

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 5 SEPTEMBER 1967**

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Monier Company will not be granted freight and other concessions on their southern-made tiles to enable them to crush the other company out of business, and then later announce that they do not propose to erect their own tile-making factory in Townsville or in any other part of North Queensland?

*Answers:—*

(1) "Yes. I would add that representatives of the Company in question have had discussions with officers of the Department of Industrial Development regarding the acquisition of land in the Townsville area with the objective of furthering their plans for manufacture in the North of tiles and other concrete products."

(2) "No, but I have been advised that certain other interested parties are also endeavouring to promote the formation of a company for the purpose of manufacturing concrete tiles in Townsville. However, no approach has been made to the Department of Industrial Development in regard to this particular project."

(3) "Concessional rail freights on roofing tiles railed from Brisbane to a number of centres in the North have been in operation for some years. The basis on which the concessional freights were requested and approved was to enable markets for such tiles in the North to be established prior to manufacture being commenced at Townsville."

## TUESDAY, 5 SEPTEMBER, 1967

Mr. SPEAKER (Hon. D. E. Nicholson, Murrumba) read prayers and took the chair at 11 a.m.

### QUESTIONS

#### RAIL FREIGHT CONCESSIONS TO TOWN- VILLE CONCRETE INDUSTRIES (MONIER) LTD.

Mr. Aikens, pursuant to notice, asked The Premier,—

(1) Has his attention been drawn to an article in *The Townsville Daily Bulletin* of August 26, wherein it was reported that Concrete Industries (Monier) Ltd. proposed to transport roofing tiles and similar building materials from their southern manufacturing plants to Townsville with "the ultimate aim of installing a tile plant in Townsville to serve North Queenslanders"?

(2) Is he aware that another tile manufacturing company has acquired land in Townsville and is actually engaged in erecting a factory for the production of roofing tiles and expects to begin turning out tiles early in 1968?

(3) If so, will he confer with the relevant Ministers in order to ensure that, without restricting fair competition, the

#### COMPENSATION FOR NON-PROPERTY OWNERS, WILBUR SMITH PLAN RESUMPTIONS

Mr. Hanlon, pursuant to notice, asked The Minister for Mines,—

(1) With reference to the resumptions under Stage 1 and further stages of the Wilbur Smith Plan, has any provision been made or can it be made for compensation to non-property owners who nevertheless may be severely affected, such as milk vendors, who have invested in "runs" of which perhaps a third or more will be eroded by resumptions?

(2) Is weight given to losses suffered by dispossessed shopkeepers apart from the fair market value of land and property actually acquired and, if so, can milk vendors and such persons be regarded in the same context?

(3) If the extension of compensation in this regard is not practical in its application, will his Department seek the co-operation of the retail milk vendors in the adjustment of "runs" by agreement in such manner that no vendors will be disadvantaged and bitterness not developed in the industry?

Answers:—

(1) "Resumptions are made by the Co-ordinator General of Public Works under the provisions of "The State Development and Public Works Organization Acts" in conjunction with "Public Works Land Resumption Acts". Compensation is payable to all persons having an estate or interest in land which would be required for the actual road construction. No compensation would be applicable to milk vendors under these Acts."

(2) "A dispossessed shopkeeper, who either owns or leases a property where he conducts his business, would be entitled to business disturbance embracing loss suffered by forced sale of stock, and other contingencies."

(3) "It is considered that the adjustment of domestic services such as milk runs, newspapers &c. is a matter for consideration by individual associations. It would not be desirable for this Department to interfere in the operations of these associations."

ADDITIONAL SAFETY PRECAUTIONS FOR PATIENTS, CHERMSIDE HOSPITAL

Mr. Hanlon, pursuant to notice, asked The Minister for Health,—

(1) How many patients have met their death by suicide and/or accidental death at the Chermiside Hospital and, of these, how many were occasioned by falls from upper floors?

(2) Will he consider the extension of existing safety rails to meet the awnings by some appropriate means in order to prevent such happenings?

Answers:—

(1) "Five patients have met their deaths by falls from upper floors of the Chermiside Hospital."

(2) "The Chermiside Hospital Authorities are of the opinion that the mesh grilles already provided preclude any possibility of accidental fall from the upper floors. The points raised by the Honourable Member will receive consideration."

