Scott:** You could not even be in Mareeba——

**Mr SPEAKER:** Order! The honourable member for Cook should return to his proper place. I warn him under Standing Order No. 123A.

**Sir JOH BJELKE-PETERSEN:** I will conclude my answer to the Leader of the Liberal Party by saying that it is quite obvious—it stands out like a sore toe—that honourable members opposite were not prepared to attend at Government House on that very special occasion this morning.

I can tell by looking at members of the Opposition that they would not, under any circumstances, go to Government House.

#### Flat-rate Taxation

**Mr CAMPBELL:** In directing a question to the Premier and Treasurer, I refer to his strong support for a system of flat-rate taxation, and I ask: Does he realise that to be better off under the flat-rate taxation proposal, family farmers, that is, those farmers who, as husband and wife, split the farm's income, will need to earn an income of over \$43,000 a year over the next five years? In other words, does the Premier and Treasurer realise that all family farmers who average less than \$43,000 in taxable income will pay more tax under such a scheme? In view of the very serious financial position in which Queensland cane-farmers find themselves, why is the Premier and Treasurer advocating a tax system that is sure to make every cane-growing family in Queensland, as well as the majority of other farmers, pay more income tax?

**Sir JOH BJELKE-PETERSEN:** The honourable member for Bundaberg has once more fallen into the trap that so many Opposition members fall into. He supports the taxation system that is advocated by the Prime Minister (Mr Hawke) and the Federal Treasurer (Mr Keating), which will result in putting primary producers off their land and driving many of them to bankruptcy. Obviously the honourable member for Bundaberg advocates such a taxation system.

**Mr Hamill:** You support the single rate of taxation because you will be \$27,000 better off. That is why you support it.

**Sir JOH BJELKE-PETERSEN:** I never cease to be amazed as I sit here and watch members of the Opposition. I wonder how they ever got into Parliament, and how the votes and support of the people are won by members such as the honourable member for Ipswich.

The honourable member for Bundaberg (Mr Campbell) is obviously dead wrong.

**Mr Campbell:** Why?

**Sir JOH BJELKE-PETERSEN:** The honourable member for Bundaberg is hopeless. No-one could educate members of the Opposition or prevail upon them to see reason or common sense. They advocate the taxing of people to the hilt and the destruction of jobs and incomes.

#### Assistance to Sugar Industry

**Mr CAMPBELL:** I had intended to direct a question to the Minister for Primary Industries (Mr Turner), but I will direct it to the Premier and Treasurer. I refer to the 1985-86 Budget papers. On page 106 of the document titled *Departmental Services and Programs: A Budget Perspective*, under the heading "Sugar Industry", this appears—

"In recognition of the problems within the industry the Queensland Government has provided the following special assistance directly to the Industry over the last few years:

1983/84     \$10.0 million carry on loan assistance for growers."

In the *Facts About Sugar* brochure, which was authorised by the Premier and Treasurer and the Minister for Primary Industries, and circulated to all cane-growers in late 1984, Fact 2 states—

"The Queensland Government has provided positive assistance to the sugar industry through several areas. \$15,000,000 towards carry-on finance in 1983-84 under the Rural Adjustment Scheme."

I ask: Which of those amounts of carry-on finance provided to cane-growers in 1983-84 is correct, the \$15m stated in the *Facts About Sugar* brochure or the \$10m stated in the 1985-86 Budget papers?

**Sir JOH BJELKE-PETERSEN:** They are two different years. Yesterday the Minister for Primary Industries (Mr Turner) gave a detailed account of the sum of money that has been made available. I also said yesterday that \$61.43m has been made available to the sugar industry from 1982-83 onwards. The honourable member continually refuses to acknowledge the facts.

**Mr De Lacy:** Which is the lie, the *Facts About Sugar* or the Budget? One is a lie.

**Mr SPEAKER:** Order! I warn the honourable member for Cairns.

**Sir JOH BJELKE-PETERSEN:** I have clearly stated the figure. The main thing is that the cane-growers support this Government. Opposition members would be the last people they would want to support.

**Mr Fouras** interjected.

**Mr SPEAKER:** Order! I warn the member for South Brisbane. I will not warn him again.

**Sir JOH BJELKE-PETERSEN:** Mr Fouras seems to be beside himself with rage.

The honourable member for Bundaberg cannot get out of his difficulty by trying to confuse the issue. He is still wrong. I made it quite clear yesterday, as did the Minister for Primary Industries, exactly what the figures are.

#### **House and Land Titles, Torres Strait Islands**

**Mr JENNINGS:** In asking a question of the Minister for Northern Development and Aboriginal and Island Affairs, I refer to a statement by the honourable member for Cook (Mr Scott) on the program, *AM*, this morning in which he alleged that the Queensland Government and the Minister did not intend to proceed with the granting of permanent individual titles to houses and land on the various reserves in the Torres Strait islands. As the stated policy of both the State ALP and the Federal Government is the socialist policy of communal ownership rather than the Queensland Government's policy of individual ownership, I ask: Will the Minister advise the House whether the Federal Government is trying desperately to implement its socialist policies and is frustrating this Government's granting of individual ownership by using the Commonwealth/State Housing Agreement as a subterfuge?

**Mr KATTER:** I am appalled that the Opposition spokesman, who has a full working knowledge of and has been a party to all the various arguments that have gone backwards and forwards on this subject, has had the hide to go on national radio and make a statement that he knows to be completely erroneous.

For the sake of any member who does not understand the problem, I will explain. At present the Queensland Government cannot hand over houses, valued at under about \$90,000, on any of the reserves in Queensland. A telex was received from the Federal Minister responsible for Aborigines stating that all houses must be paid for at replacement cost. Quite frankly, there would be hardly a house on any Queensland reserve that would be worth anywhere near \$90,000. The vast bulk of such houses would probably not be worth more than \$5,000, or \$10,000 at the very outside. It would be extremely wrong for a demand to be made that that sort of money be paid for an asset that is worth nowhere near that amount.

A number of very serious considerations must be taken into account; I will mention just two. Already one council which owns a house has quite arbitrarily thrown a family out of it. If a bully-boy council somewhere owns all the houses on a reserve it can use the fact of its ownership to throw its weight round and create a very serious

problem. I am talking not about some vague theoretical policy, but about an unfortunate incident that occurred last week. The Government is very worried about that.

In any event, a number of councils have refused to take delivery of the houses. They have said, "We simply cannot look after them properly."

That is an accurate statement, because they do not have the financial reserves that are available to the Queensland Government.

The Torres Strait Co-ordinating Council and the Aboriginal Co-ordinating Council have repeatedly requested the Federal Government to use some sense, but they have both been totally ignored. It is absolutely disgraceful that the interests of the people concerned in this matter should be so completely ignored by the Federal Government.

**Mr Scott:** Not true.

**Mr KATTER:** I shall take the interjection. There are two telexes in existence from the ACC and the ICC to Canberra requesting this change in attitude and advising the Government in Canberra that they are not prepared to pay \$90,000 for the houses.

**Mr SCOTT:** I rise to a point of order. The Minister is intentionally misleading the House. When Mr Holding was having consultations with the Aboriginal leaders, he sat in the Speaker's Gallery of this Chamber, and the Minister knows that as well as any other member in this place. The Minister is misleading the House.

**Mr SPEAKER:** Order! There is no point of order.

**Mr KATTER:** I totally fail to see what the Federal Minister's visiting this House has to do with the fact that he has refused point-blank to answer the questions. In fairness, it is not the Minister; it is his Government. He claims that he is 100 per cent in favour of what we are trying to do in Queensland. I do not know whether that is true or not, but that is what he claims. He is most certainly at odds with his own Government, which has refused point-blank to answer those questions.

**A Government Member interjected.**

**Mr KATTER:** The Federal Government is ripping them off.

**Mr SPEAKER:** Order! I point out to the Minister that I cannot allow this to turn into a debate. I ask him to complete his answer.

**Mr KATTER:** In answering the question, it is important to restate what the honourable member for Southport said in his question. There is some philosophical bias here. There is a complete reluctance on the part of the Labor Party to allow private ownership anywhere on the Queensland reserves. The fear of private ownership seems to be inherent in the philosophy of our socialist opponents on the other side of the Chamber.

#### **Gold Coast College of Advanced Education**

**Mr JENNINGS:** I ask the Minister for Education: Can he advise the House of the present situation regarding the establishment of a college of advanced education on the Gold Coast?

**Mr POWELL:** I thank the honourable member for the question. The Education Department, through the Board of Advanced Education, has for some time been seeking the establishment of a college of advanced education on the Gold Coast. We have now received the OK for that from the Commonwealth Government, through the Commonwealth Tertiary Education Commission.

Currently, I am seeking the appointment of a director for that college. I hope that I will have a director in place by the end of this year. Immediately a director is appointed, a council will be appointed, and it will have responsibility for the planning of the buildings and academic courses for the college.

It is hoped that, by the beginning of 1987, courses will be operating in rented premises on the Gold Coast. I do not think that the buildings will be constructed by then. I understand that the Commonwealth Government has advanced a sum of money to allow us to proceed with the construction of the buildings at an early date. I believe that, by the beginning of 1987, tertiary education on the Gold Coast will become a reality. We can all look forward to seeing a very good college established there in the near future.

#### **Access to Five Rocks**

**Mr HARTWIG:** In directing a question to the Minister for Lands, Forestry and Police, I point out that, in recent weeks, the Forestry Department in central Queensland has come under some criticism over the access road to Five Rocks, which is situated in the Livingstone shire. I ask: Can the Minister outline to the House what action he is taking to formulate a plan to provide permanent access to the area known as Five Rocks?

**Mr GLASSON:** Some years ago, a small number of blocks of land were opened up and sold without access being provided to them. The only access to the blocks was by sea. A track that traverses certain parts of the forestry area in the proximity of Byfield gives access to Five Rocks. The traffic generated not only by the people who actually had blocks of land at Five Rocks but also by people who camped or fished in the area was disturbing the forestry land to such a degree that it became a concern to the department.

The Forestry Department published a notice in *The Morning Bulletin* in Rockhampton stating that, as from the following Monday, no access would be allowed into the area. Many people made representations by letter, by telephone and to *The Morning Bulletin* about that decision. Indeed, the two honourable members who represent the area approached me about action that could be taken in the short term. As a result, the Forestry Department was asked to initiate a permit system whereby people who wished to gain access would be issued with a permit stating the reason for their visit. This would enable the department to gauge the numbers seeking access.

As the honourable member for Callide, who is also chairman of the Livingstone Shire Council, would be well aware, discussions will be held between officers of the Lands Department, the Forestry Department and the Livingstone Shire Council in an endeavour to overcome the problem and to provide some sort of legal access. Those discussions will take place on Monday, and it is to be hoped that the council will cooperate if it is decided to put a gazetted road through Forestry Department land or through adjacent land that is now held under occupational licence until it becomes a national park. In that way, land for a road can be excised before the land becomes a national park. It is to be hoped that the problem will be solved in the short term.

#### **Capital Gains Tax**

**Mr HARTWIG:** I preface my question to the Premier and Treasurer by saying that today this nation will witness the introduction of the most vicious tax ever implemented by any Government in Australia, that is, a capital gains tax. I now ask: Will the Premier elaborate on his Government's views on what a capital gains tax will do to primary producers throughout the State?

**Sir JOH BJELKE-PETERSEN:** As the honourable member said, the legislation to implement such a tax will be the most disastrous that this nation has ever seen. The present Government in Canberra has done so many things that are leading this great nation to ruin. The Government's already enormous deficit will keep growing at a tremendous rate. Yesterday, \$1.1 billion was lost off share values as a consequence of the taxation package that is to be introduced.

The capital gains tax is of particular concern. For primary producers and small businesses, it spells utter disaster and ruin, because the tax will flow through every

generation. There will be nothing left to pass from family to family. It is another form of death duty, and it will be assessed at a very high rate.

**Mr R. J. Gibbs:** It doesn't apply.

**Sir JOH BJELKE-PETERSEN:** Despite what the honourable member says, it does apply. Even if the tax will not apply in those circumstances——

**Opposition Members interjected.**

**Sir JOH BJELKE-PETERSEN:** If Opposition members read all the comments in journals and in the media, they will find that the general consensus is that the tax does apply. Obviously, until the Treasurer's statement is released, no-one can be completely sure what the package will contain. However, the Government's intention is well known and the rate of the capital gains tax will be 55 per cent, which is an extremely high rate. One can imagine how that will destroy incentive for the business sector to be active and to create jobs. It will be a disaster.

The people in Canberra have dug themselves into a hole that is so deep that they can barely see themselves at the bottom of it. Recently, when the media asked me whether I wanted to dig that hole deeper, I said that all I want to do is fill it in.

### **Capital Gains Tax**

**Mr FITZGERALD:** I ask the Minister for Industry, Small Business and Technology a question that relates to the proposed capital gains tax. In the Minister's view, has any assessment been made of the likely effect of a capital gains tax on small business in Queensland?

**Mr AHERN:** The Small Business Council of Australia sent me a copy of a telex that it sent to Senator Button. At the conclusion of my remarks, I will table that. But because the Small Business Council of Australia is absolutely and unanimously opposed to the proposition, because it is absolutely devastated by this suggestion by the Commonwealth Government, and because it is completely convinced that it will be a mortal blow to small business in Australia, I shall quote from the telex——

“Further to our letter of 14 June 1985 council desires to bring to your notice its concern that a capital gains tax will be disastrous to small and particularly very small business and requests that this view be brought to the attention of the responsible Minister and the public through the media.

Members representing a wide range of business associations emphasise the concern of their members and its political impact. The council's perceptions are based on:

C.G.T. on small business enterprises has the effect of double taxing the undistributed profit element included in the capitalisation calculation when the sale price of a business is being established.

Judging from the 1970 American experience, C.G.T. will substantially reduce investment in small business, by diverting it from start-up, expansion and efficiency improvement investment to other passive investment areas and this could seriously affect employment growth.

An eventually realised capital gain is the equivalent for the profit sharing small business proprietor of the wage earners superannuation benefit.

Consternation at the prospect of capital gains tax is wide-spread in the small business community and your assistance would be greatly appreciated.”

Small business in this country has never been convinced that the Commonwealth Government is on the right economic track, and I agree with that. A capital gains tax is totally the wrong direction for Australia to take at this time when emphasis should be given to small business programs, which are the key to Australia's economic growth and are the only programs that will provide reasonable growth and employment opportunities for Australians.

*Whereupon the honourable gentleman laid on the table the document referred to.*

## SUPPLY

### Committee—Financial Statement—Resumption of Debate

Debate resumed from 17 September (see p. 928) on Sir Joh Bjelke-Petersen's motion—

“That there be granted to Her Majesty, for the service of the year 1985-86, a sum not exceeding \$609,000 to defray Contingencies—His Excellency the Governor.”

**Mr LITTLEPROUD** (Condamine) (12.18 p.m.): I rise to speak in support of the Queensland Budget for 1985-86. In doing so, I make the initial comment that the Queensland Government enjoys the highest possible credit rating from the top financial markets in the world. That being the case, I must consider whether the argument by the Leader of the Opposition (Mr Warburton) that this State is dreadfully managed is correct. If it is correct, the financial experts round the world are fools. If those hard-headed bankers, after a careful scrutiny of the Queensland economy, rate Queensland so highly, the Leader of Opposition and his party in Queensland are wrong. Without being discourteous to the Opposition, I can only state that I find it very difficult to believe that the major financiers in the world are misjudging the Queensland economy.

In the 1960s and 1970s, Queensland has grown enormously. The astute development of the State's minerals, further development of the State's grazing and agricultural belts, together with the rapid expansion of the commercial sector, have brought many more people to Queensland and have tapped the State's potential that lay largely dormant during the years that the Labor Party controlled Queensland.

In this House in recent months many honourable members have referred to the slowing down of the tremendous growth in the past few years. The reasons for this are well known. I do not intend to expand on that matter.

I remind honourable members that the Budget is part of a three-year economic plan to help offset the ill effects of the economic downturn in mining and primary production. The 1984 Budget initiated two huge projects to give relief to special sectors of the economy. The Capital Works Program has already given substantial assistance to the large private construction firms and the housing industry, while the heavy manufacturing sector is benefiting from the \$700m project to electrify central Queensland railways. Both those projects will continue during 1985-86 and should reach finality at the end of the planned three years, in 1986-87. Such long-term planning contrasts strongly with the four Budgets that the Hawke Federal Government brought down during 1985.

Industry can plan confidently only if it knows the long-term expectations of the Government. Industry finds it difficult to plan and implement new investments if the Government continually changes its taxation base and alters its funding priorities. Many people in the investment industry feel that an annual Budget is scarcely long enough between alterations. Those same persons must surely welcome Queensland's three-year planning on projects of such magnitude.

This brings me to the point of public comment on the Budget. In general, the Budget has been accepted as sound financial management, which continues to give priority to development and creation of jobs in the private sector. There are no violent changes in the direction of Government spending. I sense that the private sector continues

to find the economic management of Queensland to be predictable, responsible and progressive. Coupled with this is the Government's determination to deregulate the labour market and introduce contract labour. These ideas are also receiving ready acceptance from both employers and employees.

A review of the last financial year, coupled with some expectations of 1985-86, is worth recording. In 1984-85, the State's population grew at a rate of 1.5 per cent, compared with the general growth rate for all Australia of 1.1 per cent. The labour force in Queensland grew by 1.7 per cent. The nation's growth rate of 1.4 per cent was below that figure. While Queensland's unemployment level remains high at 9.6 per cent, the State's performance in the creation of new jobs has improved remarkably in the five months ended June 1985. In that time Queensland created 35 200 new jobs, which represents 63.3 per cent of all new jobs created in the nation during the same period. This suggests that the initiatives commenced in the 1984-85 Budget are now bearing fruit.

Tenders have been let and the planned projects are now under way, providing the stimulus planned 12 months ago in the 1984-85 Budget. Complementary to this has been the growth in private dwellings commenced, and the rise in retail sales. The State's building industry recorded a lift of 13.2 per cent on its 1983-84 figures, and a massive 84 per cent increase on the 1982-83 figures. The rapid development of the near north coast and the south coast areas is clear evidence that that is the case.

In the Condamine electorate, the last 12 months has shown unusually high activity in both housing and commercial building. The Kern Corporation plans to build an \$11m shopping complex in Dalby. One major bank has recently opened new premises and another has started extensions to existing premises. An indoor sports complex, a block of 12 new shops and a housing boom all bear witness to the growth revealed in the State's statistics.

Chinchilla is also experiencing a housing boom, unprecedented since the late 1950s. Similar progress is reported in many other parts of the State. It is obvious that investors, be they commercial or private, have confidence in the economic management of Queensland.

I intend now to comment on the rural production of the State. In general, I highlight the fact that, in almost all areas of primary industry, production is static or increasing, yet the farm sector is facing probably its most severe crisis in decades. Part of the reason for that crisis is world market prices that are adversely affected by the dumping on the market of surplus food, particularly by the European Economic Community. Another major factor severely depressing rural producers is the savage imposts of the Hawke Federal Government. I believe that in excess of 30 initiatives have been taken that reduce severely the viability of rural producers.

Before I list them and comment on the attitude of the ALP to rural Australia, I will quote some statistics on the commodities produced in the electorate of Condamine. Wheat production in Queensland for the 1984 harvest was 1.5m tonnes. This season plantings are approximately 1m hectares, and the projected estimate for the 1985 crop is 1.7m tonnes. However, that figure could alter dramatically, subject to weather conditions.

This year grain-growers have favoured wheat because of the guaranteed minimum price arrangements, which will help to cushion lower grain prices. Barley did not fare so well. In 1984, first payments to growers were in the order of \$112 per tonne. It is expected that, this year, the price will plummet to \$88 per tonne. In 1984, production was up 39 per cent on the 1983 figures. However, I would not expect any substantial increase in production this year because of the expected depressed prices.

Cotton production in Queensland has continued to grow. However, it is expected that lower prices will tend to force a levelling-off in annual production to approximately 200 000 bales per annum. Last year, cotton production in Queensland was worth \$62m.

Last year, oil seeds which, in the electorate of Condamine, are mainly sunflowers showed a 24 per cent increase in production, returning \$46m to the State's growers.

Pig-slaughterings dropped slightly during 1984. However, lower grain prices could well herald a lift in production for 1985. Last year the production of Queensland's pig industry was worth \$92m.

As at 31 March 1985, Queensland's beef herd was worth \$9.2m. That represents a 5 per cent increase—the first increase in cattle production since 1978. Although saleyard prices are presently acceptable, the threat of EEC beef taking over our Pacific markets remains and clouds the future of the beef industry.

Production is up in almost all of those sectors. However, I have referred to the expected fall in farm incomes. A series of savage fuel prices leads the Federal Government's onslaught on rural producers. It is now documented that, because of their high rate of consumption of fuel, primary producers pay fuel tax at three times the rate paid by other Australians.

Loss of tax deductibility on timber treatment and water storage also strikes hard, as does the dropping of the investment allowance on machinery. Not only will the farmers' plant run down but also the reduced sale of agricultural machinery will adversely affect those people employed in machinery sales and service which, in turn, will flow on to rural towns and manufacturers. The only option now open to most producers to ensure survival until the overthrow of the ALP Government will be to throw away the cheque-book and to put off all expenditure save that which is absolutely necessary to maintain production.

Despite all the rhetoric of Mr Kerin, the simple fact is that the Hawke Government has talked about giving substantial relief to rural Australia, but has done exactly the opposite. The pity of it all is that Australia must endure two more years of this socialist savagery before the next election.

The recent announcement of compulsory superannuation for unionists affiliated with the ACTU is another decision sure to strike hard at the profitability of business. Employer-funded superannuation payments being handled by a board dominated by ACTU henchmen is a draconian socialist scheme that will put enormous resources in the hands of the ACTU, probably to the detriment of employers and Australia. Like Medicare, it is a grandiose scheme designed to achieve the socialist dream of control over all aspects of people's lives. The only difference is that in this case it will be controlled not by the State but by the ACTU—the unelected dominant partner in Mr Hawke's coalition Government.

I serve notice on the ALP that, come the next coalition Government in Canberra, these schemes will be torn apart and the power of unionism will be broken. The Queensland Government has shown the way in this regard and conservative forces throughout Australia are already planning to follow suit.

The great support for the Queensland Government from the electorate is most encouraging. In fact, many Labor and union men are to the fore in condemning the ACTU's abuse of power. Mr Clyde Cameron is a notable example, as is the Prime Minister.

Queensland's mining industry is performing well. The dramatic development associated with coal has slowed, but the Kidston gold mine and petroleum and gas exploration in south-west Queensland have recorded significant growth. Mining production in 1984-85 was worth \$2,998m, which represents a 22 per cent increase. The production of petroleum products increased fourfold, with the Cooper/Eromanga basin and the Denison trough still to come on stream. Coal production in 1985 reached record levels, with a gain of 23 per cent.

**Opposition Members interjected.**

**Mr LITTLEPROUD:** I would reply to the interjections if they bore any relevance, but they are quite irrelevant.

Our exports of coal increased by 37 per cent, and steaming-coal sales recorded an increase of 220 per cent. I emphasise that increase in steaming-coal sales. Competition on the world coal markets will continue to be fierce, but our low-cost open-cut coal mines should continue to do well. I am led to believe that the prices paid for base metals show some signs of recovery. MIM, hard hit at present, must hope that these signs become a reality.

Criticism will surely be made by the Opposition of the lack of growth provided by the Budget for the public service. Though the Budget allows for in excess of 1 000 new teachers, 134 prison officers and about 100 new police, the Opposition will argue that that is not enough. In my movements through my electorate, I am constantly told to keep the growth of the public sector under control. People want to pay less in taxes and in Government charges. I wholeheartedly agree with their opinions.

In its argument, the Opposition conveniently overlooks that the State has a limited Budget, and it must determine its priorities and live within its means. Certainly, if the money supply were limitless, we could readily increase all types of services; but that is just not possible.

As it is, I see signs of improved Government services wherever I go in the electorate of Condamine: a \$1.2m police station at Dalby; new pre-schools at Dalby South and Warra; a special education unit at Chinchilla; new police and railway housing; a new library at Dalby State High School; computers in high schools; and an increase in soil conservation staff. All of these are proof positive of a progressive public service sector.

This Government's highest priority, however, is to see further development of the private sector. The new Queensland Industry Development Corporation is to be established for this purpose. I commend the Treasurer on his initiative and note that the Agricultural Bank and the Rural Reconstruction Board will be incorporated into the new corporation. I hope that this Queensland Industry Development Corporation can see its way clear to offer the assistance needed to establish the Queensland Graingrowers Association multi-risk crop insurance scheme, which has the potential to be grower funded, and to assure farmers of the recovery of their costs of production should some disaster destroy the crop.

The system is already working in Canada, the United States of America and South Africa. Over \$250,000 has been expended by the QGA to investigate the viability of the scheme under Queensland conditions. Expertise brought from overseas assures the QGA that it could work here.

Currently, Treasury is assessing a proposal from the QGA to implement a pilot scheme. Such a scheme, when fully operational, would free the Queensland Government of any likelihood of the grain industry's calling for disaster-relief funding. In addition, it would help to take the peaks and troughs out of primary producers' incomes, which in turn would have a stabilising flow-on effect over a wide spectrum of the economy. I hope that the Treasurer is able to implement this well-researched scheme.

Creation of employment is high on the list of priorities in this Budget. A number of initiatives have been announced. In particular, I congratulate the Treasurer on further cutting pay-roll tax.

**The CHAIRMAN:** Order! I suggest that the quartet on my left either calm down or conduct the discussion elsewhere.

**Mr LITTLEPROUD:** I am equally enthusiastic about the traineeship scheme. I have spoken before about the unfortunate position in which young people are placed by the inflexible and extremely high salary scales that employers are forced to pay young, inexperienced people. Employers looking for value for money in the labour market were overlooking many young people. This innovative scheme requires the co-operation of

employers, unions and the Government. I certainly hope the initial steps already undertaken in the hospitality industry in Cairns are the forerunner of a totally new approach to youth employment. Our young people deserve as much.

In closing, I congratulate the Premier and Treasurer on the Budget. The framing of this document has been made extremely difficult by the actions of the Hawke Government, which has blatantly underfunded Queensland in so many ways. Despite this, the Government is able to ensure continued progress for Queensland.

**Mr D'ARCY (Woodridge) (12.35 p.m.):** The Government continually slates the Opposition for making non-constructive economic speeches. Government members say continually that members of the Opposition preach gloom and doom without applying any constructive thought. Although, year after year, a number of Opposition members have put forward many constructive economic policies that should be implemented in Queensland, the Government has failed to act.

The Government uses Parliament as a necessary evil. It is not interested in anything constructive, irrespective of whether it comes from the Opposition or its own back-bench members. Over the years, plenty of constructive criticism has been offered but none of the worthwhile suggestions is listened to, let alone implemented.

Because the Government does not listen to the suggestions that are made in Parliament about improving the economy, it has been guilty of ignoring the talent of honourable members as well as the ideas that those members bring to the House from their electorates. More importantly, the Government is guilty of ignoring the electors of Queensland.

I have some constructive ideas for the Government, and they are ideas that could be implemented easily to make Queensland a better place in which to live. If the suggestions I make are implemented, honourable members, especially members of the Government, would be able to contribute to an economic policy for the future that would be of benefit to all Queenslanders, because it would be based on a more far-sighted overview.

It must be realised that the Budget presented by the Premier and Treasurer is a useless document for explaining economic policy. It is a house-keeping document that balances the books, according to the Premier and Treasurer, and that is correct. However, the Budget takes no account of the real economic policies of the Government and no account of the real economic problems that face Queensland. Moreover, the Budget does not state the overall economic policies of the Government. Instead, the Budget presents a fait accompli of Government spending. For example, it states that a new police station will be built at Slacks Creek, a part of my electorate. The police station is three-quarters completed; so, as a document on economic policy, the Budget does not tell us anything that we do not already know.

The Budget sets out priorities for spending, but those objectives were reached over 12 months ago. In contrast to that, the Budget states very little about planning for future spending. It merely sets out the way in which the Government is spending its tax grabs from the Commonwealth. The Budget also states the way in which it raises its revenue from taxation, and that is an issue that is open to criticism.

The abhorrent pay-roll tax that the Queensland Government collects is a tax on employment. It should be phased out and eventually abolished. Queensland has a rate of unemployment of approximately 9 per cent, which is the highest of all the Australian States, but the Premier and Treasurer's only concession to the abolition of pay-roll tax was to lift the ceiling by \$30,000, which brought the level from \$270,000 to \$300,000. As all honourable members would realise, that \$30,000 would account for the employment of a fraction over two employees a year, so such a measure ignores the unemployment problem in Queensland.

**The CHAIRMAN:** Order! There is too much audible conversation in the Chamber. I now have a quartet on my right.

**Mr D'ARCY:** The next most objectionable form of revenue-raising by the Government is stamp duty, which is collected unevenly in Queensland and is not applied to transactions that would be a more efficient way of raising revenue. I realise that the Government has made a promise that stamp duty will be collected in a more even fashion in the future and that people will not be permitted to avoid payment of it. I hope that that is correct. At the moment, it is collected on a hit-or-miss basis. The Government is obviously aware of that.

The application of land tax has also been severely criticised. The collection of land tax certainly leaves a lot to be desired.

In my opinion, the taxation system operated by the Queensland Government is inefficient and is urgently in need of review. It has developed unevenly and in a topsy-turvy fashion over many years. The Government should now collect taxes on the basis that those who use the services of the Government most, and who can afford to pay, should be the ones who pay the taxes.

As a constructive measure, I suggest that the Government set in train an internal Treasury committee, which will review the method of collecting State taxes, and I suggest that that committee be established between now and presentation of the next Budget. If an efficient system of tax collection is to operate in Queensland, that should occur as a matter of urgency.

The next aspect I wish to deal with briefly is that of Government priorities in the spending of revenue. I believe that the Government's priorities are all wrong. Suffice it to say that members of the Opposition would spend revenue differently.

The Government ignores its greatest resource, that is, the human resource available in Queensland. The Government is more interested in giving priority to introducing projects for the sake of having projects. The Government's priorities ignore the real problems that must be faced in the 1980s and those problems will continue to exist throughout the 1990s to the year 2000.

Although some allowances have been made to improve the backlog in education that exists in Queensland by the employment of an extra 1 000 teachers, improvement in education generally must be given No. 1 priority when it is realised how few teenagers there are in educational institutions. The teachers have been employed in educational institutions that have been provided by the Federal Government.

**Mr FitzGerald:** Explain that more fully.

**Mr D'ARCY:** The honourable member knows darned well what I mean. At present, the Government is placing teachers in CAEs and TAFE colleges.

**Mr FitzGerald:** Those teachers are not going to CAEs.

**Mr D'ARCY:** Some of them are. They are going to TAFE colleges.

The other problem is that the Government, although it has allocated 1 000 additional teachers, has not taken into consideration the fact that there is no back-up staff allocation. One must wonder at the compounding effect that that will have. Without back-up staff, the 1 000 additional teachers referred to by the Minister for Education could be useless in the system, largely for the simple reason—

**Mr FitzGerald:** You are denigrating the teachers of this State.

**Mr D'ARCY:** I am not. The honourable member obviously knows nothing about education; he does not understand how the system works. The important point, and one about which I have not heard criticism, is that the Budget does not take into consideration the fact that without back-up staff—teacher aides and other staff—to supplement the 1 000 additional teachers, those teachers will not be very effective.

It must be realised that, because of the vast technical changes that have already occurred, society faces a massive problem. Only 25 per cent of Australia's 17-year-olds are still in educational institutions, compared with 70, 80 and 90 per cent in the United States of America, Europe and Japan. As I have said, the 1 000 additional teachers will be placed largely in Commonwealth-built institutions, and no provision has been made for back-up staff.

This Budget, as is usual for this Government, places priority on race-tracks, aeroplanes and toys for Ministers, and on the construction of railways, dams and power stations which have not been planned with the greatest effectiveness or economic efficiency in mind. This Government's priorities are wrong. An investment in the future of Queensland is needed. The human resource—Queensland's greatest resource—is largely ignored.

Employment should be a high priority. This Government spends a little over \$1m on youth employment, in contrast to \$55m in New South Wales. Queensland's welfare services, which could be much more effective, are a disgrace. Many young people in my electorate are not living in a normal family situation. Many are actually hungry.

Queensland needs an additional 600 police, yet the Government is supplying only 104. That will present a long-term problem, because eventually those 104 policemen will be forced through the system. There will be a massive influx of young, inexperienced police, and the one thing that has been learned about the police force is that it needs to be tempered by experienced men. Without experience, the police force reaches the level of cop dramas on television with dangerous arrest procedures and high-speed chases.

In the last few weeks, three such incidents have occurred in my electorate. In one incident, a father of seven was shot dead by the police in front of his children; in another, at Kingston, several police with guns drawn jumped a fence and rushed into a house only to find out that the family had resided there for about two years and the suspect the police were chasing was unknown to the residents. The suspect had evidently lived there a number of years before. No wonder Mr Nev Wood, a law-abiding citizen, whose 17-year-old daughter and young sleeping baby were disturbed by such outrageous police activity, demands an explanation by the force and this Government.

The raids by police in the Woodridge area of the homes kept by the Welfare and Family Services Group, run by Brother Mick Devlin, have been described by him as more than regrettable.

High-speed chases have become the order of the day, with suspects being chased along the highway in my electorate. That type of police activity must cease. It is surely the work of inexperienced, incompetent policemen.

More and better-trained police are required. They need to be tempered with experienced policemen, who know how to go about an arrest in a sensible manner while still upholding the law in this State.

I for one do not look forward to the day when this State, because of this Government's poor budgeting, has to suffer a massive influx of schoolboy policemen.

Senior police are aware of the problem. Although the Government prides itself on its support for the police force, its mistreatment of the force at Budget-time is wearing out its welcome with the police. The state of the police force was shown in an article in a Sunday newspaper about the prosecution branch of the police force. It stated that highly talented people who were needed were not able to be recruited, because no overtime was involved and the base pay was too low.

If the Government requires the members of the police force to rely on overtime to earn an economic wage, it is an inefficient police force. The Government is not paying the officers enough at the base level, and it does not have enough police officers.

The Minister for Mines and Energy (Mr I. J. Gibbs), who is present in the Chamber, must have seen a recent article on the front page of the *Logan and Albert Times*, in which the police were scathing in their criticism of the Government. There is a shortage of police in my electorate as well as in the Minister's electorate. That is an indictment of the Government. The police who made that criticism are not game to be named, but they are senior officers in the area. The Minister would know who they are.

In the two major areas in the Budget that deal with the collection of taxation and the priorities in the spending of money, the Government is both inefficient and wasteful. It is not dealing with the majority of the problems that are facing Queenslanders today. The taxation system has grown like Topsy and an urgent review is needed. The priorities set by the Government need to be changed by the people of Queensland by sacking the Government.

Accountability is the other area in which the overall situation is totally neglected. For some years, the members of the Labor Party, as well as the Liberals in this Parliament, have been calling for a public accounts committee to allow the Parliament to examine the hidden costs and charges imposed by the Government. It should be pointed out that this Parliament is one of the very few Parliaments in the Western World that do not have a public accounts committee, the effectiveness of which in saving tax-payers' money is undeniable. The comments that I have made in those areas are constructive.

As I said at the outset, the Budget bears no real relationship to the economic policies of this State and, in a constructive sense, I now wish to deal with that problem. The Government applies a shot-gun approach to its economic policy, and that hit-and-miss policy of development without efficient economic research is proving to be Queensland's downfall.

During the mining boom, the Government spent money with gay abandon on railway lines, port facilities and power stations. We were told that it was to be a user-pays system. The viability was never tested. At present, the user is struggling to pay. Power stations were built for political purposes. Political considerations were taken into account in the establishment of port facilities. Hundreds of phantom projects were announced.

The honourable member for Port Curtis (Mr Prest) must be sick and tired of hearing of the projects to be built in his electorate. We were told that a \$1,000m smelter would be built for Gladstone Alumina, that a \$250m smelter would be built for Gladstone Alcan Aluminium, that a \$1,200m coke plant would be built in Gladstone, that a \$1,000m steel-mill would be established in Gladstone, and that a caustic soda plant would be constructed in Gladstone. It was announced that all of those projects would be commenced in that one area of the State. Gladstone is struggling along with the same industries that it had in the initial stages of its development.

Queenslanders would have to be concerned about the document titled *The Queensland Economy*, which was tabled with the Budget papers, because it shows that the Government has no long-term plans for the Queensland economy. It also highlights some disturbing views, the most important of which is in the area of manufacturing. The Government recognises that only a slight increase occurred in that area in the 1984-85 year.

