



Speech by

**WARREN PITT**

**MEMBER FOR MULGRAVE**

---

Hansard 30 July 2002

#### **BABINDA STATE HOTEL**

**Mr PITT** (Mulgrave—ALP) (11.44 a.m.): I wish to bring to the attention of the House the celebration of a significant anniversary—the establishment of the Babinda State Hotel in 1917. The Queensland government constructed the Babinda State Hotel in the town of Babinda. At the time it was the only hotel constructed and operated by the Queensland government under the Labor government's State Enterprises Scheme.

The town of Babinda was first established in 1912. Between 1914 and 1915 the population of Babinda rose rapidly due to the construction of the Babinda Central Sugarmill. The town was surveyed for future development in 1915 and private owners bought allotments and began to build homes and businesses. Gradually government facilities were established to serve the local community, including a post office, courthouse, police station and school. From 1915 the Labor government led by T.J. Ryan and encouraged by wartime restrictions, food shortages and consequent high prices established a series of state-run businesses to compete with private sector businesses.

The idea of state enterprises was not new. During the 19th century governments had operated railways and post offices as monopolies, but the general public accepted these as legitimate areas of government. The new state enterprises were distinctly different and designed to directly compete with private enterprise in order to provide the basic necessities at reasonable prices. The first foray into state enterprises was the establishment of the state butcher shops in 1915. This was followed by the establishment of state pastoral stations, fish supply shops, sawmills, produce agencies, cold stores and mines. Despite the good intentions of the government, the state enterprises lost money except for this one success story—the State Hotel of Babinda.

The construction of the State Hotel at Babinda was linked to the repercussions of the Sugar Works Act 1911. Under this act, the sale of intoxicating liquor was prohibited in sugar growing areas and the two existing hotel licences in the town were revoked and the owners compensated. This left the town with a definite lack of accommodation in the area and it was mooted that the lack of quality accommodation in the town would discourage the better class of labour from seeking employment in the sugar refinery. To address this problem, the state government built the first and only state owned and run hotel in Queensland. As it was run by government, the hotel was also permitted to sell alcohol. Initially the hotel was operated by the Home Department with a manager appointed and paid by the department. Following the passing of the State Enterprises Act 1918, the management of the hotel was transferred to State Enterprises which was administered by the State Trade Office, a part of the Department of Labour and Industry.

Unlike nearly all other state enterprises, the State Hotel actually made money. In 1929 its turnover in the bar was more than 300 pounds a week and that of the house was almost 200 pounds a week. However, with the onset of the economic depression from 1929 and the massive losses other state enterprises were experiencing, the newly elected Country Party government in Queensland was intent on selling off all state enterprises. Sale of the hotel was announced in parliament in September 1929 with the reading of a special bill, the Babinda State Hotel Sale Act 1929. To entice buyers the government offered a monopoly on hotel trade in the town at least until 1935. It was also a condition of the sale that the purchaser make an application to the Licensing Court for the deletion of the word 'state' from the name of the hotel. Babinda residents opposed the decision to sell the hotel and urged the government to grant additional liquor licences in the area.

Despite that opposition, the sale of the hotel went ahead as planned. The property was put to auction in March 1930. Only four bids were received for the hotel, the highest bid coming from Mr J.A. O'Hagan of Brisbane. John O'Hagan, licensed victualler and former licensee of Lennons Hotel and the Hotel Daniel, continued his negotiations with the government and eventually bought the hotel for 50,000 pounds payable in instalments without interest. Upon the sale the hotel was renamed the Babinda Hotel. O'Hagan continued the grand tradition of the hotel up until the Second World War when business declined and he sold the hotel in 1941. Since that period the hotel has had a succession of owners but has continued to operate as a hotel with accommodation facilities. The hotel has undergone few alterations over the years with the exception of the removal of the second-class accommodation wing and other outbuildings in 1970. It still remains the only hotel in the town of Babinda and dominates the commercial centre of Babinda.

The current owners, the Anning family, are very proud of the history of the hotel. They are worthy custodians of what has become an historic icon in the far north. I recently had the pleasure of officiating at celebrations to mark the 85th anniversary of the opening of the hotel. On that occasion I had the pleasure of reciting verse penned by local poet and well-respected former Mulgrave shire councillor Shirley Harwood. In her unique style, Shirley captures the essence of the hotel's history and character. I am pleased to report that the Babinda Hotel has now been added to the state's Heritage Register.