BOOKMAKERS' TURNOVER AND BETTING TICKET TAXES

Mr. Hanlon, pursuant to notice, asked The Treasurer,—

(1) Since the inception of turnover tax on March 1, 1962, what total amount has been paid by bookmakers on-course (a) to June 30, 1967, and (b) for the year ended June 30, 1967?

(2) Of this, what amounts have been rebated to clubs by way of the twenty per centum rebate (a) to June 30, 1967,

and (b) for the year ended June 30, 1967, and in each case what were the amounts paid to the various individual clubs?

(3) What was the revenue derived from bookmakers' betting ticket tax during the year ended June 30, 1967?

Answers:—

(1) "(a) \$8,813,228; (b) \$1,836,627."

(2) "(a) \$1,581,469; (b) \$372,579. The total amount paid to each club is not readily available. However, quarterly distribution lists are on record in the Treasury and if the Honourable Member would like to see these lists I shall be pleased to make arrangements accordingly."

(3) "\$211,001."

COST OF GOVERNMENT BUILDINGS AND LAND, BRISBANE

Mr. Coburn, pursuant to notice, asked The Premier,—

(1) What was the total cost of each of the following properties, after completion of renovations and alterations, purchased or constructed by the Government:—(a) Binna Burra, (b) Harris Court, (c) the building presently occupied by the Aboriginal and Island Affairs Department, George Street, (d) Health and Welfare Building, (e) Police Department Building on Coronation Drive, (f) Mineral House, (g) that portion of Insurance House presently occupied by the Queensland Housing Commission and (h) any other properties in Brisbane purchased or constructed since July 1, 1950?

(2) Which of these properties were acquired between July 1, 1950, and June 30, 1957, and which since that time?

(3) What other buildings and/or land in Brisbane is it proposed to purchase or construct and what is the estimated cost of each?

Answers:—

I lay upon the Table of the House a Statement setting out the information sought by the Honourable Member.

(1) "(a) Binna Burra and adjacent properties, \$215,000; (b) Harris Court and adjacent properties, \$321,700; (c) Administration Annexe, \$192,500; (d) Health and Welfare Building, \$1,500,000; (e) Police Department, Coronation Drive, \$1,117,000; (f) Mineral House, \$295,000; (g) Insurance House (not occupied by Queensland Housing Commission), Anzac Square Building (partly occupied by Housing Commission) (4th, 5th and 6th units), \$1,900,000; (h) Other properties—Auckland House, \$29,500; Queensland Timber Stabilisation Board Building, \$13,000;

Old Seamen's Institute, \$14,000; South Brisbane Conservatorium of Music, \$113,000; Kemp Place—St. Patrick's School, \$94,000; Public Library Additions, \$420,000; Bushells Building, Valley, \$177,000; Treasury Building Annexe, \$178,000; Russell House, South Brisbane, \$53,000; Thomas Brown Building, \$83,980; Police Property, corner Herschell Street and North Quay, \$786,000; Seamen's Institute Building, \$252,000; Wills Building, \$338,000; Belle Vue Hotel, \$660,000."

(2) "Properties acquired between July 1, 1950 and June 30, 1957—Binna Burra; Auckland House; Chest Clinic—Queensland Timber Stabilisation Board Building; Old Seamen's Institute, Turbot Street; South Brisbane Conservatorium of Music; Kemp Place—St. Patrick's School. Properties acquired since June 30, 1957—Police Department—Coronation Drive; Bushells Building, Valley; Russell House, South Brisbane; Thomas Brown Building; Police Property, corner Herschell Street and North Quay; Seamen's Institute Building; Wills Building; Belle Vue Hotel."

(3) "As part of a long range plan for development of the Courts of Law area, planning is in hand for the progressive replacement over a number of years of the present Court in George Street, Brisbane. Approval of the first section of this scheme has been granted, and a contract has been let to Costain Pty. Ltd. for the construction of the first building at a cost of \$2,289,559. The development of the Government Precinct area in George Street is another long range scheme planned for implementation over a period of years. The first step has been taken inasmuch as site excavations have been completed for the first building and tenders for the construction of the building have been invited closing on October 25, 1967."

#### ROAD TO EDWARD RIVER ABORIGINAL COMMUNITY

**Mr. Wallis-Smith**, pursuant to notice, asked The Minister for Mines,—

As there is an urgent need for a trafficable road to the Edward River community so that materials and supplies can be taken in by road transport and cattle from Strathgordon Station moved—

(1) Is the road in a trafficable condition?