The document claims that manufacturing industries are continuing to rationalise operations. Of course, that is not correct and it is not consistent with the Australian pattern. In the preceding 18 months, manufacturing increased significantly in South Australia, Victoria and New South Wales.

Because of the failure of the Government to establish a manufacturing base, Queensland has been left far behind. Two or three years ago, when workers in manufacturing industries in the southern States were laid off, many came to Queensland. At that time the building industry was booming. With the increase in manufacturing that has occurred in the southern States, many of those workers have returned to their home States. That highlights a weakness in the Queensland economy. Over the last 18 months, the

manufacturing industries in the southern States have been clawing their way back. Because Queensland has no manufacturing base, it has been left far behind.

An analysis of the Queensland Government's policies reveals why Queensland has the highest unemployment rate in the Commonwealth. Activity in the building industry has slowed significantly, and, despite the protestations of the Government, it is difficult to get money from the banking system for projects in this State. For the last 18 months to two years, the banking system, which relies on facts and figures, has been pouring money into Victoria, New South Wales, South Australia and Western Australia.

Mention was made by a Government member about Queensland's overall credit rating. Although that rating is very good overseas, it is very difficult to raise money from the internal banking system for a project in Queensland. For that to change, the Queensland economy will have to show a marked upturn and the Government must put forward more initiatives to expand the economy.

It is my belief that the Queensland economy is somewhere near the bottom of the trough. However, it will be a long time before some sectors, such as real estate, pick up.

**Mr Innes:** Especially if your Federal colleagues hit us with a capital gains tax. That will be the greatest blow for real estate.

**Mr D'ARCY:** People who make money out of real estate do not contribute much to the economy, anyway. I am speaking about the productive sectors, such as manufacturing, which create employment.

The resurgence of the Queensland economy will be linked to the demand for its natural products. However, until that demand picks up, the Government, in attempting to expand the economy, should look to the sectors that it has neglected. I refer particularly to the manufacturing sector and the tertiary sector. For many years, the Opposition has been calling on the Government to develop those sectors, and now is a golden opportunity to do that.

For a number of reasons, the Government should set up a constructive program. Firstly, the low value of the Australian dollar against other currencies makes Queensland's exports more competitive. In addition, wages in Queensland are the lowest in Australia and the Australian wage structure is comparable with that of our Asian neighbours. In the last decade, wages in Australia have fallen significantly compared with those of our near neighbours. Anyone who does not realise that wages in Hong Kong, Singapore, Japan, Taiwan, China and Korea—our Asian competitors—have far outstripped wage rises in Australia does not know what he is talking about. The standard of living in Singapore, Japan and Hong Kong has surpassed that of Australia. Another consideration is that the current low world mineral prices make it an ideal time for the Government to support manufacturing industries.

Now that port and railway facilities have been established, it is time to begin manufacturing projects using the State's primary produce and minerals. Approximately 7 500 barrels of oil a day trickle out of Queensland, and coal reserves are unlimited. Those natural resources can be used in chemical plants and petro-chemical works, and oil and coal can be turned into plastics, which are needed by manufacturing industries.

The Queensland Government seems to be frightened of the manufacturing sector. It might feel that the development of that sector will erode the Government's political base, or it might feel incompetent to tackle major manufacturers. As a result, Queensland is missing out, and it is not acceptable to continue to export raw materials if the people of Queensland do not receive any benefit.

At present, the State is struggling to meet the interest and redemption payments on loans for capital facilities and, as a result, the economy needs to maintain a high level of exports of raw materials. However, as demand increases and export prices rise, Queensland must be able to take advantage of the tertiary production of those minerals,

otherwise the State will miss the boat and the people of Queensland and the Queensland economy will not benefit from the State's abundance of raw materials.

While the State continues only to export raw materials, the large multinationals are able to organise tertiary production for their own benefit and to juggle prices and profits to suit themselves to Queensland's disadvantage. A strong Queensland Government would be able to gain those profits and secure jobs for Queenslanders.

The Government is making great play of its successes in the tourist industry. That industry concerns me greatly. I have been an advocate of the industry for a long time, long before the Government realised the advantages in it, both in capital works and jobs that can be gained for the State. Queensland has had far too many failed tourist projects.

I shall isolate one particular area in Queensland just north of the Gold Coast—the much-publicised Oxenford/Coomera area in south-east Queensland, with a catchment population of approximately 2 million people. It is not long ago that the Mainline company, Cambridge Credit and Savoy had failed development projects in that area. Recently, Cades County went into liquidation. The only successful project—other than Mr Hinze's pub—has been John Longhurst's Dreamworld. I have personal knowledge of how long John struggled to gain financial acceptance for that project.

At present the project for a so-called marina on Hope Island is a disgrace. Obviously, once again the Government was conned. I saw the area only recently. A great tract of land alongside a creek has been scraped out. Obviously that was done only for the extraction of sand. The developer has no intention of going ahead with the project for which he conned the Government into giving him land.

Another project in the same area that has also been backed with great flair by the Government is that of the entrepreneur Mike Gore. On the figures that I have on that project, it has little chance of economic success. No doubt it will be taken over in the long term and eventually parts of it will be sold off.

What really concerns me with this mass of announcements for development in this and other areas of the State is the massive Government commitment of Queenslanders' money for roads, railways and other facilities. Mike Gore's project is over-extended. From my in-depth knowledge of that area, I know that, at this time, many of the promised Government facilities are not viable.

The activities of the Queensland Tourist and Travel Corporation also concern me deeply. I have spoken about the number of failed ventures in Queensland. Surely the Queensland Tourist and Travel Corporation must top the list. So far it has been involved with projects on the Gold Coast, the north coast, the central Queensland coast and north Queensland. Finally the project at Port Douglas is getting off the ground. I visited Port Douglas 12 months ago and, upon my return to Brisbane, I tried to contact the corporation's chairman, Sir Frank Moore. At that time the QTTC was desperately trying to get finance in its own right. It was negotiating with companies with highly questionable backgrounds. It is a shame that the Queensland Government is so desperate to get the QTTC off its hands and economically independent that it is prepared to give away Crown land as collateral to virtually any partner. Any partner who wanted the ecological destruction of the Port Douglas area should not have been considered. I still have not contacted Sir Frank Moore, but recent announcements that the project will be undertaken in partnership with the Chris Skase company, Qintex, are cause for grave concern. Although I have no axe to grind with the Qintex company, which so far has had a fairly successful career with its shares in north Queensland media operators and its recent movement into southern Queensland projects, I do wonder how much background study was done by the company on the Port Douglas development.

Any tourist operator will state that the infrastructure of an area is all-important. How does one get infrastructure for a \$100m project? I might add that *The Courier-Mail* stated that \$100m was involved, the *Daily Sun* claimed stage 1 involved \$50m and some other paper claimed that \$80m was involved. One wonders what the devil the Queensland Government is talking about. The tiny town of Port Douglas is 60km north of Cairns, the location of the nearest airport. Several problems have to be overcome. In the Queensland Government's haste to get the QTTC off its hands, it is prepared to give away land as collateral.

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

**Mr D'ARCY:** Because of geographical location, Port Douglas would not be able to attract a large number of people. It is situated a long distance from the real population catchment area. Fares between Cairns and Port Douglas would be astronomical. Travel arrangements between the airport and the facility are pie in the sky. The local infrastructure of Port Douglas is flat out supporting two small hotels almost side by side and would not match the needs of the new project. Port Douglas is only a small jewel in the crown of the north Queensland coast. The rain forest knoll on the promontory and the setting round the creek would be destroyed by development.

The Four Mile Beach, which is so often lauded, is of low sand structure that is fairly coarse. The existing boating facilities and marina are already overtaxed. Access to those facilities is gained through a very narrow channel. A person would be out of his mind if he thought that he could, within 18 months, construct a \$100m project at Port Douglas. The Minister is pipe-dreaming when he says that the Government would receive revenue of \$1m through the Queensland Tourist and Travel Corporation from the project. It would be better if developers of Crown land were charged a rental. I am concerned that the companies are trying to gain a foothold in a desirable area. That has happened in the past, and it would be a tragedy for Queensland if a similar situation occurred.

The Government has already had an experience of that nature with the Iwasaki project. It was promised that a large number of Japanese would visit Queensland by 1985. Where are they? I am concerned that the Port Douglas project would end up in exactly the same way. Someone is pulling the Government's leg. If the Minister for Tourism (Mr McKechnie) and Mr Skase are able to put the project together within 18 months and the Government receives \$1m a year, I will be the first to congratulate them. I wonder who made the projections. Why the Minister accepted shares on behalf of the Queensland Tourist and Travel Corporation, I do not know.

Queensland's tourist industry has a great potential. I have said before that the Queensland Tourist and Travel Corporation should be given some money and some teeth so that it can provide guarantees for real projects along the Queensland coastline. It is time that the Queensland tourist industry was properly supported.

I raise two matters that need urgent attention in Queensland. One is the road toll. According to experts, motor vehicle accidents are costing Queensland \$1 billion a year. However, the Government has refused to introduce random breath-testing. In southern States, the introduction of random breath-testing has reduced the road toll by up to 20 per cent. The Queensland Government has, over the years, caused the death of thousands of Queenslanders because of its refusal to police the roads. The Government has refused to build decent roads in this State, which are the worst in Australia. They are a disgrace.

The Government initiated an inquiry into the ambulance service. Despite the recommendations contained in a 1980 report into the ambulance service, the Government has not implemented one of them. The Miscellaneous Workers Union has continually asked the Government to provide training so that ambulances can be staffed with paramedics. The Government knows that, by doing that, it would save lives and save this State millions of dollars. The Government's failure to do anything about that is one of the reasons third-party insurance premiums have been increased.

I am pleased that the Minister for Works and Housing (Mr Wharton) is in the Chamber. His rental-based housing scheme, which was introduced two years ago, is a disgrace. It has not been an economic success. It is causing the break-up of families and unbelievable social distress in the Woodridge area. If the Minister does not revoke his policy, I will liken him to a Frankenstein monster wrecking families in the Woodridge area at a most vulnerable time. What the Minister is doing is a disgrace. He has no idea of the social or welfare implications of his disastrous policies. Families in my electorate cannot afford to buy Housing Commission homes. Some families with young teenagers have had to break up at a time when they are most vulnerable. He is causing the families in those areas to suffer a great deal of hardship. Some young people need their parent's support for only a short time, but they are being forced to leave home.

**Mr WHARTON:** I rise to a point of order. The honourable member's statements are untrue. Those persons pay only a contribution towards the rental. Some family members pay only 10 per cent of the rental, and some pay less. I ask the honourable member: Why should not those persons make some small contribution towards the rental?

**The CHAIRMAN:** I accept the point of order. The honourable member for Woodridge made some rather personal remarks. I think that he should withdraw them.

**Mr D'ARCY:** I did not think so. They are not commercial rents. The Minister is smiling. The houses for which \$145 is being charged would at best attract a commercial rent of \$80.

Progress reported.

## MINISTERIAL STATEMENT

### Queensland Dairymen's Organisation

**Hon. N. J. TURNER** (Warrego—Minister for Primary Industries) (2.21 p.m.), by leave: I have been informed by the president of the Queensland Dairymen's Organisation that an investigation has been initiated by the executive of the QDO concerning a deficiency in the QDO's funds. The investigation follows information sent earlier this week to the president of the QDO that such a deficiency may exist.

The president and executive of the QDO acted promptly and professionally by calling in a firm of chartered accountants to investigate the information received. The firm of chartered accountants has already established that a significant deficiency exists in the funds of the QDO. The full extent of the deficiency and the reasons for the deficiency are still being investigated. However, the information I have received from the QDO investigation to date indicates that a substantial amount of the deficient funds so far revealed will be recoverable.

The Queensland Auditor-General will be invited by the QDO to carry out his own investigation once the firm of chartered accountants has completed its investigation. All information being revealed by the investigations will be passed to the police.

I will make further statements as more facts become known. However, I must point out that I will not make any statements or answer questions which will prejudice any person's legal rights or which speculate on unknown circumstances.

I would like the House to recognise that I feel that the chairman of the Queensland Dairymen's Organisation has acted with complete responsibility in this matter and will keep me fully informed of all developments. Furthermore, I will personally be urging the Auditor-General to expedite his investigations as soon as the firm of chartered accountants engaged by the QDO has completed its preliminary investigations.

In the meantime, I assure members of the QDO and the Queensland public that the QDO is soundly based financially with a talented and efficient executive. The QDO will continue carrying out its duties to the dairy industry and the Queensland public with little disruption and the same high standard of service for which it has received a well-deserved reputation.

## SUPPLY

### Committee—Financial Statement—Resumption of Debate

**Mr BOOTH** (Warwick) (2.24 p.m.): I begin my contribution by saying that the statement made by the Minister for Primary Industries (Mr Turner) is not good news. I do not believe that any honourable member is pleased to hear it. However, it is good

to see that the Queensland Dairymen's Organisation has moved quickly to take appropriate action. At this stage, that is all that can be said in regard to that matter. I will watch developments with interest. Somewhere along the line there must be a tightening up to some extent.

**Mr Ahern:** And the Parliament has been appropriately informed.

**Mr BOOTH:** Yes, adequately and appropriately informed—and quickly.

I turn now to a general view of the Budget and the way in which it has been affected by the economics of Queensland and the nation. The Premier and Treasurer has not attempted to conceal that the State's economy is under pressure. It would be very foolish to try to isolate it from the Australian economy. It has to be admitted that there is economic pressure across the continent, pressure for which the Commonwealth Government must take responsibility.

The economic policies of the Federal Government are certainly not enjoying a high degree of success. It would be fair to say that the continual changing of lanes, if I might use that description, by the Federal Treasurer and others is not in the best interests of Australia. In the last 10 years, Governments have been inclined too readily to change the guide-lines and rules.

I instance the assets test. There would probably be agreement on both sides of the Chamber that those who were affected by the assets test have done nothing to defraud the nation. They have done nothing that they felt was wrong. They went to qualified people—accountants—instructing them to arrange their affairs in the best interests of themselves, their wives and their families. After the rules were changed, they were made to appear in a bad light. To some extent, they put their future in jeopardy.

A taxation package is due to be announced today. There is a good deal of fear in the community of what might be in the package.

**Mr Simpson:** The stock exchange reflects that.

**Mr BOOTH:** The dive in the index was in anticipation of it.

It is undesirable for there to be fear in the community. At some time, Governments have to realise that they ought to think very carefully before they change the guide-lines and the rules. I am not afraid of change—I am prepared to face it if it is necessary—but change for the sake of change is not in the best interests of anyone.

As a result of the Federal Treasurer's announcement later today, expense items that have been claimable will no longer be taxation deductions. At first sight, that might appear to be commendable. Perhaps as individuals we are not worried about it. However, it is another matter if people are thrown out of work in the hospitality industry. Many young people have been trained in that field and are employed to provide business lunches and dinners. In the next six weeks or so, some of them will be put out of work.

It is a folly to isolate Queensland from the Australian economy. It cannot be denied that the dive in the price of sugar is a principal reason for the pressure on our economy. As a result, there have been problems and worries along the length of Queensland's coast. Sometimes worries put people out of work. A person who is worried does not develop his property or spend as much on fertiliser. Worries sap confidence.

Unfortunately, the sugar industry is not the only sphere of agricultural activity that is under pressure. I think it was the member for Condamine (Mr Littleproud) who mentioned the price of barley. It appears that, this year, farmers will be offered a price not much higher than they received 15 or 20 years ago. Nobody could convince me that a barley-producer can remain in business with prices at such low levels.

**Mr Randell:** The costs are high.

**Mr BOOTH:** Yes, they are very high.

Ten years ago, very few people in my electorate were interested in growing potatoes and other vegetables. Today, a number grow vegetables, particularly potatoes, carrots, onions and beans.

**Mr FitzGerald:** Farmers are suffering everywhere, aren't they?

**Mr BOOTH:** All of the people I have mentioned are under pressure.

Although I did not rise to be critical of the Opposition, I must be a little critical about an issue that has affected bean-growers. During the power strike, bean crops in my area were ready for harvesting. Because of the power strike, the beans were never harvested, and some farmers who thought they had a reasonable bean crop, that they would enjoy a reasonable return, and that they would enjoy a reasonable standard of living were unable to harvest the beans because of the power strike. It is time that Opposition members spoke to their supporters in the power supply industry and told them that there are some industries in which strikes may be tolerated, but that power supply should not be turned off. Strikes in that industry are not on. I am endeavouring to highlight some of the pressures that are being felt by members of the farming community at present, but I cannot devote all of my time to that.

I now turn my attention to the tax-sharing arrangements between the Commonwealth and the State Governments. It appears that, particularly over the last five or six years, continual quarrelling or disputation has arisen between the two levels of Government over the reimbursements to the States as their tax share. I, for one, would not continue quarrelling. If I thought that an inadequate share was being reimbursed, I would look to some other kind of arrangement. There may or may not be much support from Government members for what I am about to say, but I would be prepared to accept that the States take back their taxing responsibilities. If the States believe that they have, to use the expression, been "duded", and if they believe that they have not been given a fair go, a new arrangement ought to be created.

**Mr Fouras:** Under these circumstances, Queensland would be much worse off.

**Mr BOOTH:** I am not sure of that.

I believe that, if the States had retained the same tax-sharing formula that existed before World War II, even on a conservative estimate, Queensland would have been \$137m better off at least.

**Mr Fouras:** The blame for that can be put onto the railway system.

**Mr BOOTH:** If the States are not prepared to take back taxation responsibilities, there should at least be discussions about establishing new guide-lines and a new formula for tax revenue-sharing. I do not believe it is of any use to simply whinge. The Government must face the problem and take steps to establish new guide-lines and new arrangements. There must be a way to set up a formula that will end the disputation.

It is not in the best interests of this State, of this country or of this democracy that a revenue disbursement problem continues to exist. I can remember, during the period of World War II, when the taxation responsibilities were handed over to the Commonwealth Government. I think that most people in the community accepted that in good grace because they thought that it would be a better way for the country to be run. Australia was under some pressure at that time, and that arrangement seemed a better way of collecting tax. At that time, there was simply no suggestion about any quarrel about taxation revenue disbursement. However, now there is a problem, and the Governments in Australia should be trying to solve the problem. The problem should be approached in a way which will lead to agreement between the Commonwealth and the States.

I was very pleased to note that the Budget introduced no new taxes. Whilst I am on the subject of taxation, I might add that it is a bit like that song about Kansas City—it has gone about as far as it can go. I believe that the people of Australia are beginning

to cave in under the taxation burden. I do not suppose that any of us would wish to be too harsh on people who lack some of the wherewithal with which to buy the necessities of life, but I wish to turn my attention now to the subject of redistribution of wealth. That is a subject that usually evokes some sympathy from somewhere. However, when Governments attempt to take almost all of the profits by taxation—

**Mr Davis:** As Howard did.

**Mr BOOTH:** I would not know that the Federal Opposition Leader (Mr Howard) tried to do that. In any case, I am not attempting to back Howard. I simply wish to draw attention to the fact that taxation has become one of the real problems for the people of Australia. Recently I became aware of the amount of taxation paid by second-year or third-year apprentices, and I could hardly believe it.

**Mr Davis:** Thanks to a Labor Government, they at least get high wages.

**Mr BOOTH:** I do not think that thanks are due to anyone. Opposition members say that the tax problem can be overcome by paying higher wages; but industries still have to compete. Anyone can claim that, as long as there is a continual increase in wages, no employee will be under pressure. However, that means only that industries are unable to compete on world markets. In fact, they cannot even compete in this country. Eventually, people will find it difficult or impossible to obtain certain items. Taxation in general has risen to too high a level, and members should be trying to do something to reduce it.

I congratulate the Premier and Treasurer on not introducing any new taxes in this Budget. I would have liked to see greater reductions in pay-roll tax, for instance, but the State has to live within its means, and the community must realise that. I was pleased to see that additional teachers, police and nurses will be appointed. Earlier today, the member for Woodridge (Mr D'Arcy) was critical of the number of additional teachers who were to be appointed.

**Mr D'Arcy:** I criticised the fact that there was no back-up.

**Mr BOOTH:** When the honourable member talks about back-up, he is using jargon. It does not matter whether back-up staff are provided, the teachers still have to be paid. The appointment of those additional teachers will have a great impact on education in Queensland. It will enable the goal of reduced class sizes to be achieved. I was pleased to note that a substantial number of teachers will be appointed to TAFE colleges. Because many people have to be retrained, or people who have not been able to handle an academic course require technical training, the TAFE sector is assuming greater importance than it did in the past.

**Mr Comben** interjected.

**Mr BOOTH:** The honourable member for Windsor wants more people. If I was a contentious speaker and attacked the Labor Party, the Opposition benches would be full. However, because I am tolerant, very few Opposition members have remained in the Chamber to listen to me.

I will continue on the topic of education. I applaud the move by the Premier and Treasurer to allocate additional teachers, because it will have a great effect on the State's education system. While I am on the subject of education, and this might be working the parish pump—I was pleased to see that the Budget papers mentioned that work is expected to commence on the Southern Downs TAFE College in 1985-86.

**Mr Comben:** Thanks to the Federal Government.

**Mr BOOTH:** I will take that interjection. There has been co-operation with the Federal Government. I have co-operated with the Federal Government. I also made representations to the Education Department and the Minister for Works and Housing

(Mr Wharton) about the acquisition of land for that TAFE college. In fact, on that occasion I made very strong representations. I did not say that I did not want the Federal Government to provide money to build the college. Of course I did, and I and my constituents are grateful for it. However, it must be remembered that the State Government will take over the management of the college and be responsible for recurrent expenses, so it is only right to say that there has been a co-operative effort between the Federal Government and the State Government. In Warwick itself, the city council will co-operate in the construction or upgrading of roads to the college. So in reply to the honourable member: there has been good co-operation, and I would not have it any other way.

I was a little disappointed to learn recently that, as from 1 January, kindergartens will have to rely completely on State funding. Pre-schools will suffer the same fate. Kindergartens rely on government for 80 per cent of their funding, and that tab will now have to be picked up by the State Government. Kindergarten associations were very worried about what that great decrease in funding would involve, and they were very grateful to the State Government for picking up the tab. I am pleased that kindergartens will be able to continue operating. The funding set up for pre-schools is a little different from that of kindergartens. Pre-schools are now funded 100 per cent by the State Government, and that is only to be expected. I am pleased that my area is now virtually completely serviced by pre-schools. Any person in my area who wants to send his children to pre-school will be able to do so.

I leave education and move to the Children's Services Department. Some additional money has been provided for the department, but I would like to have seen more. Perhaps there always was a problem of child abuse, but it was not highlighted to the same extent as it is now. Efforts have to be made to overcome the problem. As I say, I would like to have seen a little more money provided for that department.

I would like to see an office of the Children's Services Department established in Warwick. I have been making representations to the Minister for Welfare Services, Youth and Ethnic Affairs (Mr Muntz), and I hope that in the not-too-distant future an office of the Children's Services Department will be established in Warwick to serve not only Warwick but also the surrounding towns of Allora, Clifton, Killarney and other towns further west. Such an office is needed in Warwick.

There is an office of the Children's Services Department in Toowoomba, and the officers there work very well. But they are some distance from Warwick, and when a report is made, it takes them a little time to get into gear and travel to Warwick. They have their priorities.

I urge the Premier and Treasurer (Sir Joh Bjelke-Petersen) to provide in the next Budget additional funds for the Children's Services Department. I do not want large amounts of money provided, and I do not want to see ridiculous interference in the lives of parents. The best children in the land are those who are reared in their own homes by parents or foster parents. Very often parents ask for help, and the Children's Services Department should be able to provide that help as quickly and efficiently as possible.

I do not want to say very much about the Queensland Industry Development Corporation but I ask the Deputy Premier and Minister Assisting the Treasurer (Mr Gunn), when replying to the debate, to explain the set-up in detail. Some people have expressed a little concern to me about the corporation. Under the new set-up, the Agricultural Bank and the Rural Reconstruction Board will come under the umbrella of the corporation. Any move that is made to get a greater amount of work from the present staff of the public service is to be commended.

I am a little worried about the absorption of the functions of the Agricultural Bank and the Rural Reconstruction Board. Those of us who have dealt with the Agricultural Bank or have helped people to get loans from it know that the bank has always had some flexibility. Sometimes the repayments could be postponed and made at a later

date. That has been in the best interests of the farmers and of Queensland. Many successful farmers were saved by the little bit of flexibility that the Agricultural Bank was able to provide in the early stages. I ask the Premier and Treasurer and the Deputy Premier and Minister Assisting the Treasurer to try to keep in place that flexibility that the Agricultural Bank has always had. Because there is some concern about that matter in the farming industry, I ask the Deputy Premier and Minister Assisting the Treasurer, when replying to the debate, to explain that matter in a little more detail. The Rural Reconstruction Board has been a success purely and simply because it has had a high degree of flexibility in interest rates and the amount of money that it has been able to lend.

When I make these comments, I am not saying that I do not think that the Queensland Industry Development Corporation will be a success. I go further and commend the Premier and Treasurer for making the change if he believes that it is in the best interests of the farming community. I would like an indication of the way in which the management will continue. It is important that honourable members be told that.

A big change is being made in the State Government Insurance Office. I think that it will be an excellent change, and it will bring a degree of confidence into the SGIO. I am one of the people who want to keep the SGIO in place.

**Mr Comben:** A good socialist enterprise!

**Mr BOOTH:** The SGIO has proved that it is a good operation.

**Mr Comben:** You say that socialism is good?

**Mr BOOTH:** No, I am not saying that socialism is good, but I give credit where credit is due.

I do not knock the State Government Insurance Office. If anyone is worried about which company he should place his insurance business with, he can always get a competitive quote from the SGIO. The SGIO enjoys the confidence of the industry, and I do most of my business with it.

An important aspect of the SGIO is that it is decentralised. If I have a comprehensive motor vehicle insurance policy with the SGIO and I have a prang, I can go to the office in Warwick and talk to one of the officers over the counter. He can tell me whether the office is satisfied with the accident report that I have presented. I want those offices to remain in the country, because decentralisation is in the best interests of the State.

I have mentioned the SGIO mainly because some of its employees are afraid of the changes that have been proposed and are wondering whether they should stay in the public service or join the new corporation. They have nothing to be afraid of. I urge anyone with expertise in the insurance field to stay with the State Government Insurance Office; it will be in their best interests.

It is also in the best interests of the State and the SGIO that the office's experienced personnel, who may have made important decisions for the office, remain with it. However, a young lass may feel that she would rather be in the public service so that she can transfer to other departments, and I think that she should do that.

In the time remaining, I wish to speak about the speech made by the Leader of the Opposition (Mr Warburton). It was not his best effort; I am sure that he can do better.

**Mr Davis:** You know what the economics writers say.

**Mr BOOTH:** Well, I do not think that it was his best effort, and I will tell honourable members why. I do not try to criticise other members, and I point out to the honourable member for Brisbane Central that, when I leave this place, I hope that I can say that I have criticised people only when there was room for criticism.

**Mr Davis:** We regard you as one of our mates.

**Mr BOOTH:** I am delighted.

I will explain to honourable members why I thought that Mr Warburton's speech lacked something. In his initial thrust, he claimed that the books were not as good as they looked. Of course, he is entitled to say that. He did not say that the Government had cooked the books, but he suggested that the figures had been presented in a way that was not in the best interests of the State and that the State's economic position was not as strong as it looked. He spent about 15 minutes on that ploy and attacked relentlessly. My thought was that the Government must take that criticism. However, for the next 15 minutes, he suggested that, because the Government has a lot of money in reserve, it should have appointed more teachers and policemen and done a number of things.

It used to be accepted that I could read a balance sheet. However, I could not read a balance sheet that shows on one side that the Government is in the red and on the other side that it has a good deal of money in reserve.

**Mr Stephan:** Mr Warburton said exactly the same thing in the debate on the Address in Reply.

**Mr BOOTH:** Yes, his speech was very similar, but he was more specific when debating the Budget. I think that he can do better.

If the Leader of the Opposition thinks that the Government has money in reserve, he should say where it is. Indeed, if there is plenty of money in reserve, he must admit that the State has been well managed.

**Mr Simpson:** Labor people like big deficits.

**Mr BOOTH:** Yes, they often go in for deficit funding, and they are not afraid of big deficits. I would not be afraid of a deficit if it could be shown that it was necessary.

However, my belief is that, if the State can balance its books it is in a much better position. That this Government has been able to balance its Budget is a plus. The honourable member for Nundah, who is presently in the Chamber, said that State Governments have to balance their Budgets. That is OK to a point but, in this country, many State Governments have not balanced their Budgets on every occasion.

**Sir William Knox:** No. They take money out of their trust accounts.

**Mr BOOTH:** I accept the honourable member's explanation, but some merit must go to a Government that balances its Budget.

**Mr Palaszczuk:** Do you believe that it is a balanced Budget?

**Mr BOOTH:** I think so. I have had a good look at it. I have some of the Budget papers with me—not all of them—and I believe it has been adequately balanced.

I know that some debts have been recorded against the organisations that Opposition members call quangos—the statutory authorities. Honourable members must remember that the people serviced by those bodies—the electricity people, the Wheat Board, bulk grains and the like—will pay those debts. Those debts will not be any great worry to posterity.

I do not like the word "quango". That is a derogatory term and I do not like it much. I have served on a number of statutory bodies. I am prepared to admit that anybody who serves on a statutory body should do his best to see that it is run adequately and properly. I do not like a few of the things that have happened in some statutory bodies. Those in control of statutory bodies have to tighten things up, but I will say no more about that. I do not think that the State has any cause to worry about any debts incurred by statutory bodies.

The honourable member for Nudgee (Mr Vaughan), who is a man I respect, said that Queensland has too many power stations. To some extent, possibly some of the things he said are true. However, he must remember that, if this State was ever left without adequate power and was unable to supply all of the power demanded by consumers, continuing black-outs would be caused. The strain on the economy would be much worse than having perhaps a little more generating power than is needed. Although I am prepared to take his criticism on board, I am not prepared to say that things could have been planned in some other way.

Perhaps I could liken the State's power generation to buying a car. A car needs sufficient power to do the job at hand. If a car is to be driven round the city or on fairly good roads, only a low-powered car is needed. However, if it is to be used out in the sticks on long journeys, it should be a high-powered car. The same applies to the power industry. The State needs sufficient power-generating capabilities to cover consumer demands.

Before I resume my seat, I wish to say a little about my electorate. I have already mentioned the TAFE college. Anybody who drives through my electorate will see that it has most of the things that a community wants. Perhaps some may need improvement. At the moment the redevelopment of the Warwick hospital is proceeding.

**Mr Mackenroth:** That is because of pork-barrelling by the National Party Government.

**Mr BOOTH:** I do not think it is pork-barrelling.

**Mr Mackenroth:** Of course it is.

**Mr BOOTH:** I do not believe it is. The number of Housing Commission houses in the honourable member's electorate of Chatsworth bears no comparison with the few in my electorate. Perhaps the honourable member might say that I do not want more Housing Commission houses. I write regularly to the Minister for Works and Housing to try to gain more housing. Those houses are allocated to electorates on the basis of the number of applications.

**Mr Mackenroth:** About 99 per cent of those Housing Commission houses were put there by the last Labor Government.

**Mr BOOTH:** Do not try to tell me that.

**Mr Mackenroth:** That is right.

**Mr BOOTH:** I am speaking about the ones that were provided by this Government. The honourable member's electorate has received a much greater allocation than mine and I have not squealed about it.

**The CHAIRMAN:** Order! The agreed time for the member's speech has run out.

**Mr COMBEN (Windsor) (2.54 p.m.):** This Budget again confirms the belief that the Queensland Government has the tightest fist of any State Government in expenditure on welfare.

We on the Opposition side of this Chamber have said for years that Queensland has a mean, uncaring, callous and hypocritical Government, which is more concerned about the publicity and perks of office and the smell of ministerial leather than the plight of ordinary Queenslanders. Nowhere is this so patently obvious than in the media release of the Minister for Welfare Services following the presentation of the Budget.

In that release he referred to an increased spending of \$10m, but only specified increased spending on the farcical Year of the Parent and a comparatively small increase in family assistance schemes.

He says that the department is involved in the "three foundation stones upon which a stable society is built—children, youth and families." But his Budget allocation does not support him.

As the Queensland economy continues to move downwards, extra demands are being made on the State's welfare system, but no real higher priority is being given to welfare spending. There is total silence from Government members. They know that the Government is not spending enough and that they stand condemned.

The problem of properly examining welfare expenditure in Queensland has been made worse by the failure of welfare service Ministers, from both the National and Liberal Parties, to seek proper comparative figures that would show whether or not there really was a problem.

Welfare Ministers, especially those in the dying days of the coalition, have made the mistake of equating high public profiles and press column centimetres with achievements in welfare.

**Mr Mackenroth interjected.**

**Mr COMBEN:** As my colleague the honourable member for Chatsworth said, most public housing in this State is being funded by the Federal Government. A large amount of Federal funds comes into this State. Of the money spent by the Queensland Government, 49.5 per cent is provided by the Commonwealth. And Government members complain! The southern States are subsidising Queensland to the tune of several hundred thousand dollars a year.

Queensland has an unchallengeably low record in welfare spending, which is the result of years of neglect and lack of interest by Ministers and their senior bureaucratic advisers and years of neglect by National Party back-benchers who have no interest in the ordinary people in their electorates. They are willing to sit back and watch large developments take place, but they are not prepared to take an interest in their ordinary constituents.

It is pleasing to note that after scathing criticism from Labor front-benchers—I note especially that my colleague the honourable member for Townsville (Mr McElligott) is in the Chamber—and Mr Ross Daniels of the Brisbane College of Advanced Education, the present Minister actually ordered the Policy Research Unit of the Department of Welfare Services to examine the criticism properly.

The report was prepared by Mr Scott Prasser who, until early this year was a senior research officer with the Welfare Services Department, and other departmental officers. The report, which is dated December 1984, was presented to the senior management committee of the Welfare Services Department in January this year. Mr Prasser informed me that, immediately after the meeting, the Director-General of Welfare Services ordered all copies to be collected and placed in his office. Again, a secret report was submitted to the Queensland Government. Even the official file copy was removed from the file because the contents of that report, which was the Government's own report, were so damning.

The Minister and his senior advisers had intended to destroy the credibility of the academic, Mr Daniels, and the Opposition spokesmen. When they received the report, it rebounded on them; it was their credibility as defenders of a hopelessly inadequate and underfunded system that was destroyed.

So that all honourable members may know the shortcomings of the funding of the Welfare Services Department in this State, I table a copy of the report entitled *Comparisons and Trends in Welfare Expenditure*.

*Whereupon the honourable member laid the document on the table.*

The report, which is dated December 1984 and was presented to the department in January 1985, was prepared by the Policy Research Unit of the Department of Welfare Services in conjunction with the Research and Evaluation Branch of the Department of Children's Services.

The report revealed that welfare spending in Queensland is appalling. Five major indictments are confirmed in the report. The first is that, in the 1983-84 financial year, Queensland spent \$31.71 per head on welfare, compared with \$41.34 in New South Wales, \$32.42 in Victoria, \$72.66 in Western Australia, \$44.11 in South Australia, and \$36.77 in Tasmania. Queensland is the lowest provider of welfare per person in Australia.

The second indictment is that Queensland spent the least on child and family allowances, despite last year being the Year of the Family.

The third indictment is that Queensland trailed all States other than Western Australia in grants to community agencies.

The fourth indictment is that Queensland spent more on corrective services than New South Wales and South Australia, but less than other States.

The fifth indictment is that, in terms of providing welfare fringe benefits and concessions at \$74.42 per person, Queensland spent less than half the next lowest State, which was Victoria, at \$165.73. The first section of the summary reads as follows—

“There were major deficiencies in the methodology used by the previous studies into comparing Queensland welfare spending levels to the other States.

Because of the deficiencies of previous comparison efforts, a new methodology was developed . . .

On the basis of this new methodology, this study—”

this secret report from the Queensland Government, which it has not even been prepared to show to its departmental officers—

“has found that in terms of overall welfare spending, Queensland on a per capita basis, has the lowest expenditure effort of all the States.

Moreover, Queensland also has the lowest level of expenditure on fringe benefits and concessions.”

The Government will never again be able to hide behind the claim that perhaps people are making incorrect comparisons. It will not be able to complain that incorrect methods are being used, because its own departmental report—designed to discredit others—reveals the disreputable condition of Queensland's social welfare services.

Part of the blame for the poor state of social welfare services can be laid at the feet of the department's own management. Recommendation 5 of the report clearly states that the format and content of the portfolio's presentation of submissions to Treasury could be substantially upgraded and be a focus point for determining the portfolio's priorities.

It is because the department is not presenting proper submissions to Cabinet at the time of the Budget that welfare services in this State are in such parlous circumstances. The department, its officers and its poor Minister stand condemned. This second-class Minister has received second-class submissions, and he has received second-class treatment at the hands of his mean, poor ministerial colleagues, who are not concerned about families and the youth of this State.

Last year was the Year of the Family. In his second-reading speech on the draft Family and Community Development Bill, the Minister for Welfare Services, Youth and Ethnic Affairs (Mr Muntz) said that the well-being of the family unit is fundamental to the growth and development of any community, and thus every concerned Queenslanders will have a commitment to the provision of services and programs that support and assist family functioning. Yet Queensland is easily the lowest-funding State in Australia.

**Mr De Lacy:** Would you care to outline the way in which Ministers have themselves contributed to the break-down of the family unit?

**Mr COMBEN:** Certainly, Queensland Ministers have a good deal to answer for. I understand that at least four of them do not always sleep in their own beds. I have no hesitation in saying that. I have a clean bill of health; they have not.

**Mr TURNER:** I rise to a point of order. I find the remarks made by the honourable member for Windsor objectionable. He is insinuating that Cabinet Ministers or Government members are indulging in certain activities. I ask that he withdraw those comments.

**The TEMPORARY CHAIRMAN (Mr Randell):** Order! The Minister has found the honourable member's remarks objectionable. He has asked the honourable member to withdraw them.

**Mr COMBEN:** Mr Randell, I understood the Minister to say "Government members". As I understand Standing Orders, the Minister can object only to aspersions that have been cast upon himself.

**The TEMPORARY CHAIRMAN:** Order! The Minister finds the remarks objectionable. Will the honourable member withdraw them?

**Mr COMBEN:** I will withdraw them in relation to the Minister. I point out to honourable members that that means that the Minister can never sleep in another bed. I made no insinuations regarding sexuality.

**The TEMPORARY CHAIRMAN:** Order! The honourable member has cast a reflection on my authority. I ask him to withdraw those words.

**Mr COMBEN:** I withdraw the remarks reflecting on your authority, Mr Randell.

The Minister has, in some way, inferred a sexual connotation from my comment that four Queensland Ministers sleep in beds other than their own. I point out for the benefit of honourable members that all Ministers regularly sleep in the Parliamentary Annexe. I did not imply any sexual activity.

**The TEMPORARY CHAIRMAN:** Order! I ask the honourable member to continue with his speech.

**Mr COMBEN:** In a ministerial statement on the proposed Family and Community Development Bill, the Minister said—

"A principle which is adopted in the Bill is that in the first instance all efforts must be made to assist families responsible for the rearing of children, to provide adequate care and nurturing for their children within the family context. Where all efforts to support parents in carrying out their parental responsibility have failed, only then should consideration be given in affording a child security and continuity of care . . ."

I ask the Minister—who seems to be rather touchy today—whether he can tell me what efforts are being made by this State Government to properly fund programs for the care of families, for young people and supporting parents.

Why is it that the Queensland Government spends far less on such endeavours than every other Government in Australia? That is a question to be answered by the Government and the responsible Minister. More money should have been provided in the Budget, but it was not.

The most interesting part of the report is section 4, which contains an interstate comparison of standard welfare services on a per capita basis. The first comparison is of total expenditure in 1982-83 and 1983-84. A table on page 33 of the report shows that Queensland's total per capita expenditure in 1982-83 was the second lowest in Australia. Only Victoria was lower, after many years of conservative Government. When the policies of care and concern of the Cain Government began to take effect, the per

capita funding in Victoria had risen to such an extent that, in 1983-84, Queensland spent less per capita on welfare than any other State. In that year the per capita expenditure by Western Australia was \$72.66, more than double the amount spent in Queensland. At that stage, Queensland's contribution was still \$11 less than the five-State average.

The report reads—

“In 1983/84 all States estimated that they would be increasing their per capita expenditure on welfare services. The biggest increase was by Western Australia (\$8.41 per head): the lowest, Queensland (\$1.39 per head). In 1983/84 Queensland estimated its per capita spending on welfare at \$31.71, the lowest of the States and \$10.30 per head less than the average of the States. This means that for Queensland to achieve parity with the five States' average, an additional \$29.4 million would have to be added to Queensland's estimated outlay.”

The Government is damned by its own report.

The next comparison relates to expenditure by the States on child and family welfare. Page 34 of the report shows that, in 1982-83, Queensland spent the least per capita. In 1983-84, again it spent the least. The report reads—

“In both 1982/83 and in 1983/84 Queensland committed less money per head of population to child and family welfare than any other State. To reach the estimated average spending of the other States in 1983/84 an additional \$15 million would have been needed.”

These are areas in which the Government said last year—the Year of the Family—that it was spending money. Once again, however, the Government was all image and tinsel—no substance at all. The Minister proposed a Family and Community Development Bill, but it was not proceeded with. Every Queenslander found it unacceptable. The Government's fingers were burnt. I remind Ministers and members that even the Chief Justice said that the Bill would be unworkable and inappropriate. At the same time as the Government is proclaiming the Year of the Family and claiming that it has a commitment to the family and child welfare, it is taking money from the SCAN unit. There is no certainty of funding for it at all. Women's shelters are funded to the extent of 87 per cent. The volunteers must raise money through cake stalls and chook raffles. The Government could not care less.

**Mr R. J. Gibbs:** You can get some nice cakes from them.

**Mr COMBEN:** I know that the member for Wolston is a regular supporter of the shelters, but I have never seen Cabinet Ministers provide any real support, either personally or through their departments. On the other hand, the Minister who is responsible for welfare spent \$600 a week last year on entertainment in Brisbane.

It is interesting to reflect that, as less and less is spent by the Government on the family, welfare agencies in Brisbane are battling to cope with the huge increase in the number of hungry and destitute people seeking emergency aid. That was reported in *The Courier-Mail* late in 1983. A similar report, which appeared in March this year, is headed—

“Pleas from the poor overwhelm agencies”

The reason why the poor are overwhelming welfare agencies can be found in an examination of figures on a per capita basis published in one of the Government's own reports on funding provided to community agencies. The figures show that the Queensland Government has again provided less funds than any other State Government. In 1982-83, the Queensland Government spent \$1.63 a head on funding community agencies. Every other State spent more than that. For instance, Tasmania spent \$2.90 a head and South Australia spent \$3.59 a head.

In 1983-84, the position did not improve. Queensland and Western Australia, both of which spent \$1.83 a head, were at the bottom of the scale. Funding for community

agencies in the other States was \$3.26 a head in New South Wales, \$2.50 a head in Victoria, \$3.41 a head in South Australia, and \$3.56 a head in Tasmania. The report shows that, for those two years, the Queensland Government spent less money per capita on the support of community welfare agencies than the other States. For the Queensland Government to have brought this State up to the five-State average for the year 1983-84, it would have had to spend an additional \$1.06 per head or \$2.6m.

**Mrs Chapman:** If the Federal Government had not taken its money away from kindergartens and pre-schools, Queensland might have been better off.

**Mr COMBEN:** Because the honourable member for Pine Rivers has now woken up and is taking part in the debate, I remind her that I am talking about the 1982-83/1983-84 period, when the Federal Government was putting its money into pre-schools. Yet, in 1984, because very little money was being spent in Queensland on welfare organisations, the Federal Government had to contribute \$1m towards specific aid in Queensland. On 15 December 1984, the Minister for Welfare Services and Ethnic Affairs (Mr Muntz) said that the grants were part of a national program of emergency relief funding. Emergency relief was given to the Queensland Government by the Federal Government, which is far more than the Minister is presently putting into anything.

I read a newspaper report which said that when several destitute people were shown on television as being homeless and having only \$6 to last them for the rest of the week, this munificent Minister, the Minister for Welfare Services, Youth and Ethnic Affairs (Mr Muntz), gave them only one payment of \$16 each. The honourable member for Pine Rivers (Mrs Chapman) would probably spend more than that in the bar each night. Certainly, the Minister would spend \$600 a week——

**Mrs CHAPMAN:** I rise to a point of order. I find that remark highly offensive. I ask the honourable member to withdraw it.

**The CHAIRMAN:** I accept the point of order. I ask the honourable member for Windsor to withdraw the remark to which the honourable member for Pine Rivers has referred.

**Mr COMBEN:** I withdraw the comment about the honourable member spending \$16 a night in the bar.

**Mrs CHAPMAN:** I ask the honourable member to withdraw the remark because it is totally untrue, as are most of the other things he says.

**The CHAIRMAN:** Does the honourable member for Windsor withdraw all the remarks made about the honourable member for Pine Rivers?

**Mr COMBEN:** Yes.

I will now return to the debate, if I may leave aside the tender concerns of the members on the opposite side of the House.

**Mrs Chapman:** I am not tender.

**Mr COMBEN:** You are. Mr Row, I seek the protection of the Chair.

**The CHAIRMAN:** Order! I suggest that this exchange should cease. I have already exercised my jurisdiction on a point of order, and I do not want to be constantly doing that.

**Mr COMBEN:** Thank you, Mr Row, for containing the conduct of the honourable member for Pine Rivers.

The Federal Government made payments of welfare assistance to Queensland charities, which included the following: the Salvation Army \$184,000; Lifeline, \$208,000; Wesley Central Missions, \$35,500; Redcliffe Welfare Council, \$23,000; Cairns Welfare

Council \$20,000; Mount Isa Welfare Council, \$23,000; and Townsville Welfare Council, \$35,000. It should be noted that most of those organisations are located in areas represented by Australian Labor Party members, who have done a good job of making proper representations on behalf of the ordinary people in their electorates. Such people are of concern to Labor Party representatives, and that is in contrast to the very poor attitude that usually is exhibited by Queensland Government representatives. I draw attention especially to the Cairns Welfare Council, which is fortunate in having excellent representation. Many smaller groups such as parish care and concern groups receive grants of several thousand dollars. So much for the comments of the member for Pine Rivers (Mrs Chapman) that the Federal Government does not do enough!

The State Government stands condemned for the low funding that it gives to key community organisations. That is why one sees newspaper reports such as one that appeared in March this year stating that Lifeline, the Salvation Army and the Society of St Vincent de Paul report increases of up to 200 per cent in requests for assistance. The article reported that some welfare service organisations said that worsening unemployment and inadequate Government funding were behind the difficulties faced by agencies. They said that Government departments referred more and more people to the voluntary sector without increasing funding levels. That is the sort of policy adopted by this uncaring and hypocritical Government.

In the annual report of the Department of Children's Services, the director, Mr Zerk, said that requests for emergency relief had doubled over the past two years. But what sort of an increase in funding did the department receive? Virtually nothing!

**Mr Littleproud:** 10.2 per cent.

**Mr COMBEN:** No, 10 per cent for the Department of Welfare Services.

If one examines the percentage which children's services funding represented as a proportion of the Consolidated Revenue Fund from 1977-78 onwards, one sees that it has been decreasing. In 1977-78, 1.15 per cent of consolidated revenue went to children's services, but in the Budget being examined today only 0.87 per cent of consolidated revenue will go to children's services.

Those figures were produced by Mr Ross Daniels, who was instrumental in having prepared the Government report that I tabled. He produced figures which the Government said could not be true. It said that it would demolish those figures and "destroy the credibility of this academic". The Government's own report, however, showed that the figures produced by Mr Daniels were totally correct. The sort of percentages that he came up with, showing that children's services and welfare as a whole are going backwards as a percentage of the Consolidated Revenue Fund, were supported by the Government's report. The figures show that the Minister involved is a second-class Minister who is not representing his department or the less-fortunate people of this State as effectively as he should.

When one realises that children's services have been reduced from 1.15 per cent to 0.87 per cent of the Consolidated Revenue Fund in less than a decade, and welfare as a whole has been reduced from 2.36 per cent to 1.9 per cent, one can do nothing but condemn this Government. Mr Daniel's figures are to be commended. His diligent work is the sort of work that will keep Queensland on an even keel when a proper Government gains power in this State and allocates the resources which should be allocated to welfare.

When one turns to the area of fringe benefits and concessions, one finds that the services which are provided directly by welfare departments are not the only assistance made available to persons in need. The State and Commonwealth Governments offer a range of fringe benefits and concessions to pensioners, beneficiaries, low-income-earners and other approved persons. Those concessions are an essential part of the welfare services available in each State.

A report that I have here shows in a comparison table that Queensland emerges in a very poor light. In 1980-81, Queensland gave \$20.1m towards the cost of providing

fringe benefits to pensioners and other low-income persons. By 1982-83, that figure had risen to \$31.1m. Of all the Australian States, Queensland is still the third-lowest provider of total amounts.

When it comes down to percentages, the position is even worse. In Queensland today, 33 $\frac{1}{3}$  per cent of the expenditure on fringe benefits is in the form of rate rebates, 7.5 per cent in the form of transport concessions and 45.8 per cent in public housing and rent rebates through the Housing Commission. Nothing at all is given in the form of rebates on electricity, gas, heating or firewood, or driver's licence concessions. For motor vehicle registration, insurance and stamp duty, the Government gives concessions of 13.4 per cent.

In the other States there is a vastly different form of expenditure on pensioner rebates and concessions. With the exception of the Australian Capital Territory, public housing rent rebates are a far smaller percentage of the total.

A report prepared by the Department of Social Security—it was checked by every State before final publication—shows that Queensland spends considerably less than any other State on fringe benefits and concessions. In 1982-83, Queensland's total of \$74.42 per head of pensioner beneficiary population was less than half the total for New South Wales, which was the next lowest State. Queensland's expenditure was less than half the expenditure of the next lowest State.

From table 12 in the report it can be seen that, throughout the years, Queensland has been the only State not to show a consistent rise in the alternative way of providing welfare relief.

Table 13 identifies the areas in which the States have chosen to maximise their concessions for pensioners and other low-income-earners. Queensland provides almost half its concessions in the form of public housing rent rebates but, as I say, it does not allow concessions on power, fuel or drivers' licences.

This report is a massive indictment of the Queensland Government. It shows the Government's poor spending and its lack of priorities for the ordinary people in Queensland. The report should have been made public at least 10 months ago. It should have been acted upon by the Premier and Treasurer (Sir Joh Bjelke-Petersen) in this Budget. We see a \$10m increase in these benefits, which is only just above the increase in the inflation rate last year. There is an increase of 9 per cent or \$10m. It is not good enough. Far more consideration should be given to the ordinary people in Queensland.

We should not be seeing, in the press, articles such as those written by Mr Hale, the finance editor of *The Courier-Mail*, at the end of last year. One article, headed, "If you're a pensioner, you're living in the wrong state. . .", reads—

"Bad news this week for pensioners, widows and orphans throughout Queensland . . . not to mention farmers—you're living in the wrong state."

**Mr Randell:** Who said that?

**Mr COMBEN:** Mr Hale, the finance editor of *The Courier-Mail*. That newspaper is not known to support the Labor Party.

Mr Hale went on to say—

"Living in Queensland is a wealth hazard, despite all that rhetoric from Premier Joh and the National Party about capital gains and wealth taxes.

The Queensland Government, which has been so busy 'protecting' workers from the benefits of superannuation schemes, is profiting from the only legitimate loophole in the new assets test."

At the end of November 1984, Mr Hale wrote—

"Charity may start at home everywhere else—but apparently not in Queensland.

This column's recent comments about the seemingly inferior status of Queensland's pensioners seem to have unleashed a tide of hitherto dormant protest from retired folk who insist that they are most unfairly treated because they do not get the concessions and benefits of their counterparts in southern states."

The Government is not concerned about the ordinary elderly. The only elderly about whom it is concerned are the Cabinet Ministers in this State who look after themselves by spending \$600 a week each on entertainment. Compared with the average Queenslander, they are extremely well off.

We on the Opposition side are concerned about pensioners and the ordinary people in this State. We will continue to support policies which, when implemented on our coming to power, will mean that money will be spent on the average Queenslander.

**Hon. W. D. LICKISS** (Mount Coot-tha) (3.24 p.m.): In this Budget debate, I propose to canvass generally the role that has been played in Australia by the mining industry, with particular reference to the role that it has played and will play in Queensland's economic future.

Looking back in history, it can truly be said that, together with agriculture, mining built the very economic foundations of this country. During the period from about 1860 to the early 1950s, both those industries accounted for about 30 per cent of the gross domestic product and virtually all of Australia's exports. Today, both industries provide about 80 per cent of Australia's exports, each earning in the vicinity of \$10 billion.

Australia is now a significant world supplier of coal, alumina, iron ore, zinc, lead, nickel and copper. Indeed, it is now the world's largest exporter of coal. By 1989, it will become a major exporter of liquefied natural gas. It is also a major exporter of uranium and it has the potential to increase its share of world exports. Yet, in a sense, as the more recent oil discoveries in south-west Queensland and central Australia show, we have really only scratched the surface.

I turn now to discuss the historical importance of mining. The Australian mining industry has had a chequered history. Many people think that it became important as recently as the 1960s, when it was much publicised, and are not aware of its importance in the late nineteenth century. In fact, the Australian inland was developed because of mining and agriculture.

At the turn of the century, five of Australia's largest inland cities were all based on mining. These were Ballarat, Bendigo, Broken Hill, Kalgoorlie and Charters Towers. At that time, mining and smelting activities employed one in eight Australian bread-winners.

One in four members of the new Federal Parliament of 1901 represented seats in which the mining industry was significant. Two of the nation's early Prime Ministers, Andrew Fisher, who came from Gympie, and Joseph Cook, came from mining backgrounds.

In short, mining has had a major influence on the development of this country. The industry's historian, Professor Geoffrey Blainey, has noted that—

"New mining regions virtually rescued every Australian colony at least once from depression. They influenced racial policies, unionism, religious life, equalitarian laws and politics."

As I have mentioned, many Australians are only familiar with the impact that this industry has had on this country during the last 30 years. For want of a better term, I refer to this period as mining's modern era.

The industry's most significant economic influence has been on exports. This is particularly true of the last 30 years. In the early 1950s mining contributed about 6 per cent of Australia's exports. Today it contributes about 40 per cent. Mining helped to overcome Australia's severe balance of payments problems of the 1950s which slowed Australia's economic development.

Apart from the growth of mining, the other significant aspect of Australia's trade performance during those 30 years has been the change in the destination of our exports.

The destination of our exports to Japan and, to a lesser extent, the countries of South East Asia and the United States of America has become much more important to us, while our exports to Europe, and, in particular, to the United Kingdom have declined.

A number of reasons can be found for this very significant change in the destination of our exports, and those reasons also point to the vulnerability of those destinations. The most important reason is that substantial shifts in trading patterns have occurred. Two shifts in particular have been of prime importance to Australia's agricultural and mining industries. The first was Britain's entry into the European Economic Community, and the second was the growth of the Japanese economy and the forward surge of the economies of Taiwan and Korea.

To meet this challenge Australia has to become more competitive. However, tax levels are having an adverse effect on the competitiveness of our export industries.

I turn now to discuss the mining industry's impact in this State. Like the broader Australian experience, the impact of mining in Queensland was most pronounced in the 1880s and 1890s, particularly in respect of the gold discoveries at Mount Morgan, Charters Towers, Croydon and Ravenswood and, to a lesser extent, the coal-fields of Ipswich and the copper deposits around Cloncurry.

Apart from Mount Isa, which was the only major new mining development in Australia between 1915 and the late 1950s, there was relatively little activity. Since the early 1960s, two major areas of Queensland's mineral industry have had an enormously beneficial effect on this State's economy and have helped it achieve quite significant rates of growth. The first was the development of the Bowen Basin coal-fields where, since 1966, about 19 open-cut mines have been developed at an average cost in today's dollars of about \$400m. The second was the establishment of an integrated aluminum industry, that is, bauxite-mining at Weipa, and alumina and aluminium production in Gladstone.

Mining sits behind agriculture as the second engine at the head of Queensland's economic train. It has pulled Queensland's manufacturing and other service industries along. Together, agriculture and mining will remain the industries on which this State depends. Of course, other industries are important, but those two stand out.

Much is heard these days about alternative growth industries, such as tourism and high technology. Although they are important, they simply cannot replace the economic engines of mining and agriculture. For example, the multiplier effect of tourism on other industries is not as significant.

In respect of mining—Queensland produces three quarters of Australia's copper, one half of its silver and lead and one third of its zinc and bauxite.

Coal is the State's biggest export, earning about \$1.5 billion in 1982-83. In 1984 exports of Queensland coal were more than 40 million tonnes, or more than half of Australia's total exports of 75 million tonnes. In the last 20 years the industry has built six new towns in the State, for example Weipa and the coal towns of Moranbah and Glenden in the Bowen Basin, and has contributed to the provision of services in others where its impact is less direct. The industry pays substantial taxes to the State Government, and it is on this basis that I shall make comment later. As an example, a list of the major items of revenue from this year's Queensland Budget will indicate that.

Although the full extent of State taxation on the mining industry has never been revealed, there are two main indications to support the view that Queensland is literally living off the mining industry. Mining and territorial taxes of \$191m stand out clearly. These cover mainly mining royalties. The last item—railway revenue—contains the

hidden taxes on rail haulage of coal. As calculated by the Queensland Chamber of Mines, that has been established at \$514m.

Although the true extent of this has never been revealed, some idea can be gauged by comparing the experience of the last seven years. In 1978-79, railway revenue was \$300m; in other words, between 1978 and 1985, it has increased by \$616m. Assuming some natural growth in the non-mineral areas, the overwhelming majority of that is tax to the Queensland Government from coal haulage. It is rubbish to talk of Queensland Railways making a profit. If anything, it is a paper transaction to collect additional revenue.

As an example, I will take MIM Holdings Ltd. In 1984-85, that company paid the Queensland Government \$130m in rail freights, including operating costs, \$40m in royalties and \$16m in port charges. According to *The Australian Financial Review* of 10 September 1985, the total take by the Government from the Utah Development Company was \$196.7m, of which \$47.2m was royalties.

The Queensland Chamber of Mines has estimated that, this year, tax payments by the mining industry to the Queensland Government will amount to \$514m, or one-fifth of all money raised in the State. In pursuing the statement that Queensland is a low-tax State, I warn the Government that it appears that if it does not watch out, on the evidence, it will be painting itself into a corner with its claims. It is obvious that the tax base in this State is too narrow. Unless markets are maintained and revenue is forthcoming, the Government will be forced to broaden its tax base.

Development of Queensland depends on the continuing development of the resources industry. Quite apart from the present international market conditions, the resources tax take is now so large that, even when markets improve, projects on the drawing-board will not go ahead. Under the present cost system, returns do not appear to be there any longer. Unless something dramatic happens, the investment cycle, as it is known in Queensland, is broken.

In and around the Bowen Basin lie 30 potential coal projects. Under the present tax regime, even if there are now some improvements in the price of the products overseas, the projects will not get off the ground.

Governments need sensitivity in their tax demands to understand the need to preserve the competitiveness that mining companies must attain in the market-place. It is now obvious that Queensland's taxes on coal haulage bear no relation whatsoever to market conditions.

The message that I have for the Government is that it could be destroying Queensland's future development prospects by the apparently heavy-handed tax regime that it has imposed on the State's mining industry. For years it has taken the easy option. It has taken the kudos for mineral development in this State but at the same time it appears to have ridden Queensland's mining companies hard. Those companies are now faced with a fundamentally changed and increasingly difficult world market.

Mining companies are endeavouring to cope by cutting costs and reducing their overheads. A number of mining companies have reduced staff considerably, at a time of growing unemployment in this State. At the same time as they are implementing their cost-cutting measures, they are groaning under the tax impositions of a Government committed to free enterprise, and I find that situation very difficult to reconcile.

All the major world economic indicators point to slow growth in international mineral markets. Many publications detailing economic views indicate that to be the case.

I implore the Government to critically examine and re-examine those world market trends with which Queensland companies must contend if they are to be successful in maintaining existing markets and developing markets.

The ability of the State's mining industry to compete successfully will be to the advantage of all Queenslanders. We must see that they are encouraged to do so. Successful competition will encourage the development of further mining operations in this State and therefore create the real economic dynamism which is central to a truly free enterprise economy. Instead, in recent years, the Queensland Government has attempted to fill that role through an ambitious capital works program. All those works must be paid for by the tax-payers. I have some doubts about the economic justification for some of them.

The electrification of the Bowen Basin railway lines in central Queensland is a case in point. The cost of Stage 1 and 2 of this project was estimated in December 1983 to be \$577m. Although I acknowledge that it has created jobs, I ask: At what price were they created? The Government has not adequately explained the economic analysis, which presumably was completed prior to this decision. What were the reasons for the initiation of that project? One could ask a number of questions as to why that may have happened. Was it because of an excess in electricity generation at hand? Was it to utilise excess charges obtained from the mining industry? Could the Government have planned better utilisation of those funds to create jobs in industry so that it could compete on a more export orientated market, and so benefit Australia, particularly Queensland?

With the price of oil expected to fall in the next few years, and with it the price of locomotive diesel fuel, one wonders how the economics of that project are now looking and, in any case, whether the timing of such a project, when considered now, was appropriate.

I suspect that what honourable members are seeing is the development of an "at any cost" mentality. If mistakes are made with capital works projects of this size, those mistakes will be monumental and will involve a huge cost to Queenslanders for many years to come.

I ask two questions: first, whether or not this vast amount of money is being spent wisely on projects that can be justified on the basis of independent economic analysis and, second, whether this massive intervention in the State's economy should be the role of a free enterprise Government at all.

In conclusion, it might be timely, when using the term "free enterprise Government", to define that term. For example, it is hard to relate the equity interest of the Queensland Tourist and Travel Corporation's involvement in the Port Douglas project to the Government's private enterprise philosophy.

A number of questions need to be answered. I hope that when the Government plans for the future, it does not kill the goose that laid the golden egg.

**Mr R. J. GIBBS (Wolston) (3.42 p.m.):** Firstly, may I say that you bring great presence to the Chair, Mr De Lacy.

The Budget commences with a promise of an even stronger economic situation. That runs against all the evidence of the weight of opinion from business leaders, economic experts and the available statistics. Government lies are no substitute for a serious consideration of what is wrong with the Queensland economy. Government deception does not explain why, in the face of national recovery, Queensland's economy is lagging behind that of the other States. A cavalcade of multimillion-dollar projects that do not materialise is no substitute for this Government's taking the responsibility for ensuring that the standard of living in Queensland improves rather than deteriorates.

My colleague the Deputy Leader of the Opposition (Mr Burns) recently illustrated how many of the Premier and Treasurer's pet projects are phantoms. One example is his promise to the National Party convention of the development of a \$400m hotel in Brisbane. I believe that Ian Miller summed it up perfectly last Sunday in his column when he pointed out to the Queensland tax-payer that that would mean, in effect, a hotel 10 times the size of the Sheraton.

The State Government's policies are causing Queenslanders to miss out on the economic recovery that is taking place in other States. This Government cannot even get support from its own kind to continue its deceiving the people of Queensland.

I refer to an article that appeared a couple of days ago in *The Australian*. It is headed "Queensland economy in a bad state—survey", and states—

"A survey of key economic indicators shows that Queensland is the worst-performing State in most areas."

I will read the most interesting part of the article—

"The survey was conducted for the New South Wales Opposition Leader, Mr Greiner, who intended to show that the Wran Government had failed to create new jobs and was facing problems in housing and in industrial relations.

But the collection of figures from the Australian Bureau of Statistics showed that the Bjelke-Petersen Government was faced with the highest rate of unemployment, the highest rate of working days lost through industrial disputes and the smallest growth in new dwelling commencements.

Queensland was the only State where the rate of unemployment rose during the 12 months to July this year and the only State where average weekly earnings for those with a job decreased.

As well, Queensland had the second-slowest rate of growth in jobs . . . and the second-smallest slow-down in the inflation rate (Tasmania's was smaller)."

The Premier and Treasurer now bleats about how these economic failures are not the fault of his Government. For his claim to have any credence, Western Australia—the State most often compared with Queensland in terms of economic similarities—would also have to be suffering. However, look at the relative performance on Greiner's figures. As I said, Queensland had an employment growth rate of 1.6 per cent and Western Australia had an employment growth rate of 4.4 per cent. Western Australia's unemployment rate is down by 17.7 per cent; Queensland's unemployment rate is up by 1.9 per cent. Average weekly earnings in Western Australia increased by 2.6 per cent but, in Queensland, they fell by 0.6 per cent. Queensland was the only State to experience negative growth in money terms from the June quarter in 1984 to the June quarter in 1985. Women in Queensland fared even worse, experiencing a drop of 4.1 per cent in average weekly earnings.

In Western Australia, days lost through industrial disputes fell by a staggering 63.6 per cent. In Queensland, they rose by an unbelievable 120.2 per cent. So much for Queensland as the strike-free State. Housing commencements in Western Australia increased by 28 per cent. In Queensland, in spite of net migration gains that should have stimulated building construction, they rose by a mere 0.4 per cent.

In the context of a national recovery in the motor vehicle industry, registrations in Queensland increased by 5.5 per cent, compared with the national figure of 11.7 per cent and the increase in Western Australia of 16.5 per cent. Queensland is missing out twice. Not only are motor vehicle registrations down but, with the closure of the GMH plant at Acacia Ridge last year, Queensland is losing the opportunities that would have been associated with the upturn in the motor vehicle industry.

We all remember the pathetic promises of the Queensland Government to find an investor for the GMH plant. A five-month international search produced the unknown Dynso company. A manufacturing plant that formerly provided employment for almost 900 Queenslanders and stimulated economic activity in the area is now the warehouse for a transport company. It is a sorry story, but is typical of the failure of the Queensland Government to develop stable business investment.

Capital expenditure, which is an essential measure of business confidence, reveals the dramatic decline in investment in Queensland. The growth in fixed capital expenditure in Australia between the March quarter 1984 and the March quarter 1985 was 6.3 per cent. In comparison, Queensland experienced a negative growth rate—minus 11 per cent.

Estimates by the Institute of Applied Economic and Social Research show that, even allowing for the resource boom, Queensland contributes less than the national average to Australia's economic activity. It ranks fourth behind New South Wales, Victoria and Western Australia in per capita contribution.

The Government believes that any economic activity is good activity. Indeed, it goes further and talks about any economic activity. It does not have to be real. The Government does not measure the direct or future costs to the community; nor does it accept responsibility for ensuring that economic activity brings with it other benefits and improvements in the standard of living of all Queenslanders.

The Government's attempt to sell itself as a low-tax State has been well exposed as a gigantic fraud. Its collection of taxes, fees and fines increased by 102 per cent between 1978-79 and 1983-84. That was the second highest rate of increase and was only slightly less than that in Western Australia. By 1983-84, Queenslanders were paying \$651 per head of population in State taxes. We all realise that taxes are only part of the story of the Queensland Government's revenue-raising.

Such callous disregard for the living standards and well-being of Queenslanders is typical of the economic ideology of the Government. It is a conception of economics whose only regard for the future is for the big and powerful. The Government's motto is to talk up the economy with any old scheme, regardless of the consequences. The real consequence is that, far too often, bankruptcy results. In the 1984-85 financial year, Queensland recorded approximately 1 000 bankruptcies, almost twice the number recorded in the mid-1970s, and an increase of 15.6 per cent over the number in 1983-84.

The Government boasts about the increase of retail sales in Queensland. Although the rate of growth in Queensland was greater than the national average in the year from July 1984 to June 1985, 16 per cent of the money spent on retail sales in Australia was spent in this State. That is proportional to Queensland's share of the population. This figure is disappointing for a State such as Queensland, which boasts about tourist industry expansion and expansion in related sectors, such as retailing. Moreover, the Government has failed to look to the dynamics of the retailing sector in Queensland. I suggest that the most likely explanation for the faster rate of growth in Queensland is that Queensland has reached saturation point in terms of retail outlets.

Queensland consumers have been bombarded into buying sprees. In some parts of Queensland, the saturation level of retail outlets has reached an extreme. As the business research centre of the Brisbane College of Advanced Education points out, the available shopping area of the Gold Coast, when it is related to the per capita population statistics, comes close to twice the level that is recommended by town-planners. In a saturated market, the establishment of hypermarkets is likely to worsen the competitive position of local retail capital ventures and small business. That is symptomatic of the Queensland Government's making a fast buck at the expense of the future of the people of Queensland.

The Queensland Government is incapable of thinking ahead and planning a diversified economy. In the 1970s, the Government had a single-minded drive to sell off Queensland's resources to foreign-owned and foreign-controlled interests. In 1982, the Premier was quoted in *The Age* as having said—

“The State welcomes overseas investment capital because it also means new industry, new ideas, new technology, new people and new markets for Queensland resources. . . . Energy and mineral development has provided the stimulus for growth, and its impact is seen in the prosperity of service and other industries which support these projects.”

Less than three years after making that statement, even the Premier and Treasurer must admit that the bubble has burst. On Tuesday, 19 March, the Premier and Treasurer admitted in this House that the economic slump that had occurred in Queensland had been influenced by, “the completion of the major expansion of Queensland's coal industry.”

It is worth while looking at the figures for the coal industry because they reveal that Queensland is locked into selling more and more of its non-renewable resources at a lower and lower price. In the period to June 1985, the dollar value of exports rose by 20.6 per cent over the figure for the previous 12 months. Although that is a higher level than the national average, it compares poorly with New South Wales, which experienced a growth at the rate of 27.9 per cent, and Victoria, which experienced a growth rate of 34.6 per cent. The major part of the increase was in the export of coal and aluminium. That means that because Queensland's exports are non-renewable resources, to achieve a 20.6 per cent growth rate, 220 per cent more steaming coal and 16.1 per cent more coking coal had to be sold. Overall, the value of Queensland's coal exports increased by 37 per cent for a dollar value increase of 20.6 per cent. More and more of Queensland's resources are being used up in a world in which international prices are depressed. It is worth while pointing out that that situation has been worsened because Queensland is increasing its reliance upon Japan as a trading partner. That makes Queensland's economy more vulnerable to fluctuations in the Japanese economy and more susceptible to economic and political demands made by Japan.

In 1981, Japan accounted for 31 per cent of Queensland's major export markets. By 1985, it is expected that the Japanese share of Queensland's export market will have risen to 40.6 per cent. It also should be pointed out that Queensland's prospects for 1985-86 do not look good.

The year 1984-85 was a good year for the whole of Australia in terms of export trade, because a 16 per cent increase occurred overall. As the Federal Government's Budget papers show—

“Rural and non-rural exports increased strongly in 1984-85, reflecting generally favourable seasonal conditions, high cereal stocks and the opening up of new production capacity. These influences will not be as strong in 1985-86. Many major export commodities still face subdued and highly-competitive markets.”

As a result, the Federal Government Budget papers predict a significant reduction in exports, and estimate growth to be 4.5 per cent as compared with the 16 per cent that was achieved in 1984-85.

Exports should be measured against imports, and the Budget papers are curiously silent on this issue. The truth of the matter is that Queensland's balance of trade reveals a high level of dependence on imports from interstate and overseas. In 1983-84, Queensland imported \$2,087m worth of goods from overseas and, of that total, 51.9 per cent was spent on machinery and transport equipment. I ask members to bear that in mind.

In the same year, Queensland imported from interstate goods worth \$4,767m. Machinery and transport equipment was the single largest component of those imports, amounting to 23.6 per cent of the total. Total exports for that year were worth \$7,495m, of which \$5,473m was in overseas exports, giving Queensland a surplus on balance of trade of \$641m.

In 1983-84, interest payments on overseas debts—I hope that Government members are listening carefully to this, because it shatters the myth of the healthy economy of this State—were estimated to be 12.7 per cent of external trade. That means that Queensland would have had to pay approximately \$695m on interest alone, thus cancelling out any balance of trade advantage. If interest and capital repayments are included, the estimate of capital outflow for those items would be \$1,554m. In other words, Queensland's reliance on the mineral industry has led it into a dangerous economic position. Simply switching horses to talk up a tourist boom will not work, and is not working now. Retail sales do not reflect boom conditions in the tourist industry.

Let me speak briefly about the tourist industry. I refer to the latest available figures for tourist accommodation and the number of guest-nights for the nine months to the March quarters 1983-84 and 1984-85. The growth rate in Australia was 6.4 per cent; in Queensland it was 5.5 per cent—a clear indication that Queensland is lagging.