(2) Is there ample plant and personnel available to cover the long distances under the control of the Administrator of the Cook Shire? If not, will he agree to employ local plant and operators in order to catch up the leeway in road works?

(3) If portion of this road is outside the Administrator's district, will he take the necessary steps to implement the required road work?

*Answer:—*

"The road to the Edward River community is not under the control of the Main Roads Department. The Questions raised would be matters for the Administrator of the Cook Shire."

#### SHOW HOLIDAY FOR RAILWAY EMPLOYEES, TABLELANDS ELECTORATE

**Mr. Wallis-Smith**, pursuant to notice, asked The Minister for Transport,—

(1) Is he aware that railway employees on the Etheridge line beyond Alma-den are not in receipt of a gazetted show holiday?

(2) Will he consider the granting of a day's holiday to those railwaymen in the Tablelands Electorate who at present are denied the annual show holiday?

*Answers:—*

(1) "No holiday was gazetted for the area referred to."

(2) "Applications for holidays under *The Holidays Acts 1912 to 1961*" are dealt with by the Honourable Minister for Labour and Tourism to whom the Honourable Member's request would be more appropriately directed."

#### INSTALLATION OF ELECTRICITY IN RAILWAY HOUSES, ALMA-DEN

**Mr. Wallis-Smith**, pursuant to notice, asked The Minister for Transport,—

As electricity has been available at Alma-den for some time, but as conditions imposed by the Railway Department make it far too costly for the tenants of railway houses to have the supply connected, will he give early consideration to having these conditions altered so that the employees can enjoy the same conditions of supply as are enjoyed by those at Mareeba and other railwaymen occupying railway houses?

*Answer:—*

"The 'conditions' to which the Honourable Member refers, is presumably the annual guarantee which is required—not by the Railway Department, but by the Cairns Regional Electricity Board. I might add that of the four employees concerned, only one has not agreed to meet the conditions. It is now proposed to proceed with the installation of electricity to all railway premises, including houses, with the exception of that occupied by the employee who has not agreed to meet the required guarantee of the Cairns Regional Electricity Board."

NEW SYLLABUS FOR SENIOR PUBLIC  
EXAMINATION

**Mr. R. Jones**, pursuant to notice, asked  
The Minister for Education,—

(1) What will be the effect on students who fail the Senior Examination in 1967 or those students who wish to repeat because of poor results or to defer for a year their entry to the university on account of their youth?

(2) As it would be impossible for them to do the new courses for 1968 in chemistry, physics and mathematics and as the supplementary matriculation examination in January-February has been discontinued, will these students have to do special papers? If so, will the syllabuses be made available as soon as possible?

*Answer:—*

(1 and 2) "In 1968 a special examination paper in Senior Chemistry, based on the 1967 syllabus, will be set for those candidates who are repeating the Senior Examination. The question as to whether similar arrangements will be made for physics and mathematics will be considered by the Board of Senior Secondary School Studies at its next meeting. The Honourable Member for Cairns can rest assured that every effort will be made to see that no candidate who is repeating the Senior Examination in 1968 will be placed at a disadvantage."

PROPERTY RESUMPTIONS FOR FOUR-  
LANE HIGHWAY, SANDGATE ROAD

**Mr. Melloy**, pursuant to notice, asked  
The Minister for Mines,—

(1) How many properties have been resumed to provide for the construction of the four-lane highway on Sandgate Road, between Virginia and Deagon?

(2) What was the average compensation paid for these properties?

(3) Are any further properties to be resumed? If so, what are the details?

*Answers:—*

(1) "(a) Some land has been resumed from two properties; (b) Four properties were purchased; (c) Seven parcels of Council land were dedicated as road; (d) Three parcels of vacant Railway land were dedicated as road; (e) Three parcels of other Crown land or Reserve were dedicated as road."

(2) "In the case of (1) (a) (the only actual resumptions) \$7,800. In the case of (1) (b) average purchase price was \$4,197."

(3) "(a) Notices have been issued in respect of portion only of—Nine parcels of railway land under lease; fourteen parcels of private land. (b) It is anticipated that there will be some requirement from

a further twenty-seven properties but planning is not sufficiently advanced to determine this exactly."

INTERSTATE PASSES FOR CHILDREN OF  
RAILWAY EMPLOYEES

**Mr. Davies** for **Mr. Thackeray**, pursuant to notice asked The Minister for Transport,—

Does he intend to allow children of railway employees to travel with their parents on interstate railway passes? If not, why not?

*Answer:—*

"To include children of railway employees on interstate passes would require a reciprocal arrangement between all railway systems, which has not been possible to achieve."

MAINTENANCE GRADING, MULLIGAN  
HIGHWAY

**Mr. Coburn** for **Mr. Adair**, pursuant to notice, asked The Minister for Mines,—

As several graziers and residents of the Cooktown district have complained to me about the bad state of the Mulligan Highway between Cooktown and Mount Molloy, will he have the road re-graded as early as possible?

*Answer:—*

"In the next few weeks some maintenance grading will be carried out on parts of the road between Cooktown and Mount Molloy. However, as the country is dry, the work done will be of value for only a limited time."

PURCHASE OF ELECTRICITY POLES BY  
CAIRNS REGIONAL ELECTRICITY BOARD

**Mr. Coburn** for **Mr. Adair**, pursuant to notice, asked The Minister for Industrial Development,—

(1) On what basis does the Cairns Regional Electricity Board buy poles for electricity extensions into country areas?

(2) Does this regional board pay a higher price for poles from some suppliers than they can be bought at from others and, if so, how can this be justified?

*Answers:—*

(1) "Public tenders are called each year for the Board's pole requirements."

(2) "Acceptance of tenders by the Board is always based on the lowest overall cost for poles which meet specified requirements including type, quality, delivery, and quantity, delivered at the pole dump nearest to the point of utilisation. The Answer is therefore in the negative."

NEW CLASSROOM BLOCK, COORPAROO  
STATE HIGH SCHOOL

**Mr. Bromley**, pursuant to notice, asked  
The Minister for Works,—

As finance was allocated and the construction of the new wing for the Coorparoo State High School approved early in 1966, when will construction of the new building commence?

*Answer:—*

"Tenders closing September 20, 1967, have been invited for the design and construction of piling for a new classroom block at the Coorparoo State High School. Tender documents for the construction of the superstructure are in course of preparation. It is expected that work on the site will be commenced early in October, 1967."

TRACTOR ACCIDENTS

**Mr. Bromley**, pursuant to notice, asked  
The Minister for Labour and Tourism,—

(1) How many tractor accidents, fatal and otherwise, were recorded during 1965-66 and from July 1, 1966, to the present date?

(2) As an eighteen-year-old girl was recently unfortunately involved in a fatal accident while driving a tractor, will he detail the regulations relating to the age of driving and operating these machines?

(3) What progress is being made in the furtherance of fitting safety features to tractors?

*Answers:—*

(1) "In 1965-66, there were seventeen fatal accidents involving pneumatic-tyred wheel tractors. No fatalities were recorded for crawler-type tractors. As fatalities for other than industrial machines are not notifiable to the Department, yearly figures must be compiled from the records of other Departments. This has not yet been finalised for 1966-67. No record is maintained of non-fatal accidents."

(2) "A tractor is a motor vehicle under the Traffic Act and Regulations, and the age of licensing is seventeen years. Tractors used on other than public roads do not require a licensed operator."

(3) "There is no legislation requiring the fitting of safety features to farm tractors. However, the Division of Occupational Safety, by means of the film—"Safety in the Rural Industry"—and through rural organizations, continually emphasises the obvious need for such features as safety frames. Rheem Aust. Pty. Ltd. at Bulimba is developing a safety frame for tractors which, it is expected, will be available shortly at a cost well within the reach of tractor owners."

AIR POLLUTION CONTROL

**Mr. Bromley**, pursuant to notice, asked  
The Minister for Health,—

(1) What progress is being made in the control of air pollution?

(2) Will an annual report for 1966-67 be prepared by the Director, Mr. A. Gilpin, presented to Parliament and printed?

*Answers:—*

(1) "Draft regulations have been prepared under the Clean Air Act and approved by the Air Pollution Council of Queensland. They are now in the hands of the Solicitor-General for his approval. A permanent headquarters consisting of offices and laboratories is being provided for the Division in Adelaide Street and the conversion of the premises is well advanced. An engineer to assist the Director is expected to take up his appointment in the near future. The completion of the laboratories will enable scientific staff to be appointed. The Director has made widespread contact with secondary industries on the requirements of the Clean Air Act and its future regulations."