It is even more interesting to look at a comparison table of unemployed persons by industry division and occupation group. In the recreation, personal and other services category, which is largely the tourist industry, a massive 9.7 per cent of people are unemployed. So much for the talked-up hype of the boom that the tourist industry is supposedly experiencing in this State! I point out that the doyen of the tourist industry and favourite of this National Party Government—a former member of the Labor Party, thank God!—Jim Kennedy, having done very well out of the tourist industry, now seems hell-bent on ensuring that other people's coffers will be enriched by an attack on the conditions under which people in the tourist industry are employed.

The Government's confrontation with the unions demonstrates a contempt for the contribution labour makes to economic growth. The experience internationally—and now in Australia—is that the existence of a strong union movement is almost always a pre-condition for balanced economic performance. The involvement of unions in economic restructuring and planning is central to stable and predictable restructuring of industry. It is essential so that industry restructuring can take place in an environment of low unemployment and low inflation.

The OECD countries that have been able to maintain stable economies in this time of recession are those with strong union movements involved in planning. The choice of Governments is very clear: either to sit down with a workable and understandable relationship with the trade union movement, which has a vital role to play in the recovery of this State and nation, or to continue down the road to economic depression and ruin by doing what this Government is doing.

That choice is highlighted by the figures to which I have just referred showing record industrial disputation caused by this Government's antagonistic approach to the trade union movement. Compare the performance of countries such as Sweden, Norway and France, for example, with strong unions, high taxation, moderate inflation, acceptable growth and low unemployment, with countries such as Turkey and Spain, which have weak unions, high unemployment and an inflation rate that races miles ahead of the growth in their gross domestic product. The Bjelke-Petersen economic strategy can only lead Queensland down the path of those latter countries.

The record in Queensland is clear. Industrial disputation is at extraordinarily high levels compared with a drop in the level of industrial disputation for Australia. Between May 1984 and May 1985, the level of industrial disputation fell in every State except New South Wales and Queensland. The growth in the level of industrial disputation in New South Wales was 1.7 per cent. In Queensland, the percentage was an unbelievable and staggering 120.2 per cent. They are not my figures; they are the figures from the survey that was carried out for the Leader of the Opposition and leader of the Liberal Party in New South Wales (Mr Greiner). He is one of the Government members' own conservatives.

The Government will argue that unions force up wages and cause unemployment. That is a lie, and Queensland is the proof of that lie. The Government might be foolish enough to claim that the fall in wages in Queensland results from the success of its policies. That is not the case. Wages are down, but so is investment, while bankruptcies and unemployment are up.

If further proof were needed, let us take a lesson from history. The idea is that, if wages fall, employers will use more of this cheaper input. Conversely, if wages rise, employers will substitute machines for labour and gain a greater output for each unit of labour. Thus, according to that theory, in the wages explosion of 1974, one would have expected the ratio of output to labour to have risen. There is no evidence of that having occurred. Indeed, the output-per-worker ratio was considerably lower for the years after 1974 than for the years before.

We can conclude that there is no evidence that deregulation of the labour market will assist in the pursuit of economic objectives or that the play of market forces will lead to economic recovery. We have not seen the operation of market forces in

Queensland. There is a distinction between the absence of planning and foresight and the operation of the market. The Government is guilty of allowing the Queensland economy to fall victim to an absence of planning, not of subjecting it to market forces.

The Government has presided over the destruction of the manufacturing sector in Queensland. Queensland is reliant on the interstate and overseas import of manufactured goods. That is why I asked Government members to note the figures that I gave previously for imports of machinery, particularly farm machinery. Manufacturing industry in this State has been absolutely ruined and crucified by this Government. It does not want manufacturing industry in this State. It believes that a strong manufacturing sector would be the basis of a strong Labor movement. The Government wants manufacturing industry out of Queensland.

As I have said, Queensland is reliant on the interstate and overseas import of manufactured goods. At May 1985, a mere 12 per cent of the Queensland labour force was employed in the manufacturing sector. The level of Government spending in providing assistance to industry is an unbelievably low \$2.46 per capita, compared to the average of \$8.02 for the six States. Some other figures are \$18.93 in the Northern Territory, \$14.65 in Victoria and \$10.58 in South Australia.

It seems that there are some in the Government who are beginning to realise the folly of their own strategy. At a Queensland development symposium on 8 May, the Minister for Industry, Small Business and Technology (Mr Ahern) said—

“In the past 12 months, the completion of large mineral developments has resulted in a very substantial run-down in mining infrastructure. This has been, in large part, responsible for the State’s significant short-term economic problem . . . Our problems are common to a lot of other countries—but they are making the changes. We don’t appear to have accepted the need to change yet. But we will . . .”

What an admission by one of the senior Ministers! When speaking at the symposium, he said that the problems in Queensland are common to many other countries. He acknowledged that other countries are making changes but said that Queensland has not yet accepted the need to make changes. Is that any wonder, when one looks over to the other side of the Chamber and sees the calibre of Ministers such as the member for Wavell Heights (Mr Austin)?

The Minister for Industry, Small Business and Technology (Mike Ahern) said further—

“I am quite certain the capacity for the future expansion of the State’s manufacturing industry has been grossly underestimated, and must be given a much higher priority. There’s major expansion in world trade presently and the long-term projections are in the area of manufactures. If we are not involved in this area, I don’t see how we can reasonably increase our standard of living.”

This State has relied for far too long on its mining base. I concur with the comment by the honourable member for Mount Coot-tha (Mr Lickiss) that the State’s economy has relied for too long on the mining sector and on rural industry, particularly the sugar industry.

One of the things that Government members will have to come to grips with is that the problems in the sugar industry are only just beginning. I do not pretend to be an expert in the growing of cane, but, when I visit the provincial towns, I notice a growing depression among the people. The problems caused by unemployment, which are lying just down the track, have not been faced by the Government, whose only answer is to rubbish the Federal Government and to talk about the poor contribution that it is making to Queensland. Yet Government members completely forget that in the seven years that the Fraser Government was in office, it did absolutely nothing. They bleat and cry and want more Federal money, but they are not prepared to look to the future and make suitable economic plans to stop what will become a parlous situation.

**Mr Simpson:** Is that your excuse for not doing anything federally?

**Mr R. J. GIBBS:** I have watched the honourable member for Cooroora over the last couple of days. He is getting round this place like a cowering dog with his tail between his legs, because he knows that his colleagues are rubbishing him behind his back. He is hated by his back-bench colleagues and he knows that he has no chance of getting a place in Cabinet when the portfolios are reshuffled in the near future.

What does the Budget do about the problems that I have mentioned? It promises the establishment of the Queensland Industry Development Corporation. A mere \$25m will be provided by the Government, but that is an insufficient amount. The principal criterion for support appears to be directed towards high-risk ventures that will not meet normal banking criteria for loan funds. A couple of weeks ago, *The Australian Financial Review* headlined its article about the new corporation with "Sir Joh Backs the Long Shots" The long shots do not come in too often.

How did the Minister for Industry, Small Business and Technology fare for his pains of criticising the Government's performance? The Budget allocation for his portfolio is \$26,485m, which is an increase of \$8,599m on the expenditure—not the allocation—for 1984-85. Of that increase, \$5,048m is committed to the Aussat network. If that figure is subtracted, the increase on last year's expenditure is less than 20 per cent. Including the funds committed to Aussat, this figure represents a little over \$1 per head of population. That is hardly sufficient to enable the process of planned diversification or to undertake the strengthening of the manufacturing sector.

That is absolute proof of what I have been saying. Most of our imports comprise machinery, yet the Minister who is responsible for trying to restructure the economy's base has had his Budget allocation slashed dramatically. That is his reward for being the only Government member to recognise that the State faces problems down the track and for having the gumption to stand up in public and talk about those problems. It is a blight on the National Party; it should be ashamed. Given the way in which the State is going, I predict the election of a Labor Government whenever an election is called.

**Mr COOPER (Roma) (4.10 p.m.):** A good deal has already been said about the Budget. Depending on which side of the political fence one sits, one dissects it, praises it or puts it down. I believe it is a very even-handed Budget that creates no added burdens, either for primary producers or for the community in general.

A careful Government, such as this one, is not about to be deliberately sensational. It is far more important to proceed steadily and carefully and to provide the sound economic parameters within which growth and employment can take place. The trend today is increasingly toward smaller government, with emphasis on cost-cutting, efficient use of funds and less interference from the bureaucracy. Unfortunately, this is not happening in Canberra; but, after the next Federal election, it will. The important thing now for the Federal coalition Opposition is to put together, and clearly espouse, its policies as alternatives to the deceit and deception of the Hawke Government.

There is much to commend the concept of expenditure ceilings, which have been argued for. Special-interest groups can quite easily distort a Government's approach to budgetary responsibility. The adoption of the concept of expenditure ceilings makes it possible to resist the demands of special-interest groups and others. In that way, the electorate at large can gain a clear perception of the size of the total outlay tax-payers can be expected to meet.

In the Commonwealth and all States—except, of course, Queensland—the very act of balancing a Budget has become a near impossibility. The very corner-stone upon which all Governments should build their economies is the fiscal responsibility of a balanced Budget. What needs to be spelt out repeatedly is that a balanced Budget should be the No. 1 priority. The emphasis then should be on how much money is required for essential services and those other things necessary to provide sound, responsible government. At that stage the funds can be raised accordingly.

Unfortunately most Governments, particularly socialist Governments, decide how many grandiose projects they believe people would like to see, how much welfare they can foist upon a society, how many more public servants they can appoint and how much non-market employment they can create, and so come up with an enormous bill for which the tax-payer has to pay, or for which money must be borrowed, to fund a system that the majority of Australians simply do not want. The trend against this type of economic irresponsibility is gaining strength, but all Governments must have the will to sell low-spending ideals to the electorate and implement policies accordingly.

In spite of massive Federal Government deceit by way of short-changing the State by \$362m over the past three years, the State Budget maintains services. That figure has been dissected in previous contributions to the debate, but, for the record, I repeat that Medicare is underfunded by \$82m, the Grants Commission by \$134.7m and revenue-sharing by \$137.6m. In spite of that, I was rather astonished to hear the member for Nundah say that pay-roll tax should be abolished. Frankly, I could not agree more with his sentiments. However, it is much easier to say such things when one is not in a position to do anything about it. Of course, in the past, the honourable member had his chance. Nevertheless, the goal of greatly reducing this burden on business must be kept well in sight. This Government was the first Government to abolish death duties, so I suppose anything is possible.

The pay-roll tax threshold has been extended from \$270,000 to \$300,000 and this policy of continually extending the threshold will doubtless be continued. The fact that no new taxes have been introduced is to be commended. Charges have quite obviously gone up in many areas in line with inflation, but this is a house-keeping matter and services have to be paid for. If Queensland charged the same taxes as the mean average that other States charge, Queenslanders would be \$187 per head worse off.

This Government has as one of its most important principles a policy of not introducing new programs or extending services unless offsetting savings can be made in other areas. This is absolutely essential if bureaucracy and profligate spending are to be curtailed. Provided a firm position on new programs is adopted, average real growth spending can be held to zero and the public sector's excessive claims on resources can be reduced without cuts in Government services.

Just as free-spending and welfare-type Governments must justify where the money comes from, and so have to convince the electorate of what would be good for it in order to raise taxes still further, so, too, must those advocating smaller government sell the concept to the people. This is not quite as difficult as some Government representatives believe, because, with a given level of inflation, zero growth will still see a gradual increase in Budget expenditure projections and services will remain in place.

People at large are expecting and demanding less government and want to see this actually happen and not be just talked about. The onus on the Federal Opposition is therefore considerable, as it must, between now and the next Federal election in 1987, to produce, explain and campaign hard on policies that are tailored to meet that need.

It will need positively to assess a uniform rate of personal taxation of 25 per cent or less and adopt an attitude of when to introduce it, not an attitude of whether it should consider its introduction.

Another matter requiring an irreversible commitment will be to abolish the capital gains tax that I believe will be introduced by this tax-crazy Federal Government. There must be no ifs or buts. On today's figures, about 73 per cent of Australians oppose its introduction. After a commitment from the Hawke Government that there would be no capital gains tax and that any tax package would have to have wide community support, a regressive tax package will be introduced whether we like it or not.

The deceit and lies of the Hawke Government ensure its demise in 1987 or earlier, so it is all the more imperative that the Federal coalition Opposition take every opportunity to adopt policies that will revolutionise Australia's standard of living and

competitiveness well into the future and not just accept government by default, as we saw in 1975, and proceed to fritter away a mandate given by the people.

The introduction of a capital gains tax demonstrates just how out of touch with reality this Hawke Government is. It is not only that this type of tax is a disincentive to business and employment, but also that it is out of date. The United States of America and Canada are both carrying out reforms in this area and reducing the rate of capital gains tax because it is stifling business growth. Australia is running in the wrong direction.

Much has been said about Australia's foreign debt, so I will not elaborate on it in detail. I simply say that, if the present policies continue, Australia's present external debt of \$68.5 billion, or one-third of our gross domestic product, could well have expanded to \$100 billion by the year of our bicentenary. More publicity and emphasis must be placed on this most horrendous prospect.

I also explode the myth that the Hawke Government would create 500 000 jobs in three years. Leaving aside that most of those jobs have been created in the non-market sector, Treasury estimates predict a fall in the current unemployment figure of 8.2 per cent to between 7.5 per cent and 8 per cent this financial year. At best, this is a reduction of between 0.7 per cent and, at worst, 0.2 per cent. That is not the brightest news for the 766 939 people unemployed and registered as such by the Commonwealth Employment Service in June this year. If that is compared with the 791 753 people registered at the same time last year—a difference of roughly 30 000—there does not seem to be too much progress toward the creation of half a million jobs in three years.

On Tuesday, honourable members heard the reply to the State Budget by the Leader of the Opposition (Mr Warburton). It was, as expected, a lightweight speech lacking substance. The first question I would ask, which I ask with respect, is where is the so-called alternative Budget from the Opposition? I did not hear anything like an alternative Budget presented by the Opposition. No positive, constructive, alternative Budget was put forward. That is something that not only Government members but also the people of Queensland were entitled to hear so that they might know what was in store for them. The only reason an alternative Budget was not presented is that the Opposition must have felt that the State Budget was good and the policies were apt. The Labor Party could not improve on it, so the best it could do was knock it. That has been the standard practice of Opposition members.

On the other hand, following an attempt to sell its disastrous State and Regional Development Policy in July this year, the Labor Party in Queensland probably does not have the heart to attempt anything as difficult as an alternative State Budget.

The following remarks were contained in *The Courier-Mail* editorial of 10 July 1985 about the regional development strategy of the Labor Party—

“The State Labor Opposition is unlikely to win many votes with its State and Regional Development Strategy. Much of it's vague and not a great deal of it is new.”

It concludes by saying that the Opposition “should take its State and Regional Development Strategy back to the drawing board.”

With respect, the speech made by the Leader of the Opposition yesterday was visionless, like the Labor Party's State and Regional Development Policy. However, the speech was important for the remarkable admission of the Leader of the Opposition that “the State is in an extremely comfortable financial position.”

It must be stressed that the soundness of the State's economy is not due to any help from the State Labor Party or, indeed, the Federal Labor Government. The Queensland Labor Party, to damage Queensland's economy, knocks, mocks, belittles and misconstrues figures.

**Mrs Chapman:** Their policies are as invisible as their leader.

**Mr COOPER:** I agree with the honourable member for Pine Rivers.

All honourable members know that the Labor Party in this State has told its Federal counterpart to "make life difficult for Joh" It has failed. I repeat that the Leader of the Opposition said—

"So that even our opponents can understand it, this State is in an extremely comfortable financial position."

What an astounding admission!

I turn to 21 May 1985. On that day, the Leader of the Opposition broke an Australian Bureau of Statistics embargo to rush to print that Queensland's deficit was \$1,148m. He was so anxious to get to print that he did not bother to read the explanatory notes in front of the Government's Estimates of Receipts and Expenditures. For the benefit of honourable members opposite, I quote the applicable paragraphs from that publication—

"In recent years the Queensland Government has entered into special agreements with private sector enterprises to cover financing and loan servicing relating to the construction of railways and port facilities solely or mainly used by the enterprises concerned. As a result a substantial amount of capital expenditure on new fixed assets by the budget sector have been financed by security deposits received from the private sector, which are classified in this publication as deficit financing because they are repayable.

However, a major feature of these agreements are provisions for minimum shipping tonnage requirements and the determination of freight rates and other charges, to be paid by the enterprises concerned, which are designed to ensure that sufficient funds are available to allow the Queensland Government to service and repay these deposits."

The distortion of Queensland's perceived deficit was deliberate and designed to mislead. I return to the speech made by the Leader of the Opposition. It makes interesting reading. He said—

"That the State is in an extremely comfortable financial position."

On behalf of the National Party Government, I thank the Leader of the Opposition for that quotable quote. It will be used round the ridges quit a deal. That admission by the Leader of the Opposition is proof that the National Party State Government's handling of the economy is sound.

The tax-payers of Queensland have been assured by the Leader of the Opposition that their financial interests in this State are being looked after astutely.

Labor's negative approach to the Queensland economy is reflected in its caustic comments about Queensland's unemployment rate. Not once has the Labor Party said that 58 per cent of the jobs created in Australia since February have been in Queensland. Nowhere has it mentioned that the unemployment rate has been pegged back from 11 per cent to 9 per cent. Nowhere has it said that 1 per cent is added to Queensland's unemployment rate owing to a net gain of 13 000 unemployment benefit transfers over the past three years.

The Labor Party feeds on and delights in the plight of the unemployed. To add insult to injury, instead of promoting positive projects such as the gas pipeline from the Denison Trough to Gladstone, it runs round with a list of projects which, for a variety of reasons, have not gone ahead. What soul-destroying, negative research from a bunch of non-achievers!

Surely, the Labor Party, from its Breakfast Creek base, has seen some of the record \$1 billion worth of commercial projects under way in Brisbane alone! Surely, it read where Brisbane "would be the fastest growing State capital until the year 2000"! Both the development and the population growth reflect the positive policies of the National Party State Government and the confidence that investors and people from the southern States have in the State of Queensland and the present Government of Queensland.

For the first six months of the new financial year, 6 000 people migrated to Queensland, that is, 1 000 a month. Over the same period, New South Wales lost 3 800, Victoria lost 2 600 and South Australia lost 2 400. It is clear from those statistics that the exodus from the south to Queensland has not been thwarted by Labor's negative, anti-Queensland propaganda.

Of course, the people who migrate to Queensland from interstate come for numerous reasons, one of which must be the State's reputation as a low-tax State. That should cause Opposition members to jump. According to the Government Estimates, Queensland's per capita taxation for 1984-85 was \$511. That is the lowest of all the mainland States. For the record—New South Wales stands at \$781 per capita and Victoria at \$754.

It is interesting that the Labor Party says that Government charges have increased. What counter-productive research! Does the Opposition monitor as religiously the increases in retail prices and petrol prices? Surely the Labor Party is not so economically naive as to believe that the Queensland Government can hold prices at 1983 levels and ignore labour oncosts, etc. Besides, all other States and the Commonwealth apply similar regulations for charges.

The Labor Party would go a long way towards holding retail and Government costs if it were to lean on the ACTU and encourage it to drop its 3 per cent productivity case, its superannuation push and its increasing industrial disputation. It is sheer hypocrisy for the Labor Party to talk about the increase in Government charges when it is an ardent supporter of strike action in Queensland by the ACTU and the TLC. Indeed, it is to the Labor Party's everlasting shame that it has not supported the farmers in the Mudginberri dispute. Where is the Labor Party in this dispute? It has not said a word. It is hiding down at Breakfast Creek and in the TLC building, hoping against hope that the graziers and farmers will forget it exists. The farmers will not.

The high industrial disputation figures for this State are an indictment on the union movement in Queensland. They show a callous attitude to employees, to families and to home-makers. They show that the union movement is so preoccupied with its own might and strength that it is prepared to wreck the jobs of some of its own members. It is about time that the Labor Party in Queensland and the TLC considered carefully their contribution to working days and jobs lost, as revealed in the figures provided by the honourable member for Wolston (Mr R. J. Gibbs).

I draw attention to some of the innovative aspects of the State Budget, a Budget that can be described quite sensibly as even-handed; a Budget that has not singled out or disadvantaged any section of the community. I refer specifically to the establishment of the Queensland Industry Development Corporation, a financial institution which will incorporate the Agricultural Bank (previously under the Department of Primary Industries), the Rural Reconstruction Board and the Industries Assistance Board. The corporation will be under the control of the Treasury Department and will cater for primary producers and small-businessmen as well as—and I am pleased to say it—entrepreneurs. Numerous people in the State have the ability and the innovative ideas to make real contributions to the State's economy. The corporation will provide venture capital where normal banking criteria cannot be met, and will fill a need not adequately catered for in the past. I look forward to watching the progress of this corporation with interest.

It will also be interesting to note how the changes to the State Government Insurance Office will allow it to be more competitive and flexible in the market-place. Although these changes will take time to evolve, they will certainly be a move in the right direction.

Another aspect of the Budget will be the injection this year of \$306m of the Special Capital Works Program. Last year, \$94m of the \$600m program was expended, so such a significant increase this year will have a rather dramatic effect, and these funds are over and above normal Works Department spending.

The Department of Primary Industries' Vote goes from \$98m in 1983-84 to \$105m in 1985-86. The soil conservation or land-use Vote will be \$5.9m. More emphasis needs

to be placed by all involved on land use, and this includes a higher percentage of taxpayers' funds for soil conservation. Land-holders are the trustees of the land for future generations and have a responsibility to pass the land on in a condition as good as or better than when European settlement began. Land-holders cannot, however, be expected to foot the bill entirely, and the Government, on behalf of the people, must contribute a far greater proportion in future if soil erosion and land degradation is to be seriously combated.

The grain industry has acknowledged the decision of this Government not to increase freight rates this harvest. The increase was to have been 6 per cent, which would have added in the order of \$1.5m to costs. This Government realises the tremendous burden placed upon primary producers and would do more, were it within its financial capacity to do so.

On a parochial note, I acknowledge the construction of a new Year 4 to 10 school at Roma, to be commenced this year, and look forward to the eventual establishment of a senior college. This would round off education facilities for what, without doubt, has become the growth area of the west. Just as private enterprise can, the Government should invest with confidence in western Queensland. An early education centre will be built at Injune and the long-awaited Roma Hospital redevelopment program will be commenced with a Budget allocation of \$2m. The hospital at Woorabinda is to commence at a cost of just under \$1m, and this news will be received most favourably by the community at Woorabinda.

I cannot place enough emphasis on the need to continue the construction and reconstruction of roads. Expenditure at least must keep pace with costs because roads are an absolutely vital means of transportation. The Warrego Highway from Yuleba to Mitchell must continue to receive the funding necessary to reconstruct the sections so vitally in need of reconstruction. I am pleased to say that the most dangerous section, from Roma to Mitchell, is receiving attention at the present time.

I conclude by saying that that most respected of the business journals, *Rydges*, summed up the future quite adequately when it stated in the August 1985 edition—

“Queensland is moving ahead with an entrepreneurial zeal that is making other bureaucratically dominated States look like dodos. For southerners who think Queensland has fallen in a heap, then they are counselled to think again. The investment activity is staggering. And the quality of the projects even more so.”

I commend the Premier and Treasurer on the presentation of this year's Budget. I believe that the Budget strategies will work for the benefit of the people of Queensland without disadvantaging anyone. I also commend officers of the Treasury Department, particularly Mr Leo Hielscher and officers under his control, for the framing of a Budget that will, I believe, be in the best interests of all the people of Queensland rather than merely sectional interests.

**Mr VAUGHAN (Nudgee) (4.35 p.m.):** Once again in his Budget speech, the Premier and Treasurer (Sir Joh Bjelke-Petersen) indulged in his favourite but boring political ploy of Canberra-bashing. Right at the start of his speech he claimed that the Federal Government is trying to rein back its deficit at the expense of the States generally and Queensland in particular.

He went on to refer to “the discrimination by the Commonwealth against Queensland” and state that “the Commonwealth has changed the rules” He then attacked the Grants Commission, whose recommendations he claimed were based on a “hasty review”, which made major revisions to the previously accepted methodology.

Finally, he claimed that Queensland should have received \$137.6m more as a share of tax collections, \$134.7m more as a share of the tax pool, \$8m more from identified health grants and \$82m more under Medicare. I just heard the member for Roma (Mr Cooper) also rave on about Medicare. Those amounts total \$362.3m. Surely that is a

figment of the Premier's fertile imagination. As usual, the Premier was being less than honest and was trying to mislead the people of this State deliberately.

While he has consistently tried to make political capital by attacking the Federal Labor Government over the size of the deficit, which it inherited in March 1983 from the Fraser Government, and called for reduced Federal Government spending, he claims at the same time that Queensland has been "short-changed". He completely ignores the facts, and makes wild inaccurate accusations believing, as usual, that if enough mud is thrown some must stick.

In view of the attitude that the Premier has adopted towards the Federal Government, let me look at the record and achievements of the Hawke Labor Government, which the Premier has so conveniently failed to note. Since coming to power, the Federal Labor Government has generated 410 000 new jobs and reduced the Australian unemployment rate from a peak of 10.4 per cent to 7.8 per cent. That has occurred despite Queensland's poor economic performance, which gives it the highest rate of unemployment of any State, at 9 per cent.

Growth in gross domestic product for Australia is expected to be 4.5 per cent for 1985-86. That will mean that Australia has had growth rates of over 4.5 per cent or more for three years running, an achievement not realised by any other Australian Government since the early 1970s.

During the recession in the early 1980s, public sector spending had generally increased to moderate the overall fall in activity. The Federal Labor Government has now recognised the need to cut back on public sector activity to encourage private enterprise to expand.

To achieve that purpose the Labor Government made fundamental undertakings in its trilogy commitments before the 1984 Federal election. The trilogy requires—

the Federal Government not to increase the percentage of tax revenue above the 1984-85 share of taxation in the total economy;

a reduction in Commonwealth Government expenditure as a proportion of the total economy; and

a reduction in the size of the deficit.

I would like to see this State Government have the political honesty to make a similar commitment with regard to State taxation and State charges.

In his Budget speech, the Premier claimed that Queensland is discriminated against. In the area of general revenue assistance, he claimed that the Commonwealth has changed the rules, to the detriment of all States.

Under the previous tax-sharing formula, which operated from 1982-83 to 1984-85, grants were determined as a proportion of total net Commonwealth tax collections in the previous year. As a result, there were substantial year-to-year variations in the amount of the grants distributed to the States. In 1982-83, the real growth factor was 4.4 per cent; in 1983-84 it was 2.2 per cent and in 1984-85 it had fallen to 0.5 per cent.

The Commonwealth has limited its expenditure in 1985-86 to a real increase of only 1.3 per cent after real increases of 7.3 per cent in 1983-84 and 6.1 per cent in 1984-85. It has cut back its spending and it expects that the States will follow its leadership. The levels of Government services provided by the States have increased significantly in recent years, so it is appropriate that, if the Federal Government cuts back on expenditure, the States should do so also. The Premier cannot rant and rave about Federal expenditure unless he is prepared to show some restraint in State Government expenditure.

General revenue grants to be provided to the States over the period 1985-86 to 1987-88 will be in the form of financial assistance grants, which replace the former tax-sharing arrangements, identified health grants and special assistance grants.

Under the new arrangements, financial assistance grants by the Commonwealth in 1985-86 will be held to the same real level as in 1984-85. In 1986-87 and 1987-88, financial assistance grants will be increased by 2 per cent in real terms.

The financial assistance grants are distributed in accordance with per capita relativities following the recommendations of the independent Commonwealth Grants Commission report of April 1985. In no way can this be construed as being discrimination by the Federal Government against Queensland. The Grants Commission calculates relativities in accordance with each State's needs, that is, each State's capacity to raise revenues or provide a standard range of services.

For every dollar that Victoria receives per capita, Queensland receives \$1.416 in financial assistance grants. Those figures are set out in the tables supplied with the Budget papers. Any member who takes the time to look at the tables supplied to us will find, in Table 4 on page 6 of the document titled *Summary Tables Relating to the Public Accounts 1985-86*, that the per capita relativity for Queensland is 1.416. In fact, its relativities for financial assistance grants are higher than those for every other State except Western Australia and Tasmania.

**Mr FitzGerald:** How much are we short-changed?

**Mr VAUGHAN:** Queensland's assessed needs imply that it requires a financial assistance grant of about 21 per cent above the six-State average. Yet Government members have the gall to say that Queensland is being robbed or short-changed. If that is discrimination, it can only be positive discrimination.

Identified health grants in 1985-86 and the two subsequent years are to be distributed on the basis of per capita relativities implicit in their distribution in 1984-85 rather than, as in the past, simply increased for all States in accordance with total Commonwealth taxation receipts the previous year. On this basis, States with the fastest population growth, such as Queensland, will receive an increasing share of these grants. We are all well aware of the claims made by the Premier and Treasurer (Sir Joh Bjelke-Petersen) about the return to the State from the Medicare scheme. In his Budget speech, the Premier and Treasurer stated that, in 1985-86, Queensland is to receive \$73.4m under current Medicare arrangements, notwithstanding that the Consolidated Revenue Fund shows the amount to be an estimated \$78.7m. The Premier and Treasurer went on to say that, if Queensland received its population share of Medicare funds, it should have received an additional \$82m.

The fact is that, as a result of all the false and misleading statements that the Premier and Treasurer made about Medicare funding early in 1984, the Federal Government requested the Grants Commission to examine whether Commonwealth payments under Medicare in respect of the Queensland public hospital system had disturbed the financial relativities that existed between Queensland and the other States immediately prior to the introduction of Medicare.

The Grants Commission, which is an independent body, subsequently recommended that a payment of \$10m be made to Queensland to compensate Queensland for this disturbance in respect of the period up to 30 June 1985. This extra \$10m will be given to Queensland this financial year in the form of special revenue assistance.

As a result of the new relativities introduced from 1 July 1985, the relative cost to Queensland of its free hospital system will be reflected in Queensland's share of financial assistance grants, which are shown in the Budget papers as amounting to \$1,981.9m, and that, I might point out, is 39 per cent of the total Consolidated Revenue Fund revenue.

It is time that the Premier and the Government of this State stopped being downright dishonest about the distribution of Federal funds to this State. The deception and deceit is un-Australian and is creating an unhealthy attitude in some sections of the community.

As a close study of the Budget papers shows, there has been no discrimination against Queensland by the Federal Labor Government.

**Government Members interjected.**

**The CHAIRMAN:** Order! I remind honourable members that multiple and unacknowledged interjections add nothing to the debate, and will not be tolerated.

**Mr VAUGHAN:** Queensland will receive \$816.12 per capita in general revenue grants for 1985-86, which is 11.1 per cent higher than the six-State average of \$734.43, 29.1 per cent higher than the Victorian per capita figure of \$631.93 and 25.8 per cent higher than the New South Wales per capita figure of \$648.93.

These figures, which are clearly set out in table 6 of the *Summary Tables Relating to the Public Accounts 1985-1986*, show Queensland's true relative position and demonstrate that the Premier's grandstanding is nothing more than pure political mischief-making and gross dishonesty.

I remind Government members that it is spelt out in table 6 in one of the Government's own Budget papers that Queensland will receive \$816.12 per head of population compared with the six-State average of \$734.43. It is very much higher than the allocation to any of the other States.

In his Budget speech, under the heading "A Balanced Budget", the Premier stated that total outlays from the Consolidated Revenue Fund budget in 1985-86 are estimated at \$5,048.3m, while revenues are expected to be \$5,048.6m, leaving a small operating surplus. What the Premier neglects to say is that nearly half of that revenue, that is, 46.7 per cent, comes from the Federal Government. To listen to the Premier rant and rave about Federal Government funding, one would think that Queensland received only a mere pittance.

When referring to the much-vaunted \$600m Special Major Capital Works Program, which was supposed to be over and above the Capital Works Program, the Premier stated that, because of Commonwealth road-funding shortfalls, the Government had decided to allocate an additional \$15m to the Main Roads portion of the program, bringing the total amount up to \$115m. Again, the Premier is tampering with the truth.

Firstly, I point out that, last year, \$100m out of the \$600m Special Major Capital Works Program was allocated to be spent over two and a half years on the construction of an arterial road to link the Bruce Highway to the Pacific Highway via the Gateway Bridge.

The Premier emphasised that the \$600m Special Major Capital Works Program was in addition to the Capital Works Program, implying that the Government had \$600m in its coffers to pay for the works involved. The impression that was created was that no Federal Government funding was involved. The fact is that the cost of this road will exceed \$100m, and that is why the additional \$15m has been allocated for it.

I point out that, in 1985-86, Queensland will receive from the Federal Government \$117.6m for national roads, \$43.6m for arterial roads, \$46m for rural arterial roads and \$50.4m for local roads.

I point out further that the Federal Government presently provides about 65 per cent of the total amount of money spent by the Main Roads Department on Queensland's roads.

**Mr Stephan:** That is not right; it is 50 per cent.

**Mr VAUGHAN:** Government members know that it is 65 per cent. I do not know how many of them received a copy of a booklet from the Federal Minister for Transport setting out all the figures on transport for 1985-86. There is no way in the world that those figures would be false.

If honourable members cared to look, they would see the extent to which road-funding in this State has been increased since a Labor Government has been in office in Canberra. Not very long ago, I read in the press that the Minister for Main Roads had praised the Federal Government for the extent by which it had increased funding for the State's roads. Under the heading "Total Federal Road Programs", the report shows that in 1981-82—that is in the days of the previous coalition Government in Canberra—Queensland received \$139.4m. This year Queensland will receive \$257.6m. That is a significant increase, but Government members have the gall to cry and to maintain that Queensland is being short-changed.

While on the subject of roads—because I believe that I played some part in having the construction of the Gateway arterial road brought forward, and as a major portion of it goes through my electorate, I am, naturally, interested in its progress. That part of the road from the north side of the Gateway Bridge round the airport to the junction with the road into the new airport has been completed but is not yet officially opened to traffic. As many motorists are now using that road, and as I understand it is illegal to do so, I would hope that it is officially opened as soon as possible.

I was pleased to read in the press this morning that the Gateway Bridge will be opened on 11 January 1986, but, as I said, I sincerely hope that the road from the northern end of the Gateway Bridge through to the entrance to the new airport is declared open very shortly. It is a very valuable link for traffic proceeding from the Nudgee/Banyo area—for that matter, from most areas of north Brisbane—across to the Kingsford Smith industrial area. I understand that quite a number of people have been fined for using the road.

**Mr Randell:** Would you acknowledge that the Queensland Government has done a good job there? Would you be prepared to thank the Government for the job that it has done?

**Mr VAUGHAN:** It is doing the job that it is supposed to do. I appreciate that work is being done in my electorate, but I draw to the attention of the people outside Brisbane the minute amount of roadworks that are being done over the length and breadth of Queensland. When I first travelled over the Bruce Highway from Brisbane to Cairns, there were God knows how many single-lane bridges. To this day, those single-lane bridges remain; the Government has done nothing about them.

As I am aware that, because of a shortage of funds, consideration was being given to diverting the arterial road along Nudgee Road from Toombul Road through to a point near the Nudgee Golf Club, I would hope that, now that an additional \$15m has been allocated for the road, that proposal will be dropped. I am completely opposed to such a proposal, which I consider would be penny wise and pound foolish.

Assuming that the road will run parallel to Nudgee Road round the back of Northgate East, Banyo and Nudgee, along the route shown on maps that have been supplied to me by the Main Roads Department, I express my concern about the intersection with Nudgee Road near the Nudgee Golf Course. In the interests of safety, the two roads should be grade separated at that point, and I hope that the additional funding will enable this to be done.

I am concerned also about reports that work on the upgrading of Toombul Road might be deferred. I understand that a cut-back in Federal road-funding is being given as the reason. Naturally, whenever the Government runs short of money for one reason or another, it simply tries to blame the Federal Government. Again, the Government appears to be playing politics, as the widening of Toombul Road is an Australian Bicentennial Road Development Program project. Toombul Road is an urban arterial road, and a study of the report from the Federal Minister for Transport shows clearly that ABRD funding for urban arterial roads in 1985-86 has not been reduced.

Another section of the Premier's Budget speech in which he has again deliberately tried to mislead the people of this State relates to funding for pre-schools. Again, with

complete disregard for the facts, he accuses the Federal Government of pulling out of pre-school funding, leaving the State to pick up the shortfall. That is not true, and the Premier knows it. The fact is that, in 1970, except for Victoria and Commonwealth Territories, there was little Government assistance for community groups establishing and operating pre-schools. Because the Commonwealth Government was anxious to increase the general availability of child care, it offered to provide funds to help the States start projects which would achieve that aim.

The introduction of the Child Care Act 1972 brought the Commonwealth into the field of children's services, and in 1974 Commonwealth financial assistance for pre-schools commenced. Initially, funds were provided for 100 per cent of construction costs of new pre-schools and for the full recurrent costs of the salaries of all approved staff in those pre-schools. For established pre-schools, the Commonwealth agreed to meet the difference between State contributions and the award salaries of approved staff on condition that the States maintained their level of support.

From 1 January 1976, the Commonwealth's contribution towards recurrent costs of agreed pre-school staff and advisers was reduced to 75 per cent. From 1 January 1977, an arrangement whereby the Commonwealth provided a block grant to the States, rather than tie funding to salaries, was introduced. However, the Commonwealth Government, no matter which party was in power, has consistently maintained that provision of pre-school education was a State Government responsibility. That is why successive Commonwealth Governments have effectively reduced the level of Commonwealth funding to pre-school grants for over six years as shown in the following table, which I seek leave to have incorporated in *Hansard*. Mr Row, I have obtained permission for its incorporation from Mr Speaker and from one of the Temporary Chairmen of Committees.

Leave granted.

RECURRENT GRANTS FOR PRE-SCHOOLS, 1980-81 to 1984-85 (\$ thousands)

	NSW	VIC	QLD	WA	SA	TAS	TOTAL
1980-81	7,130	7,108	6,605	4,860	3,730	1,410	30,843
1981-82	7,130	8,930	6,650	4,860	3,730	1,410	32,665
1982-83	7,130	9,015	6,650	4,860	3,730	1,410	32,750
1983-84	7,130	9,015	6,605	4,860	3,730	1,410	32,750
1984-85 (estimate)	7,130	9,015	6,605	4,860	3,730	1,410	32,750

Mr VAUGHAN: The States have responded to this by progressively raising their contributions for pre-schools over that time so that States now provide about \$5 for every \$1 provided by the Commonwealth Government.

The Commonwealth Government has decided to discontinue the small amount of funding it still gives to pre-schools by terminating pre-school block grants to the States from 31 December 1985, to increase funding for child care services to create a planned 20 000 new child care places over the next three years. This is being done because pre-schools are open only from 9 a.m. to 3 p.m. and are closed during school holidays and therefore do not adequately meet the child care needs of working mothers who need long day child care and outside school hours care.

This is another example of the Premier and Treasurer deliberately misrepresenting the facts. I believe that he has reached the stage at which he will do or say virtually anything to try to score a political point against the Federal Government or, for that matter, against any of the Labor State Governments.

A typical case in point was an article on page 1 of *The Sunday Mail* on 25 August last headed "Joh is alive thanks to pilot Beryl". In that article, in which the Premier tells how his pilot, Miss Beryl Young, saved his life—and, of course, hers—at least three times. The Premier, referring to "the Canberra boys", is reported to have said—

"You have no idea what they do to Beryl and me. Sometimes they make us wait at least two hours with the engines running before we can take off."

They have to wait for two hours on the tarmac with the engines running! In all sincerity, that statement would have to be untrue. My information is that, in such circumstances, the engines would overheat and would be damaged. There is also the question of depletion of the plane's fuel if it was standing for two hours on the tarmac with its engine running.

I am also assured that there are set procedures that all pilots are required to follow prior to take-off and that, at times of heavy traffic, some delays do occur, but they are certainly nowhere near two hours. My information is that, if a long delay is imminent, the pilot is requested to return to the tarmac and to switch off the engine.

I am advised that, contrary to what the Premier alleges, under no circumstances would his plane be treated any differently from other planes waiting to take off, even though I understand that he expects and, at times, even demands to be given special treatment. Unfortunately, such statements by the Premier are accepted as gospel by many people in the community. They believe, falsely, that he is a Christian and God-fearing man and that whatever he says is true. That is the impression that he creates in the community. He makes wild statements off the top of his head. They are accepted by many people as true statements. In fact, the statement that he made about being required to wait at least two hours could not possibly be true.

These continued vicious and dishonest attacks on the Federal Government and the rest of Australia are causing an unhealthy and dangerous attitude to build up in the Queensland community, and I fear that if they do not stop, Queenslanders run the risk of alienating themselves from the rest of Australia. The very real risk exists that the poisonous propaganda churned out by the Premier and the Government will cause serious dissension and division within this State.

The warning signs are already there. If Government members choose to ignore what I am saying, they must accept full responsibility for what happens.

The methods and tactics adopted by the Premier and the National Party are designed to create divisions throughout the length and breadth of this State and this nation. No matter what the Federal Government does, the Premier says it is wrong. No matter how much funding the Federal Government gives to the State, he says it is not enough. If I was the Prime Minister, I would tell the Premier and this National Party Government where to go, and in my opinion it is about time that was done.

If the Premier genuinely believes that the present tax-sharing formula as set out on page 6, table 4—which gives Queensland 20.2 per cent of the Federal tax cake this financial year, when the State has only 16.1 per cent of the nation's population—is unfair and unjust, why does he not elect to collect his own taxes? I understand that that can be arranged. The Premier does not want to do that; he wants to blame somebody else.

If the Premier genuinely believes that Queensland is not getting its fair share out of the Medicare scheme, let him tell the Federal Government that he does not want to be in Medicare and that Queensland would prefer to have its own health scheme.

If the Premier genuinely believes that, despite the fact that 65 per cent of the money spent on Queensland's roads comes from the Federal Government, Queensland is still not getting its fair share, let him tell the Federal Government Queensland will raise its own funds for this State's road system. Let the Premier tell the Federal Government that the Queensland Government will collect its own 2c a litre Australian bicentennial road-funding levy.

The Premier and National Party members have often talked about seceding from the Commonwealth. How often have honourable members heard the Premier, when he is speaking in this Chamber and when he is being interviewed, talk about seceding from the Commonwealth? The Premier ranted and raved when he delivered the Budget, blaming Canberra for short-changing Queensland and not providing it with sufficient funds. If he really believes that Queensland will gain no advantage from remaining as part of the Commonwealth of Australia, let the Premier, who seems hell-bent on setting

Queensland apart from the rest of Australia, commence secession proceedings. I challenge the Premier and Treasurer and Government members to put up or shut up.

In the few minutes that I have left, I will demonstrate the extent to which the Premier wasted Queensland tax-payers' money in trying to sell the Budget. It was a very difficult job. The Premier went as far as taking out a full-page advertisement in *The Courier-Mail*, which contained untruths.

In respect of the rural sector, the advertisement states—

“The sugar industry will get \$20 million immediate carry-on finance . . .”

Opposition members understand that only half of that will be provided by the State. The advertisement continues—

“\$21.4 million will go to the eradication of brucellosis and tuberculosis in the State's cattle industry.”

What that advertisement does not state—as can be seen from table 2 on page 3 of the Summary Tables Relating to the Public Accounts—is that \$15m of that \$21.4m will be provided by the Federal Government. The Premier wastes tax-payers' money by publishing an advertisement that contains blatant untruths.

**Mr STEPHAN (Gympie) (5.5 p.m.):** I am pleased to speak in support of the splendid document presented by the Premier and Treasurer last Thursday week. The member for Nudgee (Mr Vaughan), who has just resumed his seat, commented on an advertisement inserted in the newspaper by the Premier. Perhaps it was. However, apparently he cannot read very well, because he overlooked a two-page ad inserted in today's *Telegraph* by the Prime Minister, who is trying to sell a Budget that is being produced in four segments.

**Mr Bailey:** That is not just today.

**Mr STEPHAN:** No, it is going on and on. Such advertisements appear after every Federal Budget. We expect a further Federal Budget in a month's time, a mini-Budget before Christmas and then another one in the early part of next year. Will advertisements be placed in the press throughout Australia to sell those to the public? I invite the member for Nudgee to calculate the cost of that to everybody in the community. He should not be carried away by the efforts of the State Government to tell the people of Queensland what is happening in our great State.

The member for Wolston (Mr R. J. Gibbs) attempted to run Queensland down as much as he could. He said that New South Wales was most certainly the State with the greatest growth in coal production and export. If he had read the Budget papers, he would know that in the last 12 months Queensland outstripped the other States in coal production. Our production increased by 37 per cent from 33.1 million tonnes in 1983-84 to 45.5 million tonnes in 1984-85. He claimed that the royalties were far too low. Twelve months ago, the Opposition claimed that royalties and freight rates were far too high and that the mining companies could not cope with such imposts. Where does the Opposition stand? What story are we to believe?

The honourable member for Ashgrove (Mr Veivers) was another member of the Opposition to ridicule Queensland. He alluded to the Premier's income tax proposal, which represents a very real alternative—the single-rate tax. That would provide a great incentive to produce and to do a little better. I imagine that, when Mr Veivers was bowling for Queensland and Australia, it made a difference to him when he was rewarded with taking wickets. At times that would have provided an incentive to him. Perhaps at times it did not. However, in his argument he ignored the important factor of incentive.

**Mr Hamill:** Would you do better out of flat-rate tax?

**Mr STEPHAN:** Queensland would do better out of flat-rate tax. I have not considered my own position. I have considered its effect on Queensland as a whole. It

would provide an incentive to everybody—to those who may be offered overtime as well as to those who operate their own businesses. When a person knows that he will retain 75c of every dollar he earns, he is more inclined to work for longer hours.

**Mr Hamill:** The Premier would be \$27,000 better off.

**Mr STEPHAN:** I have grave doubts about the ability of the member for Ipswich to be accurate in his mathematics. I hope that his figures are more accurate than his comments about Commonwealth Government funding for pre-schools and kindergartens.

Members of the small business community are encountering significant problems. Their difficulties are enormous. Unless they begin to receive an incentive, they will pay no tax. Many are not paying tax now. It would make no difference to them whether there were a flat-rate tax or a tax of 33c in the dollar or 66c in the dollar, their income is not sufficiently high for them to pay any tax at all.

The ability of the Federal Government to handle finances generally as compared with the ability of the Queensland Government to do so should also be examined. The Federal Government claims that its deficit for this financial year will fall somewhere between \$4.9 billion and \$5.9 billion. That might be so but, added to that, should be the \$6.75 billion, \$7, \$8, \$9, \$10 billion that was carried forward from the previous year. What about the amount expended on servicing the public debt? I believe that in the vicinity of \$600m is required to service a debt that has been run up over a long period, and that amount represents 9.7 per cent of the entire Budget finances for Australia. That should be compared with expenditure on defence, which is running at 9.5 per cent at present and represents 0.2 per cent of the amount for servicing the debt, and the expenditure on education, which is running at 7.2 per cent. That will give honourable members an idea of what deficit spending is doing to the promotion and future development of Australia.

I draw the attention of honourable members to the very real and distinct possibility of a capital gains tax being brought down in this evening's Budget session in Canberra by the Federal Treasurer (Mr Keating). The imposition of a capital gains tax would be a king-hit to the nation's economic growth and it would do nothing to add stability or create confidence. A capital gains tax could only cause harm.

The imposition of a capital gains tax would also be a severe disincentive for investors at a time when Australia's recent economic growth should not be jeopardised. The proposal, if implemented, would penalise those who have saved their after-tax income. It would also encourage people to waste their disposal income rather than invest it, and savings would effectively be taxed twice. The proposition of reducing private capital that would allow for greater Government expenditure does not create wealth, and it should be drummed out. Such a tax would discriminate against real property acquisition, and it would also prove not to be effective when applied to a wide range of collectable items.

Property already attracts high impositions, such as land tax, stamp duty, rates and registration of title fees—and property taxes are the third highest tax in the overall tax system that operates in Australia. The capital gains tax would represent an additional tax, whether it takes the form of a capital gains tax or a death duty. Its imposition would do nothing to enhance confidence or create growth.

I refer to the results of a recent Morgan opinion poll which show that the capital gains tax proposal is an unpopular one and, if it is confirmed by the Federal Treasurer (Mr Keating) this evening, it will only serve to compound the disenchantment that exists in the community. The poll shows that 73 per cent of voters are against a capital gains tax, and only 27 per cent support it. Even the supporters of the Australian Labor Party are strongly against the tax to the extent that they wish to have nothing to do with it at all. When that is combined with the concern of small business people and individual investors, who are expected to be affected badly by this shock move, it will rebound against the Federal Government, because small business people and individual investors

are likely to pay a great deal of provisional tax in any case, and the imposition of a capital gains tax will simply add another millstone round the necks of those people.

A major wave of criticism is expected to build up throughout the private sector of the community because of the so-called tax reform measures that have been proposed by the Federal Treasurer. The jitters that are being felt by the investment sector are reflected in the drop in confidence and the decline in expenditure generally.

The honourable member for Nudgee (Mr Vaughan) has not stayed in the House for very long. However, he was endeavouring to point out that Queensland does receive its full share of revenue disbursements under the Budget allocations that were announced in August. I point out that that honourable member does not take into account the revenue shortfall, which amounts to \$362m; nor does he take account of the \$137m in general revenue, \$135m allocated by the Commonwealth Grants Commission, and \$82m for the Medicare contribution. I have not heard anybody else say that they do not want a reimbursement to the State in respect of the Medicare levy. I wonder why Opposition members accept that Queensland should receive \$29 a head of population whereas the rest of the States receive \$70 or \$80 a head. I wonder why they are content to see Queenslanders paying more in tax than they should and not receiving a fair share of Commonwealth revenue.

Mr Davis interjected.

Mr STEPHAN: This is not a brief. The honourable member should not compare himself with Government members. I have heard it said on numerous occasions—and the honourable member has admitted it—that he is given briefs by Trades Hall. He regularly looks over his shoulder because he knows that his Trades Hall bosses are watching him to make sure that he is doing the right thing and following their instructions. He should not try to measure other people by his standards. I do not know which side the honourable member is on, but it is certainly not Queensland's. He certainly does not support Queensland when he talks to his mates in Canberra.

I now turn to some of the Budget's other important features. The pay-roll tax exemption has been increased from \$270,000 to \$300,000.

Mr Davis interjected.

Mr STEPHAN: The honourable member would not even remember the last Liberal Treasurer. He is not in his seat often enough to be able to make comparisons.

I will now deal generally with increases in staff for essential services mentioned in the Budget. An additional 1 108 teachers will be employed in an endeavour to meet the Government's goal of a reduction in class sizes. An additional 135 teachers will be employed in TAFE colleges in 1985-86. Nursing and other hospital staff will be increased by 170, and an additional 104 police officers will be employed. Every time there is an uprising in one of the State prisons, Opposition members refer to a shortage of prison officers. There has been an allocation of \$500,000 to enable an additional 134 prison officers to be employed.

Let me turn now to kindergarten and pre-school education. The Commonwealth Government's withdrawal from pre-school funding from 31 December this year has exposed kindergartens to the possibility of fee increases, which would make it difficult for them to remain viable. The State Government has taken the view that the Commonwealth's disregard for the kindergarten and pre-school sector should not act as a deterrent to parents sending their children to such institutions. As I said in the Adjournment debate a couple of days ago, the Creche and Kindergarten Association appreciates what the State Government has done for them in the circumstances. They are well aware that the Government is doing its best to look after them.

I turn now to what Mr Hawke said to the farmers at their rally in Canberra early in July. He said—

“I give you this undertaking that we will prepare a package... which will significantly reduce the cost impact upon farmers.”

Once again the Prime Minister has failed to live up to his promise. But what is new about that?

**Mr FitzGerald:** He also told the cane-growers to grow vegetables.

**Mr STEPHAN:** That is right. His telling farmers which crops to grow gives an indication of his intelligence.

Now more than ever primary industries need a Government that is sensitive to their plight. It is essential, therefore, that the coalition parties pursue the appropriate policies when they are returned to Government in Canberra, and there is no doubt that will be in the not too distant future.

I will now spend a few minutes detailing just what the Federal Labor Government has not done for the major producers in this country. It has failed to underwrite the sugar industry; remove the depreciation allowance; and remove all tax incentive from the income equalisation deposits scheme. It has abolished all allowances for petrol storages and the tax averaging provisions, cut the subsidy for freight on fuel, increased meat export charges by 200 per cent overall, cut funds for soil conservation, removed tax concessions for clearing and drainage—and so the list goes on. It ended the drought fodder subsidy early to save money. All those things have done nothing to improve its support in country areas.

The one thing that the Federal Government did not do was cut expenditure. Opposition members seem to think that the Federal Government can continue to increase spending without taking any notice of its impact on the economy. Unless the Federal Government is prepared to cut expenditure, Australia will continue to go down the drain and it will not be able to compete on overseas markets.

From time to time, some incorrect figures have been given about Queensland's population growth. If one looks at the population growth for the December quarter of 1984, one finds that 2 925 people came to Queensland. Nearly 1 000 people a month came to Queensland. That contrasts with a loss of 1 413 people in New South Wales, a loss of 1 228 people in Victoria, a loss of 1 164 people in South Australia, an increase of 30 people in Western Australia, and an increase of 89 people in Tasmania. The figures speak for themselves. It is significant to note that in the calendar year 1984, each quarter showed a substantial increase in the number of people leaving Victoria. For the March quarter, the figure was comparatively high; for the full year, it was 1 228.

Opposition members like to highlight the unemployment rate in Queensland; but let us look at the employment that has been generated in Queensland. Although the actual unemployment figure at present might be a little higher—0.2 per cent—than the figure for the other States, it has certainly improved. In August 1984, the figure was 9.7 per cent. In July 1985, it was 9.3 per cent. In August 1985, it was 9 per cent. The figure in New South Wales was 8.8 per cent, and in Tasmania it was 8.6 per cent.

Queensland has the distinction of being the only State to create jobs. All the other States have lost jobs. The position in Queensland has resulted from the forward-looking approach that the Queensland Government adopts. New South Wales lost 10 700 jobs, Victoria lost 9 300 jobs and South Australia lost 11 300 jobs. The small State of South Australia lost a large number of jobs. The Queensland labour force grew from 1 114 400 in August 1984 to 1 148 400 in August 1985. That is an increase of 34 000, or 3.1 per cent.

**Mr Davis** interjected.

**Mr STEPHAN:** I am not afraid to admit that I am sticking up for Queensland. I wonder for whom the honourable member sticks up. I am proud to be an Australian, a Queenslander and the member for Gympie.

**Mr Burns:** Your leader wants to secede from the Commonwealth.

**Mr STEPHAN:** Because of the amount that Queenslanders pay in taxes and the return that they get, financially, the State would be better off seceding.

As I have pointed out, for the 12-month period ended August 1985, Queensland recorded a positive labour-force rate of 3.1 per cent as opposed to a national average of 2.1 per cent.

I turn now to some of the incentives that have been given to industry. One does not hear a great deal about them. I compliment the Minister for Employment and Industrial Affairs (Mr Lester) on some of the promotion and publicity campaigns that he has developed recently.

Promotional activities have been further enhanced with the provision of a total of \$153,600 in this Budget. The aim is to increase participation in training and generally raise awareness of the importance of training and the range of assistance and support services available in the Department of Employment and Industrial Affairs. Major activities include industry and commerce training; employment and careers markets; craftsmanship competitions; and industry and commerce training awards. Craftsmanship competitions and industry and commerce training awards give incentives to those who appreciate the opportunity to compete against other craftsmen and tradesmen.

A hair-dressing competition in my electorate began last year with only a few competitors but, this year, the enthusiasm, the expertise and the number of the competitors were greater. The knowledge gained in hair-dressing techniques made the competition worth while.

Work Skill Australia is another opportunity that is much appreciated by Australia's young tradespeople. A series of competitions is conducted at regional and national level, giving young people the incentive and the opportunity to improve their trade skills. These competitions lead to participation in the International Skill Olympics. A total of 286 competitors from 26 regions throughout Australia competed in the 17 trade categories at the finals and, although competing for the first time, Queensland competitors won 16 of the 51 medals awarded. Four Queenslanders will represent Australia in the International Skill Olympics that will be held this year in Osaka, Japan.

I turn now to discuss the horticultural industry, which has particular relevance for my electorate. The output and quality of most horticultural crops increased from 1983-84 levels largely as a result of the good growing conditions in most areas. Many crops were in over-supply, resulting in considerably lower prices for a number of commodities. The estimated gross value of production for horticultural crops is about \$325m, which is a decrease of 2 per cent over that for the previous year.

By comparison with the sugar industry, which has many troubles but which is worth \$800m to the State, the horticultural industry is only small. However, it plays an important role in the economics of Queensland. It generates considerable employment, particularly when the crops are harvested. The extent to which the towns on the north coast rely on the wealth of the horticultural industry cannot be underestimated.

There is widespread and deep concern among traditional fruit-growers and vegetable-growers that the low returns to producers in a number of Queensland primary industries are resulting in diversification into horticultural crop production. Recently the Prime Minister suggested that cane-growers grow horticultural crops. The implications of the depression in the sugar industry are of particular concern, since sugar-cane, fruits and vegetables are alternative uses for land in many parts of Queensland. In this respect, a large area of land used to grow sugar-cane could be turned over to horticultural production, and an enormous increase in supply could easily result.

Whilst the horticultural industry is not unsympathetic to the plight of cane-growers and other producers experiencing economic difficulties, it nevertheless does not wish to see the already delicately balanced supply/demand situation for many fruits and vegetables disrupted by a significant addition to the current level of supply. Existing horticultural producers have more than enough capacity to meet foreseeable domestic and export

market requirements and, for crops such as vegetables, tomatoes, avocados, bananas and mangos, problems of over-production are already a reality. In 1983-84, fruit and vegetable production was worth over \$336m. Unfortunately, the important role that producers play in the Queensland economy is not recognised by many people in the community.

Being parochial, I will mention some of the production figures for small crops in the Widgee/Gympie area. Beans are worth \$2.5m; pineapples, over \$12m; bananas, almost \$2.5m; pawpaws, \$1.3m; kiwi fruit, \$37,000; and macadamia nuts, \$889,000. Macadamia nuts, Queensland nuts or Bauple nuts, whatever one likes to call them, are a different kind of production in the area. That product is certainly growing in popularity. The market for them is endless. Other produce from the area includes peaches, nectarines, apricots and pecan nuts. Those products have an annual value of approximately \$40,000. Although that is reasonably minor, those products play an important part in the marketplace.

Another industry in my electorate is forestry, which is playing an important part in many areas of Queensland. One of the very many roles of the Forestry Department is the provision of recreation facilities. Over the last 15 years that department has undertaken an active program of construction and maintenance of public recreation facilities in State forests. I ask honourable members to bear in mind the approach adopted by conservationists, who recently claimed that the only way to create more employment in the Conondale Range area was to create a national park there. I know that would create no more employment than is presently provided by the forestry industry. Through the work and programs of the Forestry Department, more than 1 million visitors have been attracted to State forests and their forest drives, scenic look-outs, walking tracks and hiking areas. It is the Forestry Department that supplies the timber for the barbecues and maintains the roads on which the visitors travel.

I wish to comment on the sum of money that is being spent on education. One of the things I wish to highlight is the provision of technical and further education facilities which, quite rightly, are being expanded. For quite a number of years I have been receiving requests for the construction of a TAFE college in Gympie. Only a couple of days ago I took part in a meeting to determine the course requirements for a TAFE college in Gympie. With the construction of a TAFE college, the courses provided would be far better than those presently provided. I point out to the Minister just how much the community is looking forward to the construction of a college in the Gympie area. Possibly that will come about during the ongoing educational program that is now under consideration.

I wish to point out the problems that have arisen in connection with the construction of a nursing home in the Gympie area, which has been an ongoing problem for the last four or five years. I noted with regret a comment by the Minister for Health that the Federal Government has not issued any approvals on applications received since it took office. For quite some time, plans have existed for a new nursing home in Gympie. The current redevelopment plan for the hospital does not cater for any nursing home beds. One of the older buildings at the hospital will be used for patients who have to have long stays in hospital, but certainly no nursing home beds will be provided. It is a pity that the Federal Government has adopted that attitude. It does not want to play its part.

In conclusion, I compliment the Minister for Welfare Services, Youth and Ethnic Affairs for the work that he is doing. Only last week it was my pleasure to hand out awards at a youth leadership scheme held at Cool Waters at Yeppoon. Those who took part in that program really appreciated the two-week course, which helped them in their ability to look after the younger people in the community. They felt that they were better equipped to go home and carry on with the role of advisers and supporters of youth, who are looking for leadership and support from those of repute in the community.

**The TEMPORARY CHAIRMAN (Mr Fouras):** Order! The time allocated to the honourable member under the agreement has run out.

**Mr INNES (Sherwood) (5.35 p.m.):** In the course of his remarks, the honourable member for Gympie congratulated the Minister for Employment and Industrial Affairs (Mr Lester) on his promotion of a variety of activities. I suspect that the Minister would be far happier if he were able to say today that, rather than being responsible for a vigorous and energetic promotional campaign during his time in office, he had presided over a situation in which Queensland was not the State with the highest level of unemployment in Australia.

Modern politics has probably created an atmosphere in which promotion and PR are everything. It is dangerous for a Government to think in that way. There is a belief that, as long as the wordsmith issues the right press release and the Minister arrives on time for the photographer, that is what politics and government are all about. The reality is that government is about the making of good decisions. The communication of those decisions is also a part of the political process. In the end result, public relations must be related to performance, or people begin to ask questions that have political effects.

Today honourable members witnessed one breach of tradition. The Opposition failed to ensure the presence of one of its members at the delivery, to the Governor, of the Address in Reply. The Opposition failed—I suspect that it was for the first time—to ensure the attendance of one of its members at that important formal part of the annual life of this Assembly.

Another breach of tradition that has developed during the period of the sole Government of this State by the National Party is the repeated, regular and dominant absence from the Chamber of the Minister who is directly responsible for the presentation of the Budget.

The members of the Liberal Party acknowledge that Sir Joh Bjelke-Petersen is the first Premier and Treasurer since 1957, and that he has many and diverse responsibilities. Because of that, he appointed the Deputy Premier as the Minister Assisting the Treasurer. The delegation of responsibilities in this House to the Deputy Premier means that he has particular responsibilities in the preparation of the Budget.

**Mr Davis:** He wasn't here right throughout the debate last year.

**Mr INNES:** The honourable member is correct. It has become a new tradition.

What was good enough for Sir Thomas Hiley, who was never absent during the entire Budget debate, for Sir Gordon Chalk, for Sir William Knox and for Sir Llewellyn Edwards, is good enough for the person having the primary responsibility in this House for this debate. It is not just a matter of formality and courtesy; it is a matter of what this institution is about.

Occasionally, one can learn from the things that are said and the debate that takes place in this House. It is even more remarkable when one considers that the Budget was presented at a time when Queensland has the highest unemployment since 1957, when it has the highest crime rate since 1957, when it is the only State that has had a drop in average weekly earnings in the last year, and when it is the State with the highest divorce rate and number of marriage break-downs. It might well be that there is a relationship between unemployment and domestic crises. That obviously has an effect on average weekly earnings. A significant number of aspects of conduct and life in Queensland are in crisis.

**Mr FitzGerald:** Did you look at job creation? Did you look at that figure in isolation?

**Mr INNES:** That is indicative of the cliches that are trotted out with an absence of any mental process in evaluating what is being said.

The only thing that counts is whether Queensland has unemployment or employment. It does not matter how many jobs are created. If Queensland has the highest unemployment rate, the Government has failed. It means that more jobs have been lost than have been created. Queensland has the highest unemployment rate in Australia.

**Mr FitzGerald:** The labour flow into Queensland must be taken into consideration.

**Mr INNES:** You are an economist, Mr Fouras, and you have some respect for the correct use of figures.

The crucial social question is: How many people in this State who wish to work can work?

**Mr Stephan** interjected.

**Mr INNES:** Again honourable members are subjected to this illogical distortion.

To one who wants to push the barrow of the appeal of this State, all migration is great. The migration to Queensland is a reflection of the abolition of death duties and the attraction of a place in which people can prosper commercially. However, if Queensland has unemployment, all those people leaving Victoria, who are full of great free enterprise and anti-Labor sentiments, are converted into a pack of dole bludgers. The Government cannot have it all ways. The crucial facts to which I have referred cannot be disputed.

I would have thought that, at a time like this, the Government might maintain those traditions that are the fabric of a conservative institution or preserved the principles of this House. I would expect the responsible Minister to be present in the Chamber, not wherever he is.

Last Friday, the Minister for employment and Industrial Affairs (Mr Lester) was interviewed on a radio program about the continuing high unemployment figures. In as much as a reduction in unemployment has occurred, that reduction is welcomed and one prays for a bigger reduction. When the Minister was asked about the reason for the level of unemployment, he did not resort to using distorted logic, as did the honourable member for Lockyer (Mr FitzGerald).

I believe that the Minister hit the nail on the head. He said that the high level of unemployment is due to the fact that this is the first time in more than a decade that Queensland has not had major coal mines and major coal-mining towns under construction. I suspect that that, together with the reversal in one of this State's great primary industries—sugar—accentuates the problem. One would have thought that therefore it might be relevant to examine the crucial industry of coal-mining. The honourable member for Mount Coot-tha (Mr Lickiss) has already dealt with that topic at some length. One would have thought that the Government would be examining every significant area of activity to encourage further development in job creation. The problems of the sugar industry will not be overcome in the short term.

**Mr FitzGerald:** Coal exports are increasing. This year coal sales were higher. They were record sales.

**Mr INNES:** Once again, the honourable member is using distorted figures. Of course coal sales are higher; the last of the coal mines that have been under construction for 10 years has just been completed.

Despite the volume of sales, the net impact at this stage has been a loss of jobs. The Government should be examining whether the capacity is there to further develop those mines or develop new mines, augmenting the existing facilities. Is there a climate in which increased coal sales are possible? I would have thought, on the objective evidence, that there is a capacity, which will continue to be furthered in some of the existing operations.

I deal now with crucial changes that have taken place over the last three or four years. The development of the great Queensland coal industry has been based on premium quality coking coal. It is still the glamour coal; still the one that demands the highest price. The demand for coking coal has been flattened by changes in the consumption of steel. The predictions I have about future prices for coking coal, which

are an indication of demand, suggest that, in 1986, the value of coking coal will be reduced by a couple of US dollars, in all probability, and it will not be until 1987 that the present value of coking coal will be again reached, or perhaps exceeded by a little.

**Mr FitzGerald:** The South African influence could have a lot to do with that.

**Mr INNES:** What would the member for Lockyer suggest is the influence of South Africa?

**Mr FitzGerald:** Because countries in the European market are, one after another, cancelling orders with South Africa.

**Mr INNES:** For what sort of coal?

**Mr FitzGerald:** For coal, and orders are now coming to Australia for spot sales that were formerly going to South Africa. That is the influence. If you want me to make a speech—the prospects are there for greater exports from Australia, because South Africa may be forced out of the market.

**Mr INNES:** I will deal with the South African problem, which I had intended to deal with, in any event. The realities are that South Africa's position has some significance. It is very interesting.

**Mr FitzGerald:** Thank you.

**Mr INNES:** The member for Lockyer ought to seek a little more information. It is something of a boomerang. It depends on the type of coal one is dealing with. I began by referring to coking coal. The member for Lockyer cannot answer me by talking about coal generally. The world has two markets—coking coal and steaming coal. The coking coal market is flat, and is subject to matters such as the political problems of a supplier nation, and price advantage. There is still a demand in the world for coking coal, but it is not an increasing demand. If the price is right, a greater percentage may be carved out of the existing market.

The European market is of more significance for steaming coal, which is the ugly duckling of the industry—the part of the market that Queensland has not been concerned about. In fact, the Utah tops were taken as overburden and given to the electricity generating authorities free—that product has now been exhausted—so that the coking coal could be exploited by Utah and sold to the appropriate market. In Europe, partly because of the failure of uranium electricity generation to take off as expected, a strong demand for steaming coal for electricity generation has been maintained. Many European nations depend upon it. In the past, they have used the South African market.

South Africa is very interesting. On other occasions I have made speeches in the Chamber about it. The mines near Richard's Bay are approximately 600km from the coast. South Africa builds the railways to carry the coal. That is a point of great distinction. Queensland demands that its coal-miners build the railroad, build the accommodation for the men and buy the locomotives and wagons. All of the initial capital cost is paid for entirely by the coal-miners. That is a very important basis of distinction between Queensland and South Africa, even assuming normal conditions in South Africa. Even then, the transportation of coal in South Africa costs only half as much for a journey twice as long! An enormous tax factor is built into Queensland's coal rail freight. On the best information available to me, a service that costs the Government between \$3 and \$4 is charged at an average of \$12 or \$13, which was discounted last year by \$2. That massive Government profit factor has made our coal-miners uncompetitive with South Africa. As I have said before, if, during difficult times, the Government were to make crucial adjustments in the coal rail freight price, Queensland could be competing for and taking over existing coking-coal markets formerly serviced by South Africa.

Let me now turn my attention to steaming coal. In comparison with Europe, South Africa provides steaming coal in considerable quantities. Steaming coal will be affected, of course, by the same freight costs and the absence of capital cost expenditure in the provision of a railway network. The important thing to remember in relation to steaming coal is the instability in South Africa that is causing European consumers, and all other consumers, to hedge their bets and not put all their eggs in one basket. Operating against that consideration is the fact that the rand has dropped dramatically in value, and that means that the present value of South African coal is only 60 per cent of the cost of one tonne of Queensland coal. On the one hand, instability has created a demand; on the other hand—

**Mr FitzGerald:** Trade boycotts will still wipe all that out.

**Mr INNES:** It is true that a boycott exists in French ports, but not in all ports in Europe, although there is a certain amount of antagonism towards South Africa. However, in France, a boycott has been applied and that offers—or should offer—an opportunity for Queensland to obtain a market.

All honourable members would know of the Japanese experience in Iran. Despite enormous political instability that resulted in massive political upheaval, the Japanese still went ahead and constructed oil refineries in Iran, because the realities are that if there is a market, companies will always find a way round boycotts. Of course, they may not get the net benefit that they expect and they risk total destruction and total enclosure.

**Mr FitzGerald:** Are Queensland companies filling orders in Europe as a result of that boycott?

**Mr INNES:** Orders are being filled in Queensland and going to Europe, but there should be more. I repeat: there should, and could, be more.

**Mr Henderson:** How?

**Mr INNES:** The Queensland Government could give the coal companies the benefit of a crucial and enormous profit factor, out of which the Queensland Government will make \$350m next year—a concession in rail freights.

**Mr FitzGerald:** How does the Government do that?

**Mr INNES:** It offsets costs of rail freights.

The trouble is that life has become very simple for the Queensland Treasury and for those who like to build schools and dams at virtually every corner. Coal companies have become a captive market, because people think that big coal companies are an easy touch for big amounts of money and, as a result, there is very little political flak. What does not receive consideration is the dynamic commercial situation.

If coal companies export greater tonnages of coal, those tonnages can be made up of lesser amounts adding up to bigger amounts but spread over a number of trading partners. That would result in more harbour dues being paid, which is crucial to the generation of more employment. On the projected demands for steaming coal, it is conceivable that a shortfall of about 10 million tonnes per annum will occur throughout the world by 1990. That projection has been put forward by Dr Ian Story, the leading Australian energy analyst at Meares and Phillips.

Unlike in the 1970s, when Queensland was not recognised or acknowledged as a major coal-production area of the world, if a person is from Queensland, the world knows that he is from a major coal-producing province. Queensland has a foot in the door; but, as with any other commercial venture, a foot in the door has to be followed up with reliability of supply and cost advantage. High freight rates for coal transportation in this State—a very easy taxation measure—have meant that Queensland coal companies

have lost the benefit to be gained by Queensland's having large, easily mined, high-quality deposits of coal that are located relatively close to deep-water ports with excellent port facilities.

The simple thesis I am putting forward is that expansion capacities exist and that further expansion capacities are available in the coal-mining area. The Minister for Employment and Industrial Affairs (Mr Lester) acknowledged last Friday what I believe is completely accurate: that a crucial feature of Queensland's boom situation over the last decade was the development of coal mines, the construction of railway lines, the manufacture of locomotives and wagons, and the construction of harbour and loading facilities at wharves, all of which usually follow the development of major coal mines. Queensland should be looking to attempting, even in a flat world market, to carve out bigger parts of the market for coking coal and taking part in the expansion of the market for steaming coal.

**Mr Ahern:** During the last six months I have spoken publicly on at least 40 occasions about the importance of the infrastructure industry for Queensland.

**Mr INNES:** And the Minister is absolutely right. It is only the need to service the development of those towns and mines that provides the legitimate reason for the expansion of industry, particularly the metal trades industry. At the moment, Queensland industry is getting a boost from a Capital Works Program related to the electrification of the main line. That is a one-off.

**Mr Ahern:** However, round the world today the trade in resources generally is not growing nearly to the extent it has during the past decade.

**Mr INNES:** That is true. Exactly. So that means industry has to be more competitive, and Queensland loses.

As I said, the service is \$4 a tonne. The average charge with discount is \$11 a tonne. In some cases, it is higher. The tax of \$7 or \$8 a tonne that is imposed by the Queensland Government can be played with. It can be utilised to give the coal-miners an advantage. There is a more disturbing factor in many ways, though, when under a so-called free enterprise Government only one coal-mining company in Queensland today is making a true commercial profit. There is plenty of positive cash flow when the tonnage of coal that a company is selling is paying what the company owes its bankers—paying its debts—but, in all probability—and this is what industry sources will say—only Utah is making a true profit on investment. The people who are behind the investment—the Australian Mutual Provident Society and others, who are the private share-holders of this nation and elsewhere in the world—are being used by the Queensland Government for its taxation purposes. It is their money that is being used. They are not getting a return on investment, and this Government is getting the cream by way of taxation.

**Mr Henderson:** What about wages?

**Mr Ahern:** I am not arguing, but we are living today in what is called the post-resources-development era in the world.

**Mr INNES:** Yes. The member for Mount Gravatt said, "What about wages?" I hope that the Minister for Industry, Small Business and Technology will take the member for Mount Gravatt to talk to the miners so that he will realise that the miners are highly productive and highly efficient because of the use of plant and mechanisation, and that wages are not a factor of the magnitude that the honourable member clearly thinks they are. The sustaining of production is important, so they do not want bad industrial relations, but the factor of wages is not significant. What is significant is the factor of capital, plant, efficiency and location.

I am sure that the Minister would agree that Queensland, notwithstanding the flat world demand, is still in a position, because of the inherent benefits of size, location of

deposits, access to the coast and the quality of the facilities that have been built—the railways, the wagon systems, the coal-loaders and the wharves—and apart from the tax grab that the Government makes, to carve out a market over its competitors.

At a time of significant unemployment, when the downturn in the development of Queensland's mines and new towns is affecting all the secondary industries in this State, it is very important that the Government should be taking advantage of every opportunity to improve Queensland's position.

*Sitting suspended from 6 to 7.15 p.m.*

Mr INNES: Before the dinner recess, I was dealing with coal rail freights and their potential for adjustment in favour of capturing a greater market for Queensland and developing more coal production in Queensland.

I would like to move quickly to coal freight rates and the electricity industry. Over the last few months, I have asked questions and made some statements about the over-capacity of the Queensland electricity generating industry. We understand why decisions were made some years ago, why those decisions are creating problems now, and the difficulty in reorganising what is a gross over-capacity that has very important consequences on the cost of electricity to the average consumer.

One is wrong to be impatient, and perhaps I was a bit harsh on the member for Lockyer. The reason I was slightly impatient is that there is so much rhetoric in this Chamber. The same old statements are trotted out and they become barriers to understanding. People make statements without understanding them but, unless they examine the statements, they cannot find solutions to the problems that are behind some of the statements.

For instance, it has been said in this Chamber many times that it is dreadful that the Federal Government allows this massive international debt which puts us in the position of a Third World country. That is true. But during the Address in Reply debate and this Budget debate, I have not heard any Government member acknowledge that Queensland's borrowings are part of the Australian national debt.

I had some figures researched by the Parliamentary Library. For instance, next year, planned borrowings by Queensland will be the highest per capita of those in any State in Australia. They will be \$124 per capita, which will be higher than the borrowings in any other Australian State. Last year, Queensland was third. There is not enough critical examination of statements that are made for purely party political purposes. Whatever Government members say is right; whatever we say is wrong. All States contribute to the national debt. The electricity industry is one of the industries that are creating this demand by the States for massive overseas borrowings.

There is a major problem. It is that the industrial and commercial users of electricity are not emerging, which is leading to over-capacity, and the poor consumers who are left have to carry the burden. People in Queensland are among the highest priced, if not the highest priced, electricity-users in Australia.

Then I look at the coal issue. On two occasions I have asked the Minister for Mines and Energy (Mr I. J. Gibbs), firstly, what the price of coal is to the Queensland Electricity Commission and, secondly, what the cost of transporting it is. On both occasions he has refused to tell me. It is no wonder that there is a call for a public accounts committee. This is a serious matter that affects every consumer of electricity. I understand that somebody in the National Party meeting yesterday talked about gobbledegook. I have never heard worse gobbledegook than that from the Minister. On two occasions he has said, "We can't let you have that information for commercial reasons." Frankly, I doubt his sincerity. I think the reason he will not give the information is that it is damned embarrassing.

The freight rate being paid to carry coal from Curragh to Gladstone is probably \$12 or \$13 a tonne, with a discount factor of \$2. Probably the end result is \$11 a tonne.

The Queensland Government is profiteering on the supply of coal to its own consumers and unnecessarily inflating the price of coal. Utah tops are trundled in at minimal cost. Curragh coal is being rail-freighted with that tax or profit factor, which is rebounding on every electricity-consumer in Queensland.

The Government, by its action, is compounding an error of judgment. Already, that is impacting enormously on the average Queensland consumer of electricity. When the Minister is asked a question about the price of coal, he says, "I can't give that price. It is a commercial matter between ourselves and the company." I do not accept that. The whole tender system presupposes that, in the public interest, open knowledge will be there so that people know whether they are getting value for money.

Let me move from that to railways. That the public cannot be told what the Railways Department, which is a Government department, charges the Queensland Electricity Commission, which is a statutory authority, to transport its coal is a load of bull. The only reason why that information is refused is that it is downright politically embarrassing. That is just not good enough. Unless honest disclosures of information occur, honest and critical decisions cannot be made in the interests of the public.

I apologise to the member for Lockyer (Mr FitzGerald), who is not present, but if I did show a little impatience, it was because the sorts of things that are said in this Chamber are barriers to information and to an honest, critical and sensible assessment of the problems of the State. They are also barriers to making decisions sensibly in recognition of all the factors. If a person tells himself lies, he will not act correctly, and that is the point that I am making.

**Mr ALISON (Maryborough) (7.21 p.m.):** Fairly regularly I am disappointed at the standard of debate from Opposition members. One expects an Opposition to keep a Government on its toes. The Government does not expect any quarter and it does not give any. However, the Government does expect the Opposition to be constructive, and I am afraid that the Queensland Opposition is very rarely constructive in its criticism.

In this respect, I refer to the speech made last Tuesday by the Leader of the Opposition (Mr Warburton) in this debate. He tabled a statement titled "Queensland Recurrent Budget", which obviously was put together by somebody who knows how to cook the figures. The Leader of the Opposition claimed that he broke down the Consolidated Revenue Fund into recurrent and capital components and came up with this little gem of deception, which is neither one thing nor the other, and which was labelled a recurrent Budget.

The Leader of the Opposition either did not know what he was talking about and somebody else prepared his speech for him, or he did know what he was talking about and deliberately deceived Parliament. He made much in his speech about capital works and revenue expenditure, and endeavoured to discredit the Special Major Capital Works Program of \$600m, which has been in place for two and a half years.

In commercial accounting, it is imperative to keep a very strict account of revenue as opposed to capital items of income and expenditure——

**Mr Davis:** Can I ask you this one question?

**Mr ALISON:** I am sure that this will be a gem from the finance wizard on the Opposition benches.

**Mr Davis:** I don't pretend to be a financial wizard, like you, but where is your Treasurer or the Acting Treasurer? They have not been here right throughout the entire debate.

**Mr ALISON:** I am quite sure that those honourable gentlemen are attending to very important parliamentary business.

As I was saying—in commercial accounting, it is imperative to keep a very strict account of revenue, as opposed to capital items of expenditure and income, because the

main purpose is to arrive at a result for the commercial enterprise for a certain period. In other words, the purpose is to show whether the enterprise recorded a loss or a profit for that period.

Government accounting is quite different. It could be said to be based on a cash-flow basis. Emphasis is placed on the allocation of funds out of consolidated revenue for the administration of departments. Other funds that are mainly for capital works are allocated out of the Loan Fund and the Trust and Special Funds. A very strict account is kept of the various Votes.

Allocation for capital works may come out of consolidated revenue, so there is nothing extraordinary about that. Indeed, plenty of examples of capital expenditure in the commercial sense are funded from consolidated revenue, and they can be found in the Consolidated Revenue Fund statement. Unfortunately, the Leader of the Opposition overlooked that fact. It is obvious that he commissioned somebody to come up with a bogus surplus in the Consolidated Revenue Fund. That bogus surplus was backed up with an equally bogus and sham statement in an attempt to justify it.

If the Leader of the Opposition knew what he was talking about and really wanted to comment constructively on the State's finances, he should have analysed the three accounts, namely, the Consolidated Revenue Fund, the Loan Fund, and the Trust and Special Funds, and offered his comments as to where he thought the State Government's priorities were wrong.

He could be looking at the total public debt for Queensland at the end of June to see how it compares with the public debts in other States. Perhaps then he could be making some constructive comment on how he thought we might get rid of the iniquitous pay-roll tax.

It is interesting to note, at this point, that the Trust and Special Funds at the end of June had cash balances of \$2,386m and the Loan Fund had a cash balance of \$88,000. I am surprised that the Leader of the Opposition did not claim that the State had a surplus of in excess of \$2,386m, based on the cash balances in the Loan and Trust and Special Funds. A statement such as that would have just as much logic in it as the one he has made about the State having a surplus of \$204m, based on the sham statement to which I have referred.

It might be timely, at this stage, for us to remind ourselves of what the three parts of the public accounts are all about. Firstly, the Consolidated Revenue Fund broadly reflects the administrative costs of government and the revenue collected to meet those costs. Secondly, the Loan Fund records the receipts and expenditure with respect to acquisition or construction of permanent assets for the State and, thirdly, the Trust and Special Funds are individually constituted by statutory or Executive Council authority for particular purposes. These Trust and Special Funds include working accounts of governmental business, trading activities funds established to record revenue earmarked for special purposes and trustee funds for moneys of a trust nature deposited with the Treasurer.

In the so-called recurrent Budget statement tabled by the Leader of the Opposition and incorporated in *Hansard*, he or his advisers have excluded only certain capital expenditure. I ask him: In his adjustment of the accounts, where does he propose that those capital expenditures go?

It is a beat-up, of course, to try to discredit the State Government. Instead of that, what he is doing, in fact, is saying that the Under Treasurer (Mr Leo Hielscher) has cooked the books and in that he has been aided and abetted by the Auditor-General (Mr Vince Doyle). If the Leader of the Opposition had any integrity at all, he would apologise to these two very professional, highly qualified and experienced public servants for his quite ludicrous, stupid and slanderous statements against their integrity.

The misunderstanding of the Leader of the Opposition of the accounts and/or straight-out deception of this Chamber do not stop there. In his Budget debate contribution,

he referred to the Special Major Capital Works Program as “a fraud and a fascinating double-shuffle” Obviously the Leader of the Opposition has not read, could not read, or has not been told, that all the information is in the published accounts, which quite clearly set out how, in addition to the ordinary Capital Works Program, the Special Major Capital Works Program money is being spent, and from which funds.

**Mr Vaughan:** Do the figures add up? That is the point.

**Mr ALISON:** Perhaps the Leader of the Opposition cannot add them up, but they do add up.

If the Leader of the Opposition cared to read the booklet *The State Capital Works Programs*, he would see that it is all there but, of course, there are none so blind as those who will not see. I refer him to page 10 of the booklet to which I have referred, which outlines the 1985-86 Capital Works Program for the Education Department, for example, and reveals a total Capital Works Program of \$189.6m, of which \$64.6m comes from the Special Major Capital Works Program fund, leaving \$125m to come out of the ordinary Capital Works Program. Unfortunately, either the Leader of the Opposition has an unenviable record for being horribly confused about the State's finances or he is deliberately confusing the people of Queensland. It is one or the other.

I refer to one other instance in which the honourable member made a complete fool of himself and, in this regard, I refer to figures released by the Australian Bureau of Statistics on 21 May last, with such figures having an embargo on them until 11.30 a.m. that day. I will come back to the embargo later. These figures released by the ABS had lengthy explanatory notes attached indicating, quite clearly, that the Queensland figures—and other States' figures, for that matter—had been adjusted to conform with a new definition of “deficit”.

This definition is confusing and, I believe, unnecessary. It has no useful purpose whatever, except, perhaps, to confuse people.

In brief, the main components of the adjusted deficit figure that is used by the Australian Bureau of Statistics is to include net borrowing—that is, gross borrowing less repayments, less net additions to cash balances and investment.

All of this is explained on page 3 of the explanatory notes. I think that the Leader of the Opposition (Mr Warburton) did not read those notes or chose not to read them and thereby announced to the world that Queensland had an estimated deficit of \$1,148m.

I refer briefly to those explanatory notes that are attached to the figures. They state—

“There has been considerable variation between States, and over time, in the use made of financial leasing and similar arrangements to acquire use but not ownership of capital assets. The short-run effect of financial leasing, in terms of the figures presented in this publication, is to reduce outlay and therefore the recorded deficit, in comparison with outright purchase. On the other hand, leasing arrangements may increase deficits in subsequent years because lease payments are included in the current outlay of general government enterprises or as an offset to the income of trading enterprises.

In recent years the Queensland Government has entered into special agreements with private sector enterprises to cover financing and loan servicing relating to the construction of railways and port facilities solely or mainly used by the enterprises concerned. As a result a substantial amount of capital expenditure on new fixed assets by the budget sector has been financed by security deposits received from the private sector, which are classified in this publication as deficit financing because they are repayable. However, a major feature of these agreements are provisions for minimum shipping tonnage requirements and the determination of freight rates and other charges, to be paid by the enterprises concerned, which are designed to

ensure that sufficient funds are available to allow the Queensland government to service and repay these deposits.”

If the Leader of the Opposition had read that or if somebody had drawn his attention to it, he would have learned that the reference to the deficit was not the deficit as the term is used in the outside world when one refers to Government accounting.

Honourable members will see that the notes made it quite clear that, in effect, where a State Government had been spending considerable sums on development works, as the Queensland Government has, this notional deficit figure would be much higher than that in other States that may not have borrowed such large sums.

Queensland, of course, is forging ahead more than most other States and, as a result, in the ABS definition of “deficit”, to the ordinary person it looked as though it had a serious cash shortage.

I have spoken to an accountant who has more experience in Government accounting than I have. He agreed with my general conclusion that the notional deficit figure that is used by the ABS is completely useless. I do not know what one would use it for. It does not mean a thing. For all the good it does, one may as well pluck a number out of the telephone directory.

The Leader of the Opposition made no mention of this and simply floated this figure in an effort to create alarm and concern in the State because, on his say-so, it seemed that the State was going bankrupt.

I respectfully suggest to the Leader of the Opposition that he give up trying to interpret Government finances, because all he is doing—apart from creating confusion—is making a dreadful ass of himself.

I return now to the embargo on the figures released by the Australian Bureau of Statistics. The Leader of the Opposition broke that embargo, placed by the ABS on the release of those statements, purely for cheap political gain. He could not get to the media quick enough when he thought that he suddenly had something hot. He thought that Queensland had an estimated deficit for the year of \$1 billion-odd. As I say, he broke the embargo purely for cheap political gain. I suggest that that act of breaching an embargo is a serious act of impropriety and unethical behaviour, to say nothing of economic ineptitude.

I turn now to financial matters in relation to the Federal Government. Honourable members hear a great deal about public accounts committees. For a long time, the Federal Government has had a public accounts committee. Hardly a quarter goes by without the Auditor-General unearthing some scandal, shortfall or gross inefficiency. The Defence Department is a notable example.

I refer to an article in *The Australian* headed, “\$123 mil lost in pension bungle” It states—

“The latest audit of the Department of Social Security has disclosed that unrecovered pension overpayments increased by almost \$20 million to \$123.8 million in the last financial year.”

As a result of inefficiency, \$123m of tax-payers’ money was paid out needlessly. What is the Federal Public Accounts Committee doing about it?

The article further states—

“The audit found breakdowns in procedures to establish the identity of applicants had occurred in five regional offices, representing a 10 per cent failure rate in identification procedures.”

It goes on—

“Social welfare payments showed the weakness of a system that could not even guarantee payments were made on the basis of proper identification.

It also revealed inadequacies in the Veterans' Affairs Department.

The audit found an absence of reviews of pensioners' continuing entitlement, no effective proof of a claimants' income, and inadequate controls to recover overpayments."

Finally, the article states—

"The report noted the Aboriginals Benefit Trust Account was not required to prepare financial statements, and recommended prompt action to ensure effectiveness of payments.

It also criticised forward planning reports by the Department of Aboriginal Affairs, which were inaccurate by up to 80 per cent."

I refer to an article in *The Australian Financial Review* entitled, "Social Security's harder line on fraud" The opening paragraph states—

"The Federal Department of Social Security has introduced new tougher procedures for checking possible social security fraud and overpayment in a bid to reach the \$25 million savings target set in the Government's May economic statement."

If I understand that correctly, the Federal Department of Social Security is saying that it is trying to smarten up its footwork. It is not trying to save the whole \$120 million-odd; it is merely trying to save \$25 million. That seems to be the target. If the department reaches that target, jolly good show. It will not worry about the other \$100m of tax-payers' money.

What I am leading up to is that this nation has a Federal Public Accounts Committee. However, it does not seem to be working very well. I know that the members of the committee travel all over Australia. I do not know what that costs; it should be an interesting figure.

Queensland has the Financial Administration and Audit Act. There are five basic principles on which the Act is based, and those principles are—

Flexibility is necessary in prescribing the detailed financial control and accounting requirements.

There is a need for strong internal audit to aid and guide top administration and to ensure that value for money is obtained.

The administration is accountable to Parliament.

Cash accounting rather than accrual accounting is suitable for the purposes of the public accounts.

Parliament should be assured by a fully independent Auditor-General that the administration adequately accounts for its stewardship.

The whole pattern of the Act is to govern the financial administration of the moneys appropriated by Parliament from the public accounts. In other words, the controls taken in the Act begin only after the Parliament has passed the Appropriation Acts and approved the Estimates-in-Chief.

In drawing up the Act, emphasis was placed on the principle of accountability of the administration to Parliament for the use of public moneys received from taxes and other sources in trust for Parliament and the responsibility of the administration to report to Parliament as to how that trust has been fulfilled.

Section 35 of the Act sets out the provisions with respect to the officers accountable to Parliament. The term "accountable officer" was adopted for use in the Act in designating responsibilities of departmental officers who, being responsible for the financial administration of the parliamentary grant for the services under the control of their departments, are charged by the Act with the duty of rendering departmental appropriation accounts to Parliament. The term "accountable officer" exactly describes the responsibility of such officers—they are accountable to Parliament.

Each accountable officer is required, by law, to review, appraise and, where necessary, amend, alter or vary the financial systems, practices and procedures of his department to ensure that they are adequate to enable him to perform or discharge in a proper, efficient and economical manner the functions and duties imposed upon him by the Act.

He is also required to prepare and issue a departmental manual. The manual must comply with the Act, with any other Act or law relating to financial administration and with the Treasurer's Instructions. Every officer engaged on duties in connection with the financial administration of a department—that is, every accounting officer—is required by the Act to comply with the accounting manual prepared and issued in respect of the department.

The term “internal control” means the technique by which the accountable officer of a department ensures, through a plan of organisation and other co-ordinate methods and measures, the proper discharge of his responsibilities. In other words, internal controls are the means by which an accountable officer seeks to ensure that the objectives of his department are met. Obviously, such objectives cover a wide range of operations, all of which need to be controlled and monitored in some way. It should be particularly noted that there is no suggestion of a limitation to matters of finance.

Internal control is closely related to accountability. The chain of accountability from the lowest level of responsibility up through the department and to Parliament can only be honoured if each level of responsibility has adequate means of controlling those to whom authority has been devoluted.

A key provision of the Act is for the establishment of adequate internal audit organisations to assist accountable officers in the efficient discharge of the heavy responsibilities imposed upon them by that Act. It is clear that, in major departments, the accountable officer cannot be expected to attend personally to the extensive range and detail of all the matters and things for which he is responsible. He must be assisted by an independent appraisal activity within his department if he is to monitor, effectively, the work of his officers in the various fields of departmental activity. That independent activity must be directly responsible to him and is the means by which he is assured of the effectiveness, economy and integrity of departmental operations from both the financial and the administrative viewpoints. The independent appraisal activity, designed to satisfy this requirement, is known as “internal operational audit”

The responsibility thrown upon an accountable officer without the assistance of such an activity might well be intolerable. Recognition of this position is fundamental in any large organisation and is given full recognition in the Act.

In July 1979, Cabinet set up a steering committee to co-ordinate the establishment of adequate internal audit organisations in the Queensland Public Service as provided for in the Act. That committee, comprising the Chairman of the Public Service Board, the Auditor-General and the Under Treasurer, approved development plans for this activity. Those plans were ratified by Cabinet on 29 July 1980.

The activity was called “internal operational audit” to emphasise the broad and strategic role necessary to provide sound advice to the accountable officer on both financial and administrative aspects of departmental performance. It was considered essential that those considerations be appraised conjointly to achieve the type of accountability provided for in the Act. The primary objective is to establish and maintain an economically viable internal operational audit activity for all accountable officers that assists them to obtain improved effectiveness, economy and control in managing departmental operations. Growth of the activity will be gradual and spread over a number of years, in line with achievements.

I now deal with departmental fees and charges, about which we hear a great deal from members of the Opposition. Non-tax revenue of the State includes moneys arising from fees and charges levied for services and goods provided by departments. As a

general rule, wherever economically and administratively feasible, departments ought to charge for services rendered or goods supplied unless there are specific exemptions approved by a competent authority. In this regard, where services are rendered or goods supplied to any person by the department under the control of the accountable officer, there is a responsibility placed on him by section 36 (1) (e) of the Act to ascertain, by regular examination, whether fees and charges are being properly assessed and levied and whether such fees and charges are adequate, having regard to the cost of such goods and services and other relevant matters. I commend a reading of that section to members of the Opposition, who seem to be unaware of its existence. He is also required to report, in writing, the results of each such examination and make appropriate recommendations to the Minister of the department.

I have referred to the Financial Administration and Audit Act simply to indicate, in very brief terms, some of the principal reasons the Government's accounting of our State's finances is of such a high standard. Under the Act, everything is accountable through Parliament.

I comment now on the sugar industry and, in particular, on the 100-day committee report. Now that the Savage committee has carried out its work and presented its report with recommendations, one could reasonably expect that the Federal Government would act speedily to honour Mr Hawke's commitment to a price maintenance scheme to sustain the industry while the report is studied and appropriate recommendations for its restructuring are undertaken.

So far, the Federal Minister for Primary Industry (Mr Kerin) has made various statements and, frequently, conflicting statements, depending on to whom he speaks and where he is speaking. It is obvious to me that Queensland will not get any quick action from the Federal Government unless the sugar industry, together with the State Government, can shame the Federal Government into taking urgent action and set up a price maintenance scheme, as recommended in the report to which I have referred. A prominent Australian Labor Party Federal Government member has already stated publicly that there are not too many votes in the sugar industry for the Federal Labor Government.

**Mr Davis:** Name the person.

**Mr ALISON:** Mr Brown. There, I have named him for the honourable member.

I believe that that consideration has coloured the Hawke Government's thinking and is the reason for its inaction towards the sugar industry.

**Mr Davis:** Do not just pick a name out of the air.

**Mr ALISON:** The honourable member for Brisbane Central can check that in one of the southern papers, if he wants to.

It is in the Hawke Government's interests to keep the sugar industry dangling longer, so that perhaps a thousand or two thousand cane-farmers will disappear from the industry and become dole recipients or, possibly, wage-earners. In that way, with a bit of luck, the Hawke socialist Government might pick up a few votes that it would not otherwise pick up if such people were still in the sugar industry. I firmly believe that the ploy of the Federal Minister for Primary Industry (Mr Kerin) and the Prime Minister (Mr Hawke) is to keep the sugar industry waiting, in the hope that a thousand or two thousand cane-farmers and their families will disappear from the scene.

Let me now examine what the Hawke Government will do this year by way of making straight-out grants. They will not be loans; they will be grants to the manufacturing industry, which is centred largely in Sydney, Melbourne and Adelaide. First of all, let me examine the bounty payments that have been budgeted for in 1985-86 for various secondary industries. Bounty payments in the current Federal Budget total \$264m. In addition, there is an amount of \$391m for direct budgetary assistance to the manufacturing industry. Again, I emphasise that they are not loans; they are grants.

I wish to refer to copies of documents that I have taken from the Federal Government's Budget papers, and, to begin with, I shall refer to bounties. Table 1 shows that, for 1985-86, an estimated \$264m will be granted; for the textile industry, \$95m; for the steel industry, \$52m; for the ship-building industry, \$47m, and so on. They are not the only items to which tax-payers' funds are given, either directly or indirectly, in the manufacturing industries. The total amounts to \$655m, in contrast to the complete lack of assistance in the current year for the sugar industry. That is a disgrace and a national scandal.

I know that more votes can be obtained in the south, particularly around Sydney and Melbourne. Nevertheless, cane-farmers in Queensland and northern New South Wales are also Australians. Through their efforts, they contribute something like—

**Mr Hamill:** So Queensland is part of Australia?

**Mr ALISON:** Remind Mr Hawke of that.

Cane-farmers contribute something like \$700m to \$800m in export earnings.

**Mr Randell:** Mr Hawke will be reminded of the money when he goes to Townsville.

**Mr ALISON:** Yes, I believe he will.

Cane-farmers also provide employment for many thousands of people. Moreover, each year from the sugar industry the Federal Government receives approximately \$70m as excise from rum-manufacturing and many hundreds of millions of dollars in income tax.

It is imperative that the sugar industry receive through its No. 1 Pool a price maintenance scheme for the current year of \$240 a tonne sugar and that something be paid on account during the current year so that the sugar-cane industry does not have to wait until July of next year before it receives anything up to that figure. The Hawke Government should now come clean and commit itself to a grant for the current year into the No. 1 Pool and take the price of sugar up to \$240 a tonne. My understanding is that, even if the price of sugar dropped back to what it was a couple of weeks ago on the world market, the required amount of money would still not exceed \$80m for the current year. That is a trifling amount compared with what has been poured into secondary industries by the Hawke Government.

**Mr Davis** interjected.

**Mr ALISON:** I do not have time.

There should be no talk of a loan to the No. 1 Pool. The Federal Government should make a straight-out grant because the industry can no longer carry loans. It is a great pity that the socialist Opposition in this Chamber—these noisy people on the Opposition side—cannot, for once, in this time of great turmoil in the sugar industry, stop adopting a partisan approach and a subservient role in its dealings with the Australian Council of Trade Unions/Australian Labor Party coalition in the Federal field, and stand up for Queenslanders and northern New South Welshmen. Members of the Opposition should stand up for the cane-farming industry and those who work in it, and ensure that the Hawke Labor Government lives up to its commitment to an industry that is in trouble at present. I wish to mention only three items that are set out in the recommendations. Firstly, a price maintenance scheme is recommended, to start off on \$220 a tonne for the current year, dropping to \$215 a tonne for the 1986 season, and then \$210 a tonne for the 1987 season.

That recommendation absolutely amazed me on two counts. Why on earth did the committee's recommendation start on \$220 a tonne in the one breath, and in the next breath admit that that figure, on the 1984 cost of production, would only cover cash operating costs, including the grower's own labour, for approximately 43 per cent of the growers? The industry has been saying all along that it needs at least \$240 a tonne to

cover operating costs, grower's own labour and interest charges, and I believe that it is estimated that, even then, some 10 per cent of the cane-farmers would have to leave the industry.

The second count on which I find the committee's recommendation in regard to the price maintenance scheme ludicrous is its recommendation of a lower amount a tonne for the second year and an even lower amount for the third year. Why? Certainly one would hope that, through restructuring and an improvement in efficiency generally, costs would drop to some extent. However, starting off on such a low base in the first instance, with rising costs, makes that proposition completely ridiculous.

**Mr EATON (Mourilyan) (7.51 p.m.):** Because the member for Maryborough (Mr Alison) finished his speech by referring to the sugar industry, I will begin my speech on the same subject and rebut many of the arguments that have been put forward by Government members and many of the aspersions that they have cast on the Federal Government.

A great deal of noise has been heard from Government members ever since the Labor Government came to power in Canberra. It seems that there was not one problem in the sugar industry until after the Federal election of 5 March 1983. Immediately after Mr Fraser and Doug Anthony lost office, problems began to emerge in the sugar industry. I say that because not one Government member can show me a printed statement of criticism of Mr Fraser or Mr Anthony.

Exactly six days before the Federal election of 5 March 1983, I attended the cane-growers' conference here in Brisbane. Doug Anthony came to Brisbane on the Monday before the Federal election to open that conference. In his opening speech, Mr Anthony did not make one promise about assistance for the sugar industry. All he said was that he knew the industry was in trouble and that his Government would stand firm behind the cane-growers.

Immediately after Mr Anthony completed his opening speech, I asked for a copy of the agenda for the meeting. One of the officials said to me, "This young lady here will take you downstairs, where there are plenty of copies." I discovered that the young lady had been hired to hand out agenda items for the day and to assist the officials who were running the meeting. When we left the room in which the meeting was being held, the first thing she said to me was, "Wasn't it surprising that Mr Anthony didn't promise anything to the cane-growers? We thought he was leaving it till the last."

To be honest, I must admit that it was not only that young lady who thought that; every cane-grower at the conference and I thought that Mr Anthony was coming to Brisbane to open the conference and to announce financial assistance for the sugar industry. Unfortunately, all he said was that he knew the sugar industry had problems and that the Government would stand behind it. The cane-growers did not swallow that statement, and that is why there was a change of Government six days later.

I point out to Government members that about 12 days after Mr Anthony opened that conference here in Brisbane, on the morning before Mr Hawke's new Cabinet was sworn in, Mr Anthony went on the electronic media and announced that he had sent an urgent telex to Mr Kerin. As I said, at that stage Mr Kerin had not even been sworn in as Minister for Primary Industries, but he received an urgent telex from Mr Anthony informing him about the troubles in the sugar industry. Only 10 days before that Mr Anthony was Deputy Prime Minister. He knew of the problems facing the sugar industry, but he did not give it one cent. Yet National Party members are now running round the country bellowing like motherless calves that all the problems in the sugar industry have arisen only since the Labor Government was elected on 5 March 1983.

I repeat that Government members cannot produce one printed statement criticising Mr Fraser or Mr Anthony for failing to take up the cudgels on behalf of the cane-growers throughout Queensland who were experiencing problems. I now challenge them to lay

on the table of this Assembly one public statement in which appears a word of criticism of Mr Anthony or Mr Fraser when they were in power.

**Mr Stephan:** How many promises has Mr Hawke made?

**Mr EATON:** He made a lot of promises.

**Mr Stephan:** He has not kept them.

**Mr EATON:** Although he has not kept all of them, he has kept most of them. He has admitted that he could not keep some of them. Immediately he became Prime Minister of Australia, he was told, "You have a deficit of \$9.7 billion." Mr Howard was the Treasurer and a partner in crime with Mr Fraser. He did not think that it was worth telling the Australian public about that deficit of \$9.7 billion. On the Thursday night prior to the election, when there was an election black-out on the electronic media, they sneaked round like mongrel dogs and told Bob Hawke that, if he became Prime Minister, he would have a deficit of \$9.7 billion.

Twelve months after the Labor Government took office, its first Budget was introduced. Mr Howard was asked to comment on the first Labor Budget. He said that it was a stable Budget but that he thought that the deficit, which had been reduced by a fraction over \$1 billion, was too high and that the Government should have done more to reduce it.

**Mr Davis:** Was Mr Stone the Secretary of the Treasury Department at that time?

**Mr EATON:** I think that Mr Stone has gone over to the flat-tax system. He might be a bit of a fisherman, too; he believes in flatheads. If he ever goes fishing and catches a flathead, there will be two on the line—one at each end.

I return to the sugar industry. National Party members and a couple of Liberals have made misleading statements about the Federal Government's failure to help the sugar industry in Queensland when it has done so much for the steel industry and the car industry. I think that the assistance going to the car industry totals \$150m. I want to emphasise that that assistance is conditional. Not one Government member has mentioned that the aid that the Federal Government is providing to the steel industry and the car industry is conditional. The assistance is being provided to those industries on the same basis as assistance will be given to the sugar industry. Whatever aid is given to the sugar industry, it will be conditional, and that fact must be accepted. If the State and Federal Governments accede to the requests to give aid to the sugar industry, the people in the industry who are in trouble are prepared to accept conditions. In that way the aid will go to the needy and not the greedy.

I refer to the aid that is being given to the steel industry and to BHP. The Commonwealth assistance to BHP is in the form of the five-year steel industry plan. It entails the provision of bounty assistance on certain steel products, under which bounties are paid when the market share in those products falls below 90 per cent. The assistance cuts out completely over 90 per cent and, should it fall below 80 per cent, the Government will consider further action.

The theory behind the bounty assistance as opposed to a tariff on imported steel is that the cost will not flow on to other sectors of the economy. The total maximum cost is \$300m over the five-year period, but it is not expected to cost the Government that much. It is not an open-ended commitment, and it has been entered into on the basis of a tripartite agreement. Assistance is only forthcoming to the extent that all parties fulfil their part of the agreement.

BHP has agreed to invest \$800m in modernising its steel plant. The unions have agreed to abide by certain work practices and dispute-settlement conditions, and to accept only wage increases granted by the central authority.

Government members have said that the Hawke Government is giving the steel industry \$300m as a straight-out grant or gift. That is not so. The assistance is being provided under certain conditions that will prevail during the five-year period. BHP will receive aid up to \$300m. It has not been stated that the company will receive aid totalling \$300m. To qualify for the grant, the company must modernise its plant and spend \$800m. Government members are not interjecting now that I have laid the facts on the table.

The Hawke Government is strong enough to take any criticism that the Queensland Government can throw at it. However, any criticism that is levelled should be just, honest and constructive, so that people can gain from it. Unfortunately, criticism by Government members has consisted of nothing but half-truths meant to lead the people astray and into believing that the Federal Government is doing nothing.

In the last three years, the Federal Minister for Primary Industry (John Kerin) has aged 20 years. He is not frightened to go into the dairying regions or into the sugar areas and face the music. As he says, if he wins the black eye, he will wear it; he does not run for cover. Under the previous tory Governments, the Ministers ran and hid to keep away from the trouble-spots. If there were troubles in the sugar industry in Queensland, the Ministers were in the gold-fields of Western Australia. If there were troubles in the gold-fields, they were out in Tasmanian fishing waters. They would never be found within thousands of miles of the trouble-spots. In contrast, the Hawke Government Ministers are sent into the trouble-spots to meet with the people.

As you, Mr Booth, would be aware, Mr Kerin flew up to Warwick to be abused and denigrated by the dairy-farmers. Many people who had faith in the Kerin plan, as it became known, were disgusted by the actions of the farmers. Kerin took on the Victorian dairy-farmers who instigated most of the problems in their industry. He wanted to introduce a plan because dairy-farmers would not sign an agreement that would have ensured that all dairy-farmers were treated equally.

In Queensland today, some farmers supply 20 per cent of whole milk to factories whereas others provide 80 to 90 per cent of whole milk to the market. Some farmers cannot get into the whole milk market, and it is well known that profit in the dairy industry is made on the whole milk market. No profit can be made with manufactured milk or butter-making. The State Government has failed miserably in its attempt to introduce an equalisation scheme for the dairy industry, and eventually it will be forced upon that industry whether it likes it or not.

The sugar industry is not the only primary industry that is in trouble. Indeed, the majority of primary industries have problems. Primary industries gained from the Hawke Government's devaluation of the Australian dollar because most of the trade agreements were based on the value of the American dollar. As a result, overseas buyers are given inducement to buy Australian primary products, such as wheat and dairy produce, because they get more value for their dollar.

A few months ago, during a trip out west, a grain-grower told me that although grain-growers were not getting a great price, they were able to clean their storage sheds out and make room for this year's crop. Because of the prevailing world economic situation, many primary producers are not secure in the belief that primary industries will do well in the next few years. Owing to its small population, Australia is tied to overseas economies. When America coughs, Australia gets pneumonia.

The Queensland Government has failed to measure up to its responsibilities to plan ahead. It has let primary products sell themselves. Over the years, Australia's primary produce has been of a very high quality and in demand on world markets. The Government and the agents who have a monopoly for the promotion of the produce have sat back and let the telexes come in with the orders, regardless of quantity.

The European Economic Community went out to find markets, and established contracts, bartered and traded. Australian agents and Government Ministers did not do

anything to try to sell our product overseas, to find new markets or to expand existing markets.

Over the years that Australia sat back and criticised the EEC—we were pretty good at doing that—the EEC took no notice whatever. It sent its people out into the field. When it could not find new markets, it went back to the old barter system. It would say, “If you want us to take something of yours, you have to take something of ours.” That is now having a very bad effect on the Australian economy. This Government will have to take note of that.

I know that already the Federal Government has measured up and has shouldered its responsibilities. John Kerin has had two or three trips overseas and so far has done a very good job without any support, or very little support, from the primary industries. All he has had is criticism from the tory Governments in power throughout Australia and from the tory Oppositions in Australia. Those who have criticised John Kerin are members of the Liberal and National Parties throughout Australia.

The Federal Government is cognisant of the need for a good, stable plan for all primary industries, for heavy industries and for our resource exports. No solution will be found overnight. Planning has to take place. Sacrifices have to be made by all concerned. The member who preceded me spoke of what he called the ACTU-dominated socialist Government in Canberra. When the Hawke Government came to power, the people of Australia found that it believed in negotiation. Those negotiations brought about the wages pause and union agreement to accept pay rises only at certain times. That has not been easy for the unions, and it has not been easy for the Hawke Government. That has brought about a certain amount of stability.

If the Federal Government can keep up that consultation and negotiation, everybody will benefit. In the long term, the unions, the manufacturers, the small business people and all Australians will benefit. That is what government is all about. Everybody knows that this nation and all other nations in the world have gone through very serious economic times. I have received many requests from businessmen to try to alert the Government to certain things. Should any Government member wish to challenge my statement, I have in my hand a number of these requests, which I have stapled together. One is from the Queensland Confederation of Industry Limited.

In this Chamber, one hears members of the Government saying that everything is rosy and that the only problems are caused by that “socialist Federal Government” in Canberra. Those present in this Chamber and their children will live to see the day when it will be recognised that the Federal Government brought stability to this country. I recognise that quite a few problems exist. As I said before, they cannot be cured overnight. It is time that the State Government took stock of itself and was a little bit constructive in its criticism instead of trying to feed the people of Queensland half-truths and innuendoes.

In his Budget speech, the Premier and Treasurer said—

“However, we are very concerned that many growers require immediate assistance and cannot wait for the special industry assistance measures to be put in place. There are on-going day-to-day expenses which must be met if these growers are to survive.”

I want to emphasise this point because north Queensland newspapers have contained criticism by Ministers that some northern members were misleading the public on what the Premier said. Because of that, I want to read what he said into *Hansard* so that when I go back to north Queensland I can point to what the Premier said. The Premier continued—

“In anticipation of the Commonwealth accepting its full responsibilities in this very vital matter, the State Government will make available immediately up to \$20 million in loans to assist growers unable to meet expenses such as fuel, fertiliser, harvesting costs and other carry-on requirements. The finance will be arranged on

the best possible terms and conditions, with concessional interest starting at around a quarter of normal rates.

Arrangements will be made to ensure that all applications for assistance are handled as expeditiously as possible.

The State Government expects that, in accordance with normal assistance under the Rural Adjustment Scheme, the Commonwealth will join the State in sharing the cost 50/50.

However, because the funding is needed urgently to allow farmers to plant the next season's crop, the scheme will get under way forthwith. We will resolve this and other matters between Governments in subsequent discussions on the report as a whole."

I ask honourable members to note that the Premier's opening words were, "In anticipation of the Commonwealth accepting . . ." The Budget was delivered on a Thursday and, on the Friday, after the media had featured that part of the Budget speech, my office was inundated with telephone calls, but I was unable to help the callers.

I rang the Rural Reconstruction Board and the Agricultural Bank. Nobody knew anything about it. This evening I contacted my electorate office and was told that telephone calls are still coming in. At about half past 3 this afternoon my office was contacted and told that the letter would be answered as soon as some information was obtained. More than two weeks ago, the Premier and Treasurer said that the money would be made available immediately. If anyone should be accused of misleading the public, it must be the Queensland Government. People can read the facts in black and white. The Government must measure up to its responsibilities. It should honour its promises or refrain from making announcements or promises until agreement has been reached.

The Premier and Treasurer stated—

"However, because the funding is needed urgently to allow farmers to plant the next season's crop, the scheme will get under way forthwith. We will resolve this and other matters between Governments in subsequent discussions on the report as a whole."

The Premier and Treasurer has made contradictory statements. He should now inform the people exactly where and when the \$20m in aid will be given to the farmers. I understand that many farmers will refuse to accept the aid because they cannot borrow their way out of debt.

**Mr Davis:** It's only a loan.

**Mr EATON:** The honourable member is correct. The farmers know that they cannot borrow their way out of debt.

**Mr Kruger:** They are being used as a political football. That's all they are doing with them.

**Mr EATON:** The honourable member for Murrumba is correct.

The allocation in the Budget to combat beach erosion is roughly \$3,000 short of half a million dollars less than the amount that was allocated last year. Erosion along the Queensland coast is increasing. Honourable members would have been taught many years ago that the land is our heritage. However, the Queensland Government is failing to measure up to its responsibilities in saving the land. Although erosion problems have occurred inland for years, beach erosion has become a very serious problem.

It is known world-wide that the tourist Mecca of Queensland is the Gold Coast. Since 1967, erosion problems have been experienced on the Gold Coast. During that time tidal surges and cyclones have eroded many of the Gold Coast's famous beaches, which are now nothing more than rock fills. The Government is trying to pass the buck

to local government or any other authority to absolve itself of the responsibility of having to provide money to overcome the serious erosion problems along the Queensland coast. The areas that are affected extend from the Gold Coast to Cape York and into the Gulf region.

I turn now to transport. Most people are aware that the fruit and vegetable industry, including the banana industry, is very concerned about the shortage of refrigerated railway wagons. In communication with railway officials last week, I was told that, each year, there is a period of about three months when there is an acute shortage of refrigerated railway wagons for use in north Queensland. The wagons are required for goods from Bundaberg, tomatoes from Bowen and bananas from north Queensland. Some wagons are being off-loaded and sent to Victoria. A delay is occurring in the return of those wagons. They are held in Victoria and other States to bring back fruit. The railways do not want to bring back empty wagons.

I do not suggest that the Government should purchase enough wagons to overcome the problem. However, some expenditure on them would create some employment. If too many wagons were purchased, a false economy would be created. For three months of the year, when there is a surge of production, there would be sufficient wagons but, for the remaining nine months, there would be a surplus. The problem could be alleviated to some extent by the construction of more wagons to service the industries in the north. Because of the strong competition and demand for quality in the market-place, the cost of production must be kept to a minimum. It is up to the railways to do something about the matter.

I turn now to my own electorate and I will work the parish pump. In Innisfail, it is necessary for people to book months ahead to secure a return ticket to Brisbane on the Sunlander. Because of their parents' financial situation, schoolchildren must travel by rail. So must pensioners. Although there is a demand for more train services in north Queensland, the Government will not provide them. Each day 11 buses pass through Innisfail. They compete with Queensland railways. If Queensland railways will not provide the service, it cannot expect protection in the future. The survival of the railways and its ability to compete with road transport are dependent on Government policy. Pioneer and Greyhound bus services provide a service each way. A bus service in the morning and a bus service in the evening are provided both ways, that is, two to the south and two to the north. A couple of new tourist operators have started business in the north. Innisfail also has a couple of other regular daily bus services.

The patronage is in north Queensland for more train services. It is the Government's responsibility to provide them. It says that the railways run at a loss. What does the Government do? It gives away the profitable section of the railways to QRX. It should have kept the profitable section. Nobody wants to run the non-profitable section. That is typical of past decisions made by this Government. It appears that that is the way the Government will carry on in the future.

I draw that matter to the attention of the Minister for Transport (Mr Lane). If more train services were provided in the north, I am sure that they would be well patronised. Many people come to my office to see whether I can get them a seat on the train. Quite often people are prepared to wait a day or two when they cannot get on the train of their choice. On some occasions—when school holidays are approaching and at times of annual leave—people cannot get a seat on a train for weeks and are forced to make alternative arrangements. That is a loss to the Government.

I turn to the National Parks and Wildlife Service. North Queensland probably has the most diversified national parks in Australia. I do not believe that any other part of Australia is as diversified as north Queensland with its tourist attractions and wildlife. Cairns has its international airport. That city is catering for top-class tourists from all round the world, yet the National Parks and Wildlife Service office in Cairns is a disgrace.

The Government ought to be ashamed to admit that it has a National Parks and Wildlife Service office in Cairns. It has poky little rooms. I have often had reason to

call at that office. Schools in my area frequently request wildlife photographs and so on. I receive inquiries from tourists and people who have friends or relations coming to north Queensland who want to know where to take them. I have visited the National Parks and Wildlife Service office to get advice. I happened to be up there when the National Parks and Wildlife Service was running a school for the rangers. Two and three people were trying to work in the one poky little office. I disrupted their work afternoon because those officers had to come out of the office so that the boss could take me in to see whether what was in there was what I had been requested to pick up.

**Mr Lee:** Where was that?

**Mr EATON:** In Cairns.

Cairns is a major centre in Queensland. If the Government can put demountable buildings in schools and all round the ridges, there is no reason why it could not put up a couple of demountable buildings in Cairns until such time as it raises enough revenue to build a decent building for the National Parks and Wildlife Service. It is a disgrace that the officers of that important department have to work in that building. I invite Ministers to visit that office and see the conditions for themselves. I am sure that, if they did so, something will be done about it straight away.

Money must be made available to the National Parks and Wildlife Service in north Queensland so that it can provide a service to visiting tourists and the general public. North Queensland has many beautiful spots for the tourist, such as the Tully Falls, the rivers, the mountains, and the Great Barrier Reef. I will stick to the mainland because I am running out of time, and I do not want to be left out in the deep water.

National Parks and Wildlife Service rangers in Cairns are taking overseas tourists and Australian tourists spot-lighting possums, tree-climbing kangaroos and so on.

**Mr Burns:** There are a few possums in the Ministry.

**Mr EATON:** Yes, there are.

Officers working for the National Parks and Wildlife Service in north Queensland are giving services above and beyond the call of duty. The Government should recognise that by making money available to provide more services. Officers of Government departments have the ability to give services if the Government will make money available. Those officers should not have to work out of the junk heaps that they must use at present. Often, the vehicles are not suitable for use in the areas that the officers are required to service. Sometimes the officers are required to empty rubbish bins filled by week-end tourists.

**Mr McPhie:** The possums will empty the rubbish bins.

**Mr EATON:** The possums make a mess. Comments such as that show the contempt with which Government members treat this serious subject. They regard it as a joke. North Queenslanders are disgusted by the attitude of the Government, which does not regard north Queenslanders as full citizens of the State.

**Mr HENDERSON (Mount Gravatt) (8.21 p.m.):** It is with a great deal of pleasure that I participate in the Budget debate. I congratulate the Government on its Budget for the 1985-86 year. It is a document that highlights the sound economic management of the State of Queensland by a National Party Government.

Recent surveys have shown that the greatest single problem confronting Australians, especially young Australians, is unemployment. There seems to be a malaise among many people, who suggest that it is beyond the capacity of any Government to solve the unemployment crisis. Unemployment is a major international challenge, and it is pleasing to see that Governments are addressing the problem. Indeed, the Budget is centred strongly on job creation, and the Queensland Government is to be commended on its positive and dynamic job-creation strategies.

*Time* magazine of 19 August 1985 features an in-depth analysis of unemployment in Europe under the heading, "Lost in the Eighties". The article begins on page 26 of that issue. I will quote from it to remind honourable members of the extent of unemployment in other countries, particularly in Europe—

"In France, idle youths can be seen riding the Paris Metro from high-rise suburban slums to the Champs-Elysees, where they hang out at fast-food joints like Burger King and contribute to the area's petty crime. The jobless include not only school dropouts but also the best and the brightest. In Italy, doctors with brand new M.D.s are peddling encyclopedias. In West Germany, many university-trained teachers have not seen the inside of a classroom in months, often years. In the past five years, the number of unemployed youths under age 25 in European Community countries has swelled from 2.9 million to more than 4.4 million, and accounts for an estimated 37% of Western Europe's total unemployed. 'That's a pretty major chunk of a generation,' says Britain's Ivor Richard, a former social affairs chief of the Brussels-based European Commission."

The same article contains this comment—

"The task of putting Western Europe's unemployed youth to work is daunting. Joblessness among British youth has reached 1.2 million, or about 23% of the labor force under 25. In France, 28% of those between the ages of 15 and 24, or 792,000 youngsters, cannot find work. About 35% of Italy's youth, or 1.35 million, are without jobs, although that figure is distorted by those who work in the underground economy while continuing to be counted as unemployed. The numbers are considerably better in Germany, where about 9.5% of young people, or 499,000, are out of work. In Spain, 44% of the young are listed as unemployed, although, once more, the figure is swollen by countless under-the-table workers and casual farm labor."

In the same article, Professor Francesco Ferrarotti, professor of sociology at the University of Rome, observed as follows—

"'They are not angry. They have simply stopped caring about a social system that does not care about them.' Asks one young British woman rhetorically: 'Is the Government going to take notice if the unemployed get together to organize themselves?'"

Many young Europeans are revising long-held notions about getting ahead. A surprising number of the unemployed have university degrees, and many are beginning to look differently at higher education. Last year in West Germany, for example, four out of every five newly graduated teachers were unable to get jobs. In Naples, so many doctors are out of work that the provincial medical society has printed up posters that warn, 'A university degree in medicine has become a passport to unemployment.'

West German officials credit the surge in demand for places in apprenticeship programs to a realization among teenagers that the university degree has lost much of its luster as a guarantee of a good job."

I gather that the Opposition believes that unemployment is a uniquely Queensland phenomenon. It is not. Indeed, we in Australia are seen to be in a highly favoured position when—and only when—Australia's situation is compared with the depth of the unemployment problem that exists in other countries of the world.

Several myths abound in relation to unemployment and should be dispelled. The first is that education can solve unemployment. The article in *Time* magazine points out that countless thousands of unemployed European youths have university degrees. Opposition members in this House consistently argue this education myth. I suggest that honourable members find time to read Ivor Berg's celebrated book *Education and Jobs: The Great Training Robbery*. I quote from the foreword in that book, which reads in part as follows—

"During the past decade, much of the effort of the Conservation Project has been focused, not on the disadvantaged, but on the educated and the talented. From

these studies, we conclude that, whilst education often provides access to better jobs and better incomes, it offers no guarantee of either. Our investigations also called attention to difficulties that may arise from both the employee and the employer, if a man's work requires far less performance than his educational level and his potential would permit. We had earlier concluded that too little education is a disadvantage; apparently, the proposition must be entertained that under certain conditions too much education can also create difficulties."

In a later passage of the same foreword, the following is stated—

"His (Ivor Berg's) findings are unequivocal. In every instance, the data prove overwhelmingly that the critical determinants of performance are not increased educational achievement but other personality characteristics and environmental conditions."

One of the key environmental conditions is unemployment.

My comments on this issue, on 4 October 1984, are recorded in *Hansard* at page 1104. I was responding to arguments advanced by both the honourable member for Ipswich (Mr Hamill) and the honourable member for South Brisbane (Mr Fouras), who argued the education-employment myth I referred to previously. I quote from my speech, which reads as follows—

"I turn now to the Queensland Government's funding for schools. I have listened for some time now to a number of Opposition speakers commenting on various aspects of Queensland education. I must confess, however, that the most extraordinary statement that I have heard in a long time was the recent claim by one Opposition member who said, 'What is important is that as the level of education is increased the duration of unemployment is diminished.'"

That comment, along with others made by that honourable member, argues a thesis that the ability of people to obtain employment is related to the levels of education that they have received.

It is true—and I admit this—that there is a tendency among employers to select potential employees from among the ranks of the better educated—assuming, of course, that such a pool exists. However, I feel that that honourable member failed to consider the real proposition, that is, that the duration of employment depends principally and almost wholly upon the general state of the nation's economy.

At present, approximately 9 per cent of Australia's work-force is without employment. Let us assume that every Australian has a university degree. I put it to this Committee, and especially to honourable members opposite, that, were that the case, 9 per cent of the work-force would still be out of work, with each worker possessing a university degree. That is a statement of fact. The simple raising of educational standards does not, per se, create a single job or diminish the length of unemployment. There is not one school in Australia that can create a single job, nor is there a single school in Australia that can diminish the level of unemployment. I repeat that the raising of educational standards does not create employment. At times it simply means that there are better educated unemployed.

I remind the Committee that increased standards of education may make an individual more employable; it does not create employment; hence I am reluctantly forced to conclude that the proposition, "What is important is that, as the level of education is increased, the duration of unemployment is diminished", is patently false. Rather the proposition should be that what is important is that, as the level of economic activity is increased, the duration of unemployment is diminished. That is the correct proposition.

It is time for people in general to recognise that staying at school longer may make people more employable but, if jobs do not exist, any amount of education is not going to get a person a job. Job creation is the role of the Government; it is not the role of the school. I might add that the honourable member for South Brisbane (Mr Fouras)

stormed out of this Chamber amid a series of interjections suggesting that I was talking nonsense.

The Hawke centralists in Canberra are pursuing a myth under what is called a traineeship program. That pursuit prompted interesting comments from Mr Phil Day, a well-known critic of the National Party Government in Queensland as recorded on page 5 in *The Sunday Mail* on 1 September 1985 in an article headed "Government plan won't help jobless, says lecturer." The article stated—

"The Federal Government's job traineeship and education allowance scheme was tackling youth unemployment from the wrong end, a Queensland academic said yesterday.

Queensland University Department of Regional and Town Planning lecturer, Mr Phil Day, said the scheme would not generate more jobs.

'If work were available, it would soon induce an educational and retraining response—but education and training will not generate work, except for the educators and trainers,' he said.

'And they will do nothing for those who have been out of work for years and seem destined to become an unemployable generation.'

He said the government was paying 600,000 unemployed Australians (including 120,000 unemployed aged between 15 and 19) \$3000 million a year 'not to work'.

'We are failing to recognise that we are not paying the dole because there is temporarily no work available,' he said. 'The economic recession is obscuring the inexorably mounting problem of structural unemployment. The reality is that we are now paying people not to work—because capital-intensive technology is doing their work instead.'

My comments, made about a year before Mr Day made his, did not warrant a single reference in the daily press, yet Mr Day got a full-blown highlighted media coverage. I wonder why. After all, we said the same thing. Perhaps it illustrates an obvious practice in the Queensland media. Often it is not what is said, but who says it.

I want to challenge this Committee to ponder a dilemma. Time and time again in this Assembly Opposition members argue that they have the solution to unemployment. If that is the case, why is it that not one reputable economic manager from anywhere in the world has bothered to consult Opposition members to find out just what is this elusive formula? I suggest that the reason is simple. It is not because they are negligent or careless managers; rather it is because they know what Government members know, and that is that the so-called solutions advanced by the Opposition are worthless claptrap not worthy of serious consideration by any independent or informed economist or politician.

I have been particularly interested in the unemployment crisis that confronts many countries today. It seems to me that economists really need to look carefully at the lessons to be learned from the history of living organisms. It is often said that the central principle that accounts for the survival of living creatures is survival of the fittest. It is amazing how many people believe that mistaken quote. It is not the fittest who survive; it is the most adaptable.

History points to the applicability of that principle to economic systems. Unless economic systems are flexible and adaptable enough to change with changed circumstances, then, fixated as they are in the past, they inevitably decline and fade from the world scene.

Dynamic, creative, flexible economies create strong and enduring nations. That is the appeal of true free-enterprise economics. I have noted in my readings on unemployment that economists are arguing that the assault on the crisis of unemployment must be tackled on two fronts. They are: firstly, creating a growing, dynamic economy, thus

creating jobs, generally through free enterprise; and, secondly, creating a flexible employment system.

Sadly, many countries tend not to see that those two systems must be welded together to get people back into the employment arena. They pour countless millions of dollars into job-creating projects without looking carefully at the concept of "job"

**Mr Lee:** The Federal Treasurer's statement tonight will not do much for employment.

**Mr HENDERSON:** Probably not.

Countries tend to be chained to a concept of "job" as one man or woman working, say, 40 hours a week for 48 weeks a year. They seem totally incapable of recognising that many people do not want to work 40 hours a week for 48 weeks a year, yet still want to work.

The economies of Britain and the Union of Soviet Socialist Republics are often cited as systems which reflect that inflexible approach. The economy of the United States of America is often cited as an excellent example of flexibility at work.

Some solutions to unemployment advanced in recent times include, firstly, a review of youth wages. The argument seems to be that by reducing youth wages, more jobs may be created, especially for youth.

Secondly, more and more economists look at reviewing social security benefits, especially the dole. It is argued that the current benefit is too high and is an encouragement to some people not to work.

The third solution is the retention of youth in schools, traineeship schemes, universities and so on. As a solution to unemployment, that is an illusion—a massive confidence trick perpetrated on unsuspecting and gullible youth. It does not create a single new job, except perhaps for teachers and lecturers.

The fourth solution is the pouring of millions of dollars of public funds into job-creation projects. The Community Employment Program is a classic, if not somewhat tragic and short-sighted, example.

The fifth solution is the use of the taxation and wage systems to create incentives for free enterprise to expand and create jobs. The pay-roll tax argument that is advanced regularly in this Chamber is a classic example of that approach. The abolition of penalty rates is yet another such scheme.

The sixth solution is to individually negotiate contracts of employment to reflect both the needs of the employee and the capacity of the employer. That approach is currently the centre of considerable debate in Queensland.

Not one of those approaches really addresses the concept of the "job" from any flexible point of view. Many economists believe that there are finite limits on the number of jobs as such, but an almost limitless capacity for those jobs to be shared around. Job-sharing may, in fact, be the only real short-term approach to unemployment.

I draw the attention of honourable members to several job-sharing concepts that are proving quite popular overseas. I suggest that we in Australia need to look carefully at these schemes. I stress, however, that these are not either National Party or Government policies in Queensland. I am speaking simply as a individual to draw the attention of the Committee to these schemes.

The first scheme is based on the fact that some people do not want to work for 48 weeks a year. It may well be that some people may want to work for only eight months per year with four months off work or, as I hesitate to say, on holidays. Consider the following: a medical practitioner employs two receptionists who decide that they want to work for only eight months a year. They negotiate a contract with their employer, saying, in effect, "Each of us will accept two-thirds of our salary for the eight months that we work, provided we receive two-thirds of our salary for the four months that we

do not work." Hence, in reality, each will receive two-thirds of her annual salary for the whole year. In other words, the two employees receive four-sixths of the total annual wage bill of their employer, making two-thirds available to employ another employee for eight months a year with four months' holiday with pay. Two jobs expand to make three and all three are happy. The employer does not have to meet additional payments, despite the fact that it appears that his annual wage bill may rise. However, because holiday loading and long service leave are forfeited under the scheme, the additional costs are met by those savings.

This scheme is not restricted to the eight by four months approach. On a slightly larger scale, three positions could expand to make four, with each employee working nine months with three months' holiday whilst receiving approximately 75 per cent of salary for the full year. The possibilities are almost limitless.

A variation of this scheme is often referred to as the deferred salary scheme and is based on years, not months. Let us assume that a person wants to work for two years and have one year off. This scheme operates on a principle that is similar to the one mentioned previously. In this case, an employee accepts, say, two-thirds of his salary for two years, with the remaining one-third being placed in the hands of a statutory board or in trusteeship to be invested on behalf of the employee. The employee is paid two-thirds of his salary for the whole year that he is off work.

This scheme is very popular among teachers, bank employees and public servants who want to take time off to study or travel. In addition, jobs are created under this scheme. I understand that studies suggest that such schemes produce higher levels of productivity, better health among employees, higher morale and fewer industrial accidents.

The deferred salary scheme generates a vast number of jobs and is excellent when one is faced with earlier retirement.

**Mr Davis:** We are working that in this Parliament now.

**Mr HENDERSON:** The honourable member for Brisbane Central might be, but I am not.

The deferred salary scheme is an alternative to lowering the retirement age to 55. Consider a person who decides at the age of 46 to ease up, as it were, at work. This person could work for years 47, 48, 50, 51, 53, 54, 56, 57, 59 and 60 with years 49, 52, 55 and 58 off. His retirement age is therefore effectively reduced to 55. Under this scheme he receives about seven-tenths of his usual salary for the years involved, including those when he is not working. In addition, employment opportunities are created for additional employees.

It is important to realise that the individual may choose to pay full superannuation contributions during that time so that his final superannuation pay-out is not affected.

I do not have time to discuss deferred salary schemes in detail, but I will welcome the opportunity later in this session to elaborate on the scheme. It is worthy of serious consideration.

Another worthy scheme is the permanent part-time employee concept. This scheme is popular in some other States, particularly in South Australia, and is about to be introduced by the Commonwealth Government. A similar scheme is currently being examined in Queensland. However, problems with superannuation are holding it up. I humbly submit that, if we limit the scheme to, say, teachers who have completed five years' full-time work immediately prior to being considered for permanent part-time status, and provided superannuation contributions and pay-outs are reduced, in a comparable way to the time worked, many of these barriers may be more illusory than real.

I notice that the scheme has attracted very enthusiastic support from large sections of the teaching service and also from the public service. I have looked carefully at the

applicability of the permanent part-time employment concept to teaching. I have spoken to school administrators, teachers, p. and c. associations and so on. Most of the major objections could be overcome, provided the five following conditions are applied—

- (1) Permanent part-time status will be offered only after the completion of five years' full-time satisfactory service prior to entering the scheme.
- (2) Time worked under the scheme shall fit the needs of the school. Those needs shall be paramount, and it could be expected that part-time teachers would fit the needs of the school, that the school would not fit the demands of part-time teachers.
- (3) Superannuation contributions and pay-outs shall be adjusted according to the fraction of full-time worked under a permanent part-time scheme.
- (4) To ensure a core of continuity within the school, not more than 15 per cent of the full-time teaching time shall be allocated to part-time teachers.
- (5) Part-time teachers shall be required to participate in equivalent non-teaching duties at a fraction equivalent to their fraction of normal teaching time worked.

I could go on and discuss other schemes, but time does not permit this. I shall leave this task to a later debate in the session.

I conclude by congratulating the Premier and Treasurer on a sound State Budget, which I support. I feel that it will contribute enormously to the development of the State.

**Mr HAMILL (Ipswich) (8.47 p.m.):** I rise to raise grave issues concerning the administration of government in this State. Questions have arisen of ministerial responsibility and accountability to this Parliament and to the people of Queensland. In recent weeks, this Parliament has been treated to serious allegations of impropriety concerning the administration of the Totalisator Administration Board, which is under the Local Government, Main Roads and Racing portfolio.

Many questions concerning the issues at stake in this matter have remained unanswered. Why do not the Premier and his Government institute an inquiry into these grave issues? Why cannot this Chamber have full public disclosure of the issues that are at the heart of this very grave matter? Mr Booth, I ask you: If there is nothing to hide, why cannot all these matters be subject to proper public scrutiny? Why cannot the former chairman of the TAB (Sir Edward Lyons) be given an opportunity to disclose the information which he says he will make available to any inquiry that may be constituted?

Evidence concerning the application for a TAB licence on the part of Mr and Mrs Frith has been presented to this Chamber. Evidence was also produced of how these two people had their application for a TAB subagency blocked, firstly, through the intervention of the then private secretary to the Minister for Racing, Mr Wade, who conveyed his Minister's wishes to the general manager of the TAB. Later, in 1982, the Frith application was again blocked by political interference. The Minister for Racing (Mr Hinze) has claimed in this Chamber that he has no knowledge of this political intervention, although he contemptuously blamed one blind Freddy for his actions. The contempt with which he answered the questions is indicative of the contempt which he has for this Parliament in relation to this sordid scandal.

Many questions remain unanswered and it is high time answers were provided. For example, with respect to the question of political interference by Mr Wade in 1981, if that intervention by Mr Wade was innocent, firstly, why was it not disclosed to Mr and Mrs Frith? After all, they had lodged with the board an application for a TAB subagency. Secondly, if it was innocent intervention, why was it hidden from the Minister for Mines and Energy (Mr I. J. Gibbs), who, after all, wrote to the Minister for Racing concerning the Frith application? In desperation, some months later, after he had received no satisfaction on his earlier inquiries, he wrote to Sir Edward Lyons. Thirdly, why did the general manager evade—his term, not mine—telling Mrs Frith of the block that was

preventing her application for a TAB subagency licence? Those are serious questions that need answers immediately.

Furthermore, the Minister and the present TAB chairman, Mr Callinan, have not explained the numerous references in the tabled documents to such things as political interference, political approval and political sanctions. The whole question of political interference in 1982 has not been answered by the Minister or by any other member of the Government.

No willingness is shown by the Government to investigate these serious matters. Why has the Minister for Local Government, Main Roads and Racing thrice come into this House and refused to answer a very simple question? The very simple question was this: Did he attend a TAB meeting at a time when the application by his family company, Junefair Pty Ltd, for a TAB licence was being discussed? At the time I put the question to the Minister, I said, "A simple 'Yes' or 'No' would suffice." The Minister continues to stonewall. He continues to avoid that question. He continues to be less than forthcoming in relation to that question.

Statements have been produced by the Minister indicating that, according to board members, the Minister did not attempt to influence them. I remind the TAB chairman of his own definition of "influence" when he was prosecuting in the trial of Mr Justice Murphy. He pointed out that questions such as "actual influence" were not relevant, but rather "risk of influence" or "tendency to influence" were. They are the sorts of questions that should be answered by the Minister for Local Government, Main Roads and Racing.

Why did board members not deal in their statutory declarations with the question of whether or not the Minister for Local Government, Main Roads and Racing attended a meeting at which the Junefair application was discussed? Why is the TAB calling for fresh applications for the Oxenford TAB subagency licence when, after all, the lengthy process in which applications were submitted has already taken place? Why cannot the No. 2 application receive the licence? Why will the Minister not request board members to deal in their statutory declarations with the question of his attendance or lack of attendance at board meetings?

Parliament has a right to know the answers to those questions, and the public has a right to know. In demanding the right to answers, the public is entitled to that information in order to have its confidence restored in the proper government in this State.

**Mrs Chapman: Garbage!**

**Mr HAMILL:** "Garbage" I hear from the honourable member for Pine Rivers. She knows a great deal about garbage. She spent some time in local government. Her talents may have been better used in that sphere.

The Minister for Local Government, Main Roads and Racing is not new to public controversy. Repeated allegations of conflict of interest have been levelled at his conduct in relation to his business and ministerial interests.

At the time when Mr and Mrs Frith were being frustrated in their attempts to obtain a TAB subagency licence, disadvantaged dairy-farmers, such as those in your electorate, Mr Booth, were being thwarted in their efforts to eke out a decent return upon their labour and investments. Access to the white-milk market in south-east Queensland has long been a contentious issue among dairy-farmers and the various milk-processors. Mr Booth, as a member representing the Warwick area, you would know very well that this is a burning issue today in your electorate.

In 1977, legislation was introduced into this Chamber in the form of the Milk Supply Bill providing for strict regulation of the milk supply industry and the redistribution of milk entitlements to disadvantaged producers through the reallocation and

redistribution of the milk drop-out pool and growth milk. That, of course, is being done by the five-member Milk Entitlements Committee.

In March 1983, the issue of questionable practices concerning the acquisition of milk entitlements was raised in this Chamber by my colleague the honourable member for Murrumba (Mr Kruger).

On 30 March 1983, in his speech on the Milk Supply Act Amendment Bill, the honourable member for Murrumba stated that milk entitlements were being bought up in a way which was against the intentions of the milk quota system.

He further stated—

“Smart operators are buying up dairies—some of which have only a phantom existence—and are reselling the land minus the milk quota.”

Not surprisingly, the then Minister for Primary Industries, the aspiring Premier in this Chamber, Mr Ahern, rejected these charges, stating that he believed “they cannot be substantiated by facts” However, the Minister added—

“The original legislation. . . begged the question of what was and what was not a drop-out.”

That was an extraordinary admission on the part of the then Minister for Primary Industries, considering that it was through the redistribution of milk entitlements surrendered to the drop-out pool that the objectives of the 1977 legislation would be achieved.

It is incredible that the responsible Minister should admit to the House six years after the Milk Supply Act 1977 had been enacted that—

“The original legislation . . . begged the question of what was and what was not a drop-out.”

It is even more extraordinary that neither the Minister nor his successor ever sought to answer the question by legislation.

The story gets better. The Minister went on to state at that time—

“I became concerned that some of the movements were beginning to take on a character of trying to prevent a drop-out occurring. It could be described as a device to prevent a drop-out from occurring.”

The Minister used the words, “a device to prevent a drop-out from occurring.” In other words, the responsible Minister was clearly aware that rorts were being perpetrated in the dairy industry.

**Mrs Chapman** interjected.

**Mr HAMILL:** I have said enough about drop-outs; I do not want to talk about another one.

The Minister responsible for the Act was clearly aware that rorts were being perpetrated in the industry. He was clearly aware of the questionable practices about which the honourable member for Murrumba (Mr Kruger) had spoken. After all, that is why—to use his term—the Minister decided to develop objective criteria to govern applications for transfers of milk entitlements. Why? Because, on his own admission, the Minister was concerned about practices in the industry. He was concerned about those people who were purchasing other milk entitlements and amalgamating them with their existing milk entitlements. The Minister was concerned that those unscrupulous people were frustrating the intention of the Milk Supply Act, which sought to redistribute the entitlements to disadvantaged milk producers.

**Mrs Chapman:** What did he do about it?

**Mr HAMILL:** The honourable member for Pine Rivers is very game. If she keeps interjecting, she will hear more about it.

A number of examples of those practices have been raised in this Parliament and in the Federal Parliament. Prominent members of the National Party have been named in that regard.

I will deal with one of those cases. It concerns a company known as Maralinga Pty Ltd. I will outline the facts. On 6 August 1980, Myrtle Daphne Barr and Jean Evelyn Barr successfully applied for the registration of a dairy on their 304.8 ha property for the purpose of supplying market and manufactured milk to South Coast Dairy at Southport.

On 30 August 1982, the Barrs' dairy was transferred to Herringe Research and Development Ltd. According to their notice, the Barrs had ceased to use the dairy on 1 August 1982, and except for the portions containing the sisters' residence, the farm was purchased by Herringe Research and Development Ltd for well over \$2m.

In all, 286.63 hectares was transferred from the Barr sisters to Herringe Research and Development Ltd. However Herringe did not seem to be much interested in dairying, because on 18 November 1982—only 80 days after it achieved the transfer of the dairy registration from the Barr sisters—Herringe ceased operating the dairy on its recently purchased property.

It is very interesting to note that Herringe had contracted with Maralinga Pty Ltd for the purchase of the dairy for \$1m. The contract for that purchase had been stamped by the Stamp Duties Office on 9 November 1982. However, I point out that that purchase was not for the whole of the Herringe property; it was only for lot 4 on registered plan 183196 in the parish of Barrow—in all, 38.8551 ha.

Maralinga Pty Ltd did not waste any time when it came to closing down the old Barr/Herringe dairy. On 19 November 1982—the day after Herringe ceased use of the dairy—Maralinga Pty Ltd gave notice of its ceasing to use a registered dairy.

Mr Booth, if a man as well versed in the dairy industry as you are thinks that the milk entitlement to supply South Coast Dairy went to the drop-out pool to benefit disadvantaged producers, such as those in your electorate, you are wrong.

The report of the Department of Primary Industries inspector Mr C. Lynn on 24 January 1983 makes very interesting reading indeed. It states—

“Maralinga has purchased that land formerly owned by the Barr sisters and then by Herringe Research Development. Milking of the herd will be carried out at the Maralinga Dairy. A small portion of land has been retained by the Barr sisters for their residence.”

Mr Lynn could have added that Maralinga Pty Ltd had purchased only 38.8551 ha of the original 304.8 ha property operated by the Barr sisters. After all, Mr Lynn had already noted with respect to the Maralinga application for transfer of the dairy registration—

“Milking herd to be amalgamated with Maralinga herd and to be milked at Maralinga.”

On 18 February 1983, the Department of Primary Industries advised Maralinga that dairy registration No. QFAB0052PF—that is, the Barr/Herringe dairy registration—was cancelled and that the land had been added to the registration of Maralinga Pty Ltd.

In Parliament on 30 March 1983, the then Minister for Primary Industries (Mr Ahern) stated that Maralinga's activities were not in accord with the guide-lines for such transactions that he announced in November 1982. He told Parliament—

“As criteria set out in guide-lines have not been met in full, the committee—”

that is, the Milk Entitlements Committee—

“has resolved to ask Maralinga to show cause why it should not be declared to be a drop-out producer.”

What is Maralinga Pty Ltd? It is a Hinze family company. It is not surprising that Mr Ahern described it as a sensitive matter—that is his term, not mine—because so many of the business activities of the Minister for Local Government, Main Roads and Racing are sensitive matters. The Minister for Primary Industries related to the House what his officers told him. He said—

“They said, ‘Because the name “Hinze” is involved, we think you should be fully advised all the time.’”

Officials from the Department of Primary Industries were obviously concerned that, because the matter concerned the affairs of Mr Hinze, the Minister ought not to set a foot wrong.

**Mr Goss:** There are those who say that Mr Ahern’s association with Mr Hinze is both the greatest benefit and the greatest danger to his chances of becoming Premier.

**Mr HAMILL:** As this story unfolds, that opinion will certainly be vindicated.

What did the director of Maralinga Pty Ltd, the Minister for Main Roads, Local Government and Racing, say about those charges of impropriety? Of course, they were charges that had also been mouthed by the Minister for Primary Industries. Mr Hinze was quoted in *The Courier-Mail* of 31 March 1983 as saying—

“It is neither unusual nor illegal to buy the adjoining farm, with its quota, and supply a number of milk processors.”

Mr Hinze may not have batted an eyelid, but the then Minister for Primary Industries (Mr Ahern) obviously did.

Nevertheless, the matter was settled in Maralinga’s favour, as the transfer of the old Barr/Herring milk entitlement to the Maralinga dairy was approved by the Milk Entitlements Committee. What a surprise! The five members of the committee at that time were Mr Pag Beatty, the chairman of the Milk Board; Mr J. G. Miller, the Department of Primary Industries representative; producers’ representatives, Mr P. A. Buchanan and Mr P. D. Rowley; and processors’ representative, Mr A. D. Hollindale. Does any of those names sound familiar? Mr Rowley has been involved in the same type of questionable practice as that engaged in by the Hinze company. Mr Hollindale, of course, is Mr Hinze’s close mate from the South Coast Dairy. He is also on the Totalisator Administration Board. We all recall that it is the same Mr Hollindale whom Mr Hinze wanted to appoint as TAB chairman to follow Sir Edward Lyons.

**Mr Randell:** Are you sure of that?

**Mr HAMILL:** I am very sure of that. Mr Hollindale was the choice of the Minister for Racing to follow Sir Edward Lyons.

The other producers’ representative, Mr Buchanan, would also be sympathetic to Maralinga’s effort to avoid the drop-out pool, which after all could benefit disadvantaged dairymen such as those who are trying to eke out an existence on the Darling Downs. In fact, he was reported in *Queensland Country Life* of 23 May this year as saying—

“A true drop-out farmer was stopped dairying completely.”

That is his statement, not mine. It is little wonder that disadvantaged producers are dissatisfied with the Milk Entitlements Committee when they see advantaged producers such as Maralinga rot the system, subvert the legislation and laugh all the way to the bank.

What were the Ahern guide-lines that the Minister was applying? I quote from the November 1982 edition of *The Queensland Dairyfarmer*, which was referred to by the Minister when he delivered his speech in this Chamber on 30 March 1983—

“SALE AS A GOING CONCERN: In the event of a sale of a dairy property as a going concern, it shall be a requirement of the Milk Entitlements Committee that the total area of the property on which the market milk entitlement has been established, or that portion which has been utilised for the production of the market milk entitlement, and equates to the dairy produce premises specified in the Certificate of Registration or of Renewal of Registration of dairy produce premises under the Dairy Produce Act 1978 and equates to the property description and area as set out in the application for a producer licence under the Milk Supply Act 1977-1981, shall be purchased.

In any other situation, the Committee will evaluate the circumstances and may use its powers under the Milk Supply Act 1977-1981.

Each situation will be examined on its individual merits.”

Those guide-lines that the then Minister for Primary Industries (Mr Ahern) set down in November 1981 are obviously inadequate. There is always the escape clause for Maralinga Pty Ltd, even though it had not purchased the property that had at first been occupied by the Barrs and then by Herringe because, after all, that was the property that carried the milk entitlement.

Maralinga Pty Ltd could rely upon a very sympathetic Milk Entitlements Committee to examine its application on its merits. After all, Maralinga Pty Ltd had been through the process with the people on the Milk Entitlements Committee, and they seemed to be very well acquainted with the Minister.

Let me now examine the legislation, the Milk Supply Act, as amended. Section 87 (1) states—

“Subject to this Act, a producer’s entitlement shall attach to the person to whom it is allocated and the land and premises specified in the allocation.”

Section 87 (2) provides as follows—

“Milk produced by a producer on land other than the land specified in a particular allocation shall not form part of the producer’s entitlement in respect of that allocation;”

Compare those provisions with the circumstances I have related concerning the Hinze family company and its acquisition of an additional milk entitlement.

Section 88 of the Milk Supply Act provides as follows—

“A person shall not be qualified to apply for or hold an entitlement unless—

- (a) he is the owner or lessee from the Crown of the land or premises to which the entitlement is to be attached;
- (b) he satisfies the Committee—”

the same committee, the Milk Entitlements Committee—

“(i) that his interest in such land or premises is such as to make the holding by him of an entitlement fair and reasonable”;—

I ask honourable members to mark those words “fair and reasonable”—

“(ii) that for any other reason the holding by him of an entitlement would be fair and reasonable.”

Again those words “fair and reasonable” are mentioned.

Is it fair and reasonable for the Minister to subvert the intentions of his own Government by trying to avoid or get round the provisions of the Milk Supply Act? Is it fair and reasonable to avoid the drop-out pool? Is it fair and reasonable to add further lucrative milk entitlements to what was already a very substantial entitlement?

The Hinze family activities are now known as stripping operations, and that is a term used in the industry. Such practices came to the attention of the Milk Appeals Tribunal in its hearing of a claim by the Logan and Albert Co-operative Dairy Association against the Milk Entitlements Committee about a decision that the Milk Entitlements Committee had made on 11 October 1982 and subsequently conveyed to the co-operative on 20 October 1982. I stress that the question as to whether the Milk Entitlements Committee ought to have refused milk entitlements to those who engaged in stripping or amalgamations was not a factor in deciding the case. But that in no way detracts from what I am about to say.

I refer to a report in *The Queensland Dairyfarmer* of January 1984. That tribunal spoke in that report of the difficulty of interpreting the legislation with respect to drop-outs. The report went on at length in its discussion on amalgamations and stripping operations. It all sounds vaguely reminiscent, does it not, of comments made by the Minister in this Chamber in March 1983 concerning the question of drop-out milk? The tribunal stated in relation to these matters that it would be possible to formulate an argument that the Act provides that the sale of a dairy farm as a going concern is not permitted, the Milk Entitlements Committee being required to treat all such sales as drop-outs.

The case to which I refer, concerning Maralinga Pty Ltd, was a case in which the Milk Entitlements Committee considered that purchase to be the purchase of a going concern. That case, of course, involved a going concern to be annexed by Maralinga Pty Ltd.

The tribunal relied upon statements made by the Minister for Primary Industries (Mr Ahern) in Parliament to discount the argument that the Act, when literally interpreted, would preclude the transfer of milk entitlements. I say to you, Mr Booth, to honourable members and to the Milk Appeals Tribunal that courts of law do not look at parliamentary debates or the intention of Ministers or members that is behind the legislation; courts of law look to the letter of the law as expressed in the legislation.

The Logan and Albert Co-operative Dairy Association questioned the propriety of approximately 40 of the sales conducted since the Milk Supply Act came into force in 1977.

It claimed that the Milk Entitlements Committee erred in giving its approval rather than treating the vendor/producer as a drop-out and acquiring and redistributing his entitlement. Of those 40 cases, seven cases, up to October 1982, were generally agreed, both by the legal representatives of the Milk Entitlements Committee and by the appellant body, the co-operative, to be really questionable. *The Queensland Dairyfarmer* reported the tribunal's findings as follows—

“While the Tribunal has not found it necessary to determine this question, it considers the preponderance of evidence in respect of some of these seven cases establishes that the Milk Entitlements Committee should have acquired the entitlement.”

The tribunal did not decide on individual cases because it determined that such an exercise was immaterial to the matter before it for adjudication. So there we have it.

The then Minister for Primary Industries had acknowledged that the Milk Supply Act was defective with respect to defining what was drop-out milk. The Minister took no effective action to remedy the situation, despite his admission of concern to this Assembly in March 1983.

The Milk Appeals Tribunal cast doubts over at least seven amalgamations or stripping operations which were approved by the Milk Entitlements Committee prior to October 1982. Despite the findings of the Milk Appeals Tribunal, Mr Buchanan, a continuing member of the Milk Entitlements Committee and a member of that committee at the time that Maralinga's application came before it, was insisting as late as 23 May

this year in *Queensland Country Life* that the true drop-out farmer would stop dairying completely.

Further, in relation to similarly serious allegations concerning the National Party vice president, Mr Karl (always known as "Charlie") Holm and the Minister for Local Government, Main Roads and Racing (Mr Hinze), that were made in the House of Representatives by the honourable member for Rankin (Mr Beddall) this year, Mr Buchanan had this to say—

"The cases of Mr Holm and Mr Hinze were simple purchases of operating dairy units and subsequent amalgamation into their farms."

I say that Maralinga's \$1m purchase of 38.851 ha from Herring Research and Development Ltd, including land, stock, dairy and, of course, the milk entitlement, which should not be forgotten, was merely another example of the unscrupulous practices by which wealthy milk entitlement holders were denying small producers increased entitlements as held out by this Government under the provisions of the Milk Supply Act. That is typical of what people have come to expect from this sort of administration.

Members should cast their minds back to the issues about which I spoke when I commenced this speech. Let them think again of the applications of those people who had the Oxenford newsagency back in 1980, 1981 and 1982. Let them think again about Mr and Mrs Frith's application for a TAB licence at Oxenford. They should remember how, firstly, it was thwarted by a member of the Minister's staff—Mr Wade was the then private secretary to the Minister for Local Government, Main Roads and Racing—and the Friths were never aware of that intervention.

Secondly, Mr and Mrs Frith's application for a TAB licence at Oxenford was later thwarted through unspecified political interference. That appeared in the documents that were tabled in this Assembly but, of course, again those little people, the Friths, were never made aware of the circumstances as to why their application did not seem to be making any headway.

The same applies to the case of Maralinga Pty Ltd, the Hinze family company, of which the Minister is a director and share-holder, and the disadvantaged dairy-producers who supply the Downs Co-op Dairy Association Ltd, those who supply the Warwick Co-op Dairy Association Ltd and the 220 producers who supply the Queensland Farmers Co-operative Association Ltd, which is located in my electorate.

They are the people who have been pushed aside. The little people have been pushed aside by the Hinze family company, Maralinga Pty Ltd, which has clearly subverted the provisions of the Milk Supply Act 1977, as amended. That company has further lined its pockets by getting milk entitlements that should have gone to the drop-out pool, to be distributed among disadvantaged milk-producers.

This plea on behalf of the little people of Queensland, the dairymen who do not have the big milk entitlements that people such as the Minister for Local Government, Main Roads and Racing have, has fallen on the deaf ears of the National Party. It has sold out those people. The evidence is clear that the little people of Queensland have been pushed aside by a very well connected and influential Minister, who has the ear of such people as the members of the Milk Entitlements Committee and of the Government, and knows how to get decisions made in this State. That Minister has pushed aside the interests of the little people. They are the actions of a Minister who clearly accords to his own self-interests and his own business interests a far higher priority than he gives to the Parliament, which he holds in contempt. He has no respect for propriety in Government administration, of which, of course, he has no knowledge, and he has total contempt for the legislation passed by this Parliament and for the people of Queensland.

**Mr SIMPSON (Cooroora) (9.17 p.m.):** After listening to that tremendous outburst, I am reminded of the clergyman who, when briefing his protege, said, "If you have got a weak part in the sermon, you start shouting and yelling." We have just heard some

shouting and yelling. We have just heard the member for Ipswich (Mr Hamill) vilify people in an attempt to make up for a lack of policy and a lack of understanding.

No mention was made of the management of monetary affairs. The Federal Government in Canberra cannot run the economy of this country. It has hocked the nation to such an extent that, in terms of world indebtedness, Australia has passed Mexico. What really concerns me is that we are seeing in Australia for the first time a Federal Government picking on one State for political reasons and disadvantaging it. The Federal Government is endeavouring to embarrass Queensland to such an extent that it will move into the red, as the Hawke Government has done, and people will say that the Queensland Government is not worthy of occupying the Treasury benches.

**Mr Randell:** They are leaving the Chamber.

**Mr SIMPSON:** I realise that Opposition members are leaving the Chamber. They have great difficulty in accepting the truth. They are scurrying away to get somebody to write a speech so that they can come in here and regurgitate more vindictive and personal abuse.

What really concerns me more is that, because Opposition members have no policies, they vilify Government members or people who endeavour to make a profit. That is really the difference between our side of politics and the Opposition side of politics.

**Mr Goss:** Does this mean that you are in the Hinze faction?

**Mr SIMPSON:** The member for Salisbury is one of those members who believe that "profit" is a bad word and that people should not endeavour to make a profit. They believe that people should adopt the socialist concept that they should put out their hand and be supported by the State.

The Labor Party taxes all people who are productive, pushes them down and does not let them perform. At Mudginberri, a group of workers wanted to be productive. However, people such as the member for Salisbury want to knock down those productive workers. Australia and Queensland cannot survive if that socialist attitude of envy prevails.

This afternoon, the Federal Treasurer (Mr Keating) introduced a capital gains tax and a taxation system that will disadvantage anyone who dares to be productive. That is what is killing this country. The only thing that Hawke has said that was correct—given all his broken promises—was that the people of Australia are disgusted with the income tax system because the rates are too high. The Australian people do not dislike it for any other reason. The Prime Minister could not even put the tax package together without going cap in hand to the Australian Council of Trade Unions. Because the ACTU told the Government what it should do, a capital gains tax has been introduced that will disadvantage people who want to work. The capital gains tax will also have a death duty component.

**Mr Palaszczuk:** You didn't listen to the news tonight.

**Mr SIMPSON:** I listened to the news. I wonder whether the honourable member for Archerfield listened to his guru, Mr Hawke, when he said quite clearly that he would not have a bar of a capital gains tax. But he has introduced a capital gains tax and has the gall to say that he did not make that statement before the election.

The member for Archerfield suggests that there is nothing wrong with a capital gains tax. What is wrong with it is that it has been introduced. Because the people of Australia will be awake to Mr Hawke and the Labor Party, he will not be returned at the next election. By then, though, the rate of tax will have been increased, and that is the way that socialists work. They get their foot in the door and start bleeding the country to death.

**Mr McPhie** interjected.

**Mr SIMPSON:** That is right. When the people of Australia wake up to the Labor Party, it will be voted out of office in the States of Australia in which it is now in government.

**Mr Borbidge:** Are you predicting a shortage of rental accommodation for low-income-earners as a result of this capital gains tax?

**Mr SIMPSON:** Yes, there will be a shortage of accommodation. It will also immediately depress——

**An Opposition Member** interjected.

**Mr SIMPSON:** I am speaking through the Chair. I am sure that Mr Booth is aware that it has been suggested that this capital gains tax will not affect people's homes.

**Mr Comben:** That's right.

**Mr SIMPSON:** The honourable member for Windsor thinks that that is so; how little he knows.

Tomorrow the price of homes will drop and the market will be undermined because people who invest in property will be looking for other investments. People who invest in properties help to house those who cannot afford the capital to put a roof over their heads. Opposition members claim that they are concerned about those underprivileged people but, in their greed and envy, they make their lot worse. Because of the capital gains tax, property-investors will look for other forms of investment and the property market will decline.

Mr Keating, who has no business experience, does not understand those things. He is more concerned about which suit he puts on for the day than he is about the economy of this country and the effect of a capital gains tax. The socialists use a progressive scale of taxation as a social tool. The way in which a socialist Government works its tax rates means that a person who works twice as hard and is twice as productive will be taxed four times as high, not twice as high.

**Mr Eaton:** Queensland has the best idea——

**Mr SIMPSON:** I am pleased to see that the honourable member for Mourilyan supports a single rate of tax. I am glad that he is a convert. I support that, too, because it is the only way to increase the cake that will eventually help those in need.

It is not the lowest tax rate that counts. The rate of taxation that really counts to a business that has increased productivity, provided an increased number of jobs, and created new business, expansion and added activity is the highest rate of taxation—the marginal rate of taxation. That is why a single rate of tax will lead to a larger cake. That is the only way that sensible productivity will return to this country. The only correct thing that Mr Hawke said was that the tax system in Australia is no good. The reason it is no good is that the marginal tax rate is so high that it is not even collected. That tax rate encourages people to find ways of evading or avoiding paying tax. That makes the present taxation system less efficient.

I have been informed that the member for Bundaberg (Mr Campbell) advocates a wealth tax and a capital gains tax.

**Mr Campbell:** I did not advocate a capital gains tax.

**Mr SIMPSON:** I have heard the honourable member advocate that many times. That is the socialist cry that rings round the world. Everybody knows what that has done to depress productivity in other areas.

What saddens me is that socialist Governments try to use the taxation system to bring social welfare to the people. The taxation system must be designed so that it

provides the most productive way of getting people to earn and to be enterprising. For that reason, Australia must get away from its present taxation system. A taxation system that discourages people with flair from trying new ventures is no good at all. They are discouraged at the moment because they know they will be clobbered with the marginal tax rate of 61c in the dollar.

I am also concerned about the additional tax that Queenslanders have to pay—that separate tax of Medicare.

**Mr Eaton:** But you get a return for that.

**Mr SIMPSON:** The State does get a return for that. I am glad the honourable member for Mourilyan has interjected. I will not criticise him for doing so while sitting on the front benches. No doubt he is testing them out.

Every productive—I emphasise the word “productive”—person in Australia pays that 1 per cent tax. The member for Mourilyan said that the State gets something back. I assume he means that everyone in Australia who pays that tax gets the same amount back. Let me see whether that is the case. This is what makes me return to the envy of the Federal Labor Government, which leads to its underhanded, villainous discrimination against Queenslanders.

In return for that 1 per cent Medicare tax, every Queenslanders receives \$29. A person in South Australia who pays that same 1 per cent receives \$81. Where is the equality in that? What does the member for Mourilyan have to say about that?

**Mr Eaton:** They get it back in other ways.

**Mr SIMPSON:** Is the honourable member suggesting that, if a State crawls round the back lane and in the back door, the Federal Government will slip it a bit on the side? The honourable member knows as well as I do that, even if Queensland holds its breath for 100 years, it will never get it.

In Tasmania the return is \$75 a head. I have emphasised several times that this 1 per cent levy is a special tax for Medicare. It stands alone. Western Australia is favoured by \$63.

**Mr Eaton:** It is the only fair tax in the whole of Australia.

**Mr SIMPSON:** The honourable member calls it a fair tax. The return is \$63 a head in Western Australia. However, for the honourable member, who is a Queenslanders, it is \$29. Is he only half as good as a Western Australian? Is he only a third as good as a South Australian? This separate tax horrifies me. The Federal Government tries to make out that it will make it up in other ways. In Victoria, \$63 a head is returned in service and in New South Wales the sum is \$67 a head.

Queensland has been short-changed by \$82m. This is the sort of treatment that Queensland is receiving. Queensland has never in the history of the Commonwealth of Australia seen that sort of treatment by anyone. While the dirty tricks are played by the persons in Canberra with their socialist and Marxist philosophies, we will continue to see more rorts of this type. I have no doubt that they will continue.

Queensland has been short-changed in many other areas, including education, housing and roads. Today, a member of the Opposition said that Queensland receives more money per capita for roads than the other States of Australia receive. A recent survey of Australian roads has ascertained that Western Australian roads are the worst, followed by Queensland's, because insufficient funds are supplied to maintain those roads. Victoria has one-fifth of the length of Queensland's national highways. It does not have Queensland's high rainfall, the self-mulching soils that must be removed and replaced with special foundations, or the large number of streams that need to be crossed, requiring expensive bridges. Those outlays add to the costs of road-building in Queensland.

**Mr Eaton** interjected.

**Mr SIMPSON:** That fund still short-changes Queensland, otherwise the quality of roads——

**Mr Eaton:** You put it into the electrification of the railways.

**Mr SIMPSON:** The honourable members is not grasping the point. The other States have used the money for freeways and have disrupted suburbia. They have found that they are now worse off. Now, like Queensland, other States are putting some of that money into railway transport. Other States agree that Queensland is showing the way. The honourable member should not criticise Queensland, because the Labor States are following suit.

**Mr Eaton:** But you are juggling the books.

**Mr SIMPSON:** We are not juggling the books; it is by agreement.

**Mr Eaton:** It wasn't before.

**Mr SIMPSON:** The transportation is by agreement, and honourable members know that.

It is a credit to the Premier and Treasurer and to the Treasury Department that, even though Queensland has been short-changed and embarrassed to the tune of \$360m, they have been able to avoid being sucked into imposing the extra taxes that are imposed in the other States or going into deficit, as the other States have done. That additional amount of \$360m should have come to Queensland from the Federal Government. However, it was not provided. Queensland is not going to be tempted into introducing petrol taxes, tobacco taxes and financial institutions duty.

Queensland is disadvantaged in the distribution of funds from the Commonwealth Grants Commission. Queensland was told that it will receive less because it has not imposed those extra taxes.

How can that sort of treatment be justified? When a person is thrifty and frugal, and operates in a businesslike manner, the socialist system embarrasses him. If a man performs well, he is discredited. That is what the Federal Labor Government has done to Queensland. It has tried to embarrass Queensland into bringing in other taxes by short-changing it through the Grants Commission. That shows how deceitful that Government is.

**Mr Eaton:** It is how you administer your Government with the funds you have. I would be a good Premier and you would be a good Premier if somebody gave us all the money we needed. But that is not what it is all about. It is how you handle the money you have.

**Mr SIMPSON:** Sadly, the little treatise by the honourable member for Mourilyan is without logic or reason.

The Queensland Government has balanced its books. Despite the short-changing by the Federal Government, the State Government has not been tempted——

**Mr Eaton** interjected.

**Mr SIMPSON:** Why does the honourable member not say the same thing to the Labor States, which demonstrate terrible husbandry and then go crying to the Commonwealth and receive an unfair share? That is the socialist system. The Federal Labor Government says, "If you are a no-hoper and below average, put your hand out for money." The Queensland Government says, "If you perform, you will be discredited by the socialists because they do not want to see any bright stars show the way."

**Mr Eaton:** It is the Labor Government that is tightening it up.

**Mr SIMPSON:** Time is passing quickly.

John Stone, a former secretary to the Federal Treasury and a very respected man whose ability is beyond question, claims that the biggest problem in the last few weeks has been the way the ACTU has completely nobbled the Federal Government into indexation and the last wages rise. He said—

“We should bring the same standards to the even more obvious relationship of dependency between the present government and the ACTU. That may indeed tie this government’s hands; but it cannot excuse any deal between the two if it is not in the public interest.

The deal a fortnight ago is in fact a thoroughly bad one from a public policy viewpoint. In the Budget speech only two weeks earlier the Government said—”  
this is the Federal Labor Treasurer’s Budget speech that Mr Stone is now quoting—

“‘In the face of a slowing world economy we must increase our share of markets to pay our way as a nation.

This means we must stay competitive.

If we are to do that, we cannot afford to allow our production costs to rise above those of our competitors.’”

Mr Stone was quoting the Federal Treasurer. What does the Labor Government do? It does a deal with the ACTU to apply full indexation to wages.

The article continued—

“‘That is why, temporarily, we must modify our normal support for full wage indexation.’”

However, the Federal Government did not do that. It fell down on that. That is typical. The effect of the Budget is reflected in the downturn in the share market in the last two days.

In the eight minutes I have available I want to allude to the plight of that great Queensland industry, the sugar industry. That industry has been ruined by dumping by the EEC. That is the reason why the sugar industry is in trouble, not because it is inefficient. What the sugar industry is asking for is an immediate \$240 a tonne. Kerin is already saying that he will not have that.

**Mr Campbell:** He hasn’t said that.

**Mr SIMPSON:** He has.

In the Federal Budget, not one cent has been made available to guarantee a floor price for Australia’s great sugar industry—not one cent. The Queensland Government, on the other hand, has made an additional \$20m available in its Budget for carry-on finance for producers. Kerin said nothing would be forthcoming from the Federal Government, except under given terms and conditions—and then not before June next year. That great industry has to be helped to survive until that time.

As well, however, the top negotiators in this country must attempt to obtain an international sugar agreement without delay. Sadly, they would have to include the incumbent Prime Minister and his Minister for Primary Industry, who would be supported by the know-how of the Queensland Minister for Primary Industries. They should take a high profile and organise it. They should take the lead from what was done in McEwen’s day and Anthony’s day.

**Mr Eaton:** When there was a shortage of sugar.

**Mr SIMPSON:** Not when there was a shortage of sugar. The member for Mourilyan is ignorant of the matter. In the interests of the industry, that ought to be done at the highest level. It is not being done.

The treatment meted out to those in the sugar industry must be compared with the way in which others in this country are being treated. I hark back to the envy exhibited

by the Federal socialist Marxist Government. It despises those in rural industry, despite their being the only ones to continue producing in this country to assist the nation's balance of payments. The sugar industry alone earns between \$500m and \$1,000m each year.

Is the Federal Government being fair and even-handed in rendering assistance to industries? Direct budgetary assistance of approximately \$391m is given by the Federal Government, apart from payments to individual industries, such as \$95m for textiles, \$52m for steel and \$47m for ship-building. They are grants; they are non-returnable. They are not loans; they are hand-outs. The total is \$656m. What is the sugar industry asking for—only \$80m a year to establish a floor price. The excise alone yields \$72m, to say nothing of the taxes received from the wages paid to those involved in the industry and its infrastructure. That shows the victimisation and inequality of treatment.

**Mr Eaton:** It is conditional.

**Mr SIMPSON:** We have heard all about “conditional” How can we expect fair treatment in view of the bias of socialists who envy those who have a bob and are productive? They try to cut them down. That is the way in which they act. They try to embarrass the growers.

The Queensland Government has been to the fore in promoting alternative uses for sugar and entering into international sugar discussions, showing that it is sensitive to the over-production in the world. The Government has allocated \$2m towards an ethanol production scheme. Recently I visited Brazil to study sugar by-products. The use of ethanol in industry and as a fuel for motor vehicles has been very effective. It is necessary that we show our bona fides in seeking an ongoing agreement for an industry that will be really productive and worth while for our country.

The Federal Government's Budget has been brought down in the light of that Government's envy and victimisation of Queensland, and is evidence of the escalating costs that are contained in the Federal Budget. It is really frightening to discover that the Federal Government's outlays continue to rise. The Federal Government's incoming revenue has risen by 29 per cent, but it keeps it all to itself. That is the sad part about the Federal Government and the way in which it handles financial affairs. It rakes in the extra money, but it does not distribute it.

**Mrs Chapman:** Its days are numbered.

**Mr SIMPSON:** It is no doubt true that its days will be numbered once the people of Australia realise the extent of the conniving behind these latest moves in reform of the tax system. That proposal contains a social tool that will take from the haves and give to the have-nots, and that is what it is all about. That proposal did not work in Russia; yet the Federal Government will attempt to introduce it in Australia.

The Prime Minister is a leader who believes not that elected people should govern the country but that the Government should be run by others. That has been proved since he was elected to office; the Australian Council of Trade Unions is running the country. That is not the way for Australia to go, and that is not the way to be productive.

The Prime Minister has broken all the promises he has made, so who could trust him? The Prime Minister has said that a capital gains tax would not be introduced, but in the next minute the Government takes steps to bring it in. The Prime Minister also said that there would be no increases in fuel tax, but up go the fuel taxes, and the fuel prices are indexed as well. The increases are hidden so that the people of Australia are unable to follow the ways in which they are being taxed. That is the kind of greed and deceit that comes out of Canberra, and that is why the Hawke Labor Government will not be returned to office.

Progress reported.

**LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 2)**

**Hon. R. J. HINZE** (South Coast—Minister for Local Government, Main Roads and Racing), by leave, without notice: I move—

“That leave be given to bring in a Bill to amend the Local Government Act 1936-1985 in certain particulars.”

Motion agreed to.

**First Reading**

Bill presented and, on motion of Mr Hinze, read a first time.

**Second Reading**

**Hon. R. J. HINZE** (South Coast—Minister for Local Government, Main Roads and Racing) (9.47 p.m.): I move—

“That the Bill be now read a second time.”

This Bill amends the town-planning provisions of the Local Government Act, the purpose being to enable rezoning applications to be processed more speedily and effectively.

As honourable members are aware, the development of land is frequently dependent upon the zoning of the land and, in these times of high interest charges, the developer is desirous of securing early rezoning approval so that the development may be brought to fruition as quickly as possible. In this way, expenditure is generated, jobs are created and the economy strengthened. I am sure all honourable members support this concept.

Under the current provisions of the Local Government Act, when a rezoning application is lodged with a local authority, notices relating to the rezoning have to be placed on the relevant land, served on adjoining owners, and inserted in a newspaper circulating in the area. These notices are required to stipulate that details of the proposed rezoning are open to inspection for a period of 30 days and that, during this period, interested persons may object to the local authority against the proposal.

In cases in which no objections are lodged, the local authority has to consider the application and make a decision thereon within 40 days of its receipt. If the application for rezoning is approved by the local authority, the Act requires that it be submitted to me for final decision by the Governor in Council. The rezoning has no force and effect unless and until it is approved by the Governor in Council. The applicant has a right of appeal to the court if the local authority refuses his application, or approves it subject to conditions that the applicant considers to be onerous.

Where objections are lodged and the local authority proposes to grant the application in the face of objections, the Act requires that each objector be notified of the local authority's proposal, and he then has a right of appeal to the court. In those circumstances, the local authority is precluded from finally deciding the application until the time for lodgement of appeals has expired or, where an appeal is lodged, until the appeal is heard and determined by the court, and the local authority is bound by the decision of the court.

Where no appeal is lodged by objectors, or where the court upholds the decision of the local authority to approve a rezoning application in the face of objections, full details of the proposal, including objections and the council's representations thereon, have to be submitted to me for final decision by the Governor in Council, and, as before, the rezoning has no force and effect unless and until it is so approved.

Honourable members will see that the procedure is a complex one and appreciate that it takes considerable time for a local authority to comply therewith.

It has been found, in practice, that the provisions of the law that enable objectors to appeal to the court can create unsatisfactory situations. The result is that major

developers can become frustrated to the extent that they either withdraw their proposals or are subjected to costly and time-consuming delays. There are a number of reasons for that.

Firstly, the mere implementation of the statutory procedures where objections are lodged creates a delay of about two to three months in the processing of a rezoning proposal. This is because the machinery requires a consideration of objections lodged, the making of a preliminary decision, advice to objectors of that decision, the awaiting of the expiration of the 30-day period to ascertain whether or not objectors appeal, and then the making of a final decision by the local authority. The position is exacerbated where an appeal is lodged.

Another unsatisfactory aspect of the matter is that there is evidence to suggest that some persons are using the appeal rights available to objectors in ways which are considered to be undesirable. For example, there is evidence that in certain cases persons adjacent to a proposed development the subject of a rezoning application have lodged objections and appeals merely for the purpose of negotiating with the developer some form of monetary gain in order to have their appeals withdrawn.

There is also evidence that some appeals are being lodged by business competitors of a proposed developer and that the appellant then uses every legal facility available to him to delay the processing of the appeal, only to withdraw at the last moment, having held up the developer for a considerable period.

Research by the Department of Local Government reveals that very few objector appeals are brought on for hearing in the court. From 1980 to June 1985, 106 appeals in respect of rezonings outside the city of Brisbane were heard and determined by the court. Of those, only 15 were lodged by objectors and only four objector appeals were upheld by the court. The information given to me is that, although a considerable number of objector appeals are instituted, very few are actually brought on for hearing and determination by the court.

In the Government's view, that does not justify the time delays inherent in the system. It has therefore decided to amend the Local Government Act to remove those rights of appeal. This action will still leave in the hands of the Governor in Council the power to finally decide each rezoning application, and, in making such decision, the Governor in Council will give full consideration to all objections received and the local authority's representations thereon. An applicant for rezoning will still retain his right of appeal to the court if he is dissatisfied with the local authority's decision on his application.

I think that all honourable members agree that it is desirable that the processing of rezoning applications be expedited, and the Bill will assist in that direction. I therefore commend the Bill to the House.

Debate, on motion of Mr Shaw, adjourned.

#### **PRIVATE EMPLOYMENT AGENCIES ACT AMENDMENT BILL**

**Hon. V. P. LESTER** (Peak Downs—Minister for Employment and Industrial Affairs), by leave, without notice: I move—

“That leave be given to bring in a Bill to amend the Private Employment Agencies Act 1983 in certain particulars.”

Motion agreed to.

#### **First Reading**

Bill presented and, on motion of Mr Lester, read a first time.

**Second Reading**

**Hon. V. P. LESTER** (Peak Downs—Minister for Employment and Industrial Affairs) (9.55 p.m.): I move—

“That the Bill be now read a second time.”

The Private Employment Agencies Act was proclaimed on 1 June 1983. This Act provides that any person carrying on business as a private employment agent on and after 1 June 1983 is required to be registered under the Act. Private employment agents were previously registered under the Labour and Industry Act of 1946 as amended from time to time.

Generally, the Private Employment Agencies Act has been accepted by reputable agents as a significant piece of legislation which has brought some very real controls to the industry and, at the same time, afforded protection to unemployed persons seeking employment who may otherwise be exploited by unscrupulous agents operating in the field.

Application of the legislation since its proclamation has, however, shown that there are certain shortcomings in its implementation, particularly in respect of the restrictions imposed on agents who operate in the theatrical, modelling and casting industry.

The Act does not allow for these agents to recoup costs against talent placed in engagements, even though the practice is widespread. Indeed, the industry could not operate in any other way, and there is evidence to suggest that many Queensland artists could lose engagements to interstate performers if the agents were forced to charge their fees against the employer.

This Bill makes provision for agents in the theatrical, modelling and casting industry to charge fees against talent placed in engagements but, at the same time, restricts those agents to charging no more than 10 per cent of the negotiated fee.

It further provides for the agent to take due regard of award rates which might be prescribed, and it prohibits agents who also act as managers of artists from receiving two fees—an agent's fee and a manager's fee.

Under the existing legislation, an application for a private employment agency licence is referred to a magistrate to determine whether the applicant is a fit and proper person to hold a licence. However, a recent case referred to a magistrate for determination has highlighted a further deficiency in the Act.

The case in question related to an applicant for a licence who is widely known for his involvement with strip shows, lingerie parades and similar shows involving exploitation of young ladies. An objector to the issue of a licence to this person subsequently found himself involved in protracted and expensive legal argument.

This Bill will introduce important amendments which will enable the magistrate to request a police officer to investigate the character, reputation and previous conduct of an applicant for a private employment agency licence, thereby removing the onus of proof from an objector in most cases.

The Bill also transfers all judicial matters from a stipendiary magistrate to an industrial magistrate and imposes prohibitions upon representation by legal counsel at any hearing unless the parties agree.

The net effect of these changes will be that the magistrate will have a documented police report to assist him in his deliberations, and objectors will not be encumbered with protracted and expensive legal argument.

The existing legislation does not allow for employees who have been illegally charged fees by agents for placing them in employment to recover those fees. Unemployed persons are the least able to afford such charges being levied against them, and the right of recovery is considered to be essential in these instances. Accordingly, procedures to enable recovery of fees illegally charged by agents are included in the Bill.

Provision is also made to enable the licensing officer appointed under the Act, namely, the Commissioner for Training, to delegate certain powers, authorities, functions and duties. The authority to delegate will assist in expediting action where the matter can adequately be handled at officer level and will also help in reducing delays in administrative matters during absences of the Commissioner for Training.

The Bill also provides for a no liability and indemnity clause to be included in the legislation. It is essential that police officers and other officers appointed under the Act be protected from liability on account of their performing their bona fide duties.

The Queensland Government is committed to promoting employment opportunities. This Bill enables many private employment agents to further that aim more effectively and at the same time strengthens the protections that both the industry and unemployed persons have from the unscrupulous operators who seek to exploit the system.

I commend the Bill to the House.

Debate, on motion of Mr McLean, adjourned.

The House adjourned at 10.2 p.m.