(2) "The report of the Director of Air Pollution Control will be included in the Report on the Health and Medical Services of the Department and will be submitted to Parliament when printed."

PEDESTRIAN CROSSING, MORNINGSIDE  
STATE SCHOOL

**Mr. Kaus**, pursuant to notice, asked The  
Minister for Education,—

(1) Has his attention been drawn to the exceptionally dangerous crossing at the corner of Pashen Street and Riding Road used by the pupils of Morningside State School daily and a particular hazard between 2.30 p.m. and 3.30 p.m.?

(2) Will he arrange for a policeman to be stationed at the crossing from 2.30 p.m. to 3.30 p.m. daily on each school day?

*Answer:—*

(1 and 2) "I do not subscribe to the suggestion that the crossing referred to is an exceptionally dangerous one, for police records indicate that during the last 3½ years from January, 1964 to the present time, eight accidents have been reported as occurring at or in the vicinity of the crossing, the subject of the Question. The last accident reported occurred at 6.45 p.m. on March 26, 1967, when a vehicle stopped at the intersection of Pashen Street and Riding Road was struck by a following vehicle. There is no record within the Police Department since January, 1964 of an accident occurring at

or in the vicinity of this crossing between 2.30 p.m. and 3.30 p.m. on any day. A survey of the situation at this pedestrian crossing was made by police in May last, and again during the week ending August 4, 1967, but these surveys failed to indicate the necessity for a member of the Police Force to perform duty at this crossing on a regular basis on school days between 2.30 p.m. and 3.30 p.m. School patrols operated at that school give an added measure of safety to school children using this crossing during this hour. Police surveys have also indicated that motorists obey the signals of this school patrol and conform generally to the provisions of the Traffic Regulations. In conjunction with attention to other crossings in the area, police will from time to time, attend at this crossing in order to ensure that, if there is any deterioration in the position presently prevailing there, it will be cured."

## MINISTERIAL EXPENSES

### RETURN TO ORDER

The following paper was laid on the table:—

Return to an Order made by the House on 10 August last, on the motion of Mr. V. E. Jones, of expenses of Ministers for the period 1 July, 1966, to 30 June, 1967, inclusive, showing each separately and in detail.

### PAPERS

The following papers were laid on the table, and ordered to be printed:—

#### Reports—

Literature Board of Review, for the year 1966-67.

Parole Board, for the year 1966-67.

The following papers were laid on the table:—

Orders in Council and Proclamations under the Forestry Acts, 1959 to 1964.

Regulations under the Apprenticeship Act of 1964.

## MINISTERIAL STATEMENT

### RESIGNATION FROM CABINET OF HON. MEMBER FOR WAVELL

**Hon. J. D. HERBERT** (Sherwood—Minister for Labour and Tourism) (11.15 a.m.), by leave: I thank the House for the opportunity to reply to the speech by the hon. member for Wavell in the closing stages of the debate on the last sitting day of Parliament.

**Opposition Members:** Why don't you speak on the Address in Reply?

**Mr. SPEAKER:** Order! The Minister for Labour and Tourism has been granted permission to make a ministerial statement, and I presume that this is a ministerial statement.

**Mr. HERBERT:** I had no indication that a personal attack would be made on me, and I was precluded from attendance because I had to preside over a presentation of the 1967 Warana Festival programme, which could not be postponed.

### Opposition Members interjected.

**Mr. SPEAKER:** Order! The House having given the Minister leave to make a statement, I ask that he be allowed to do so without interruption. Anyone who does interrupt will be dealt with under Standing Order 123A.

**Mr. HERBERT:** In view of the comments made by the hon. member for Wavell, I feel that I should place before the House a brief statement of the events in which I was involved, without any histrionics, Biblical quotations and embellishments.

When I left for overseas the Minister for Works and Housing, Mr. Bjelke-Petersen, was appointed Acting Minister in charge of my department. This was normal procedure, as both his office and mine are in the same building.

Whilst overseas, I was informed that the hon. member for Wavell had replaced Mr. Bjelke-Petersen. I assumed that the change was made because Mr. Bjelke-Petersen had undertaken additional responsibilities in acting for the Minister for Education, Mr. Pizzey, during the latter's absence overseas also.

I returned to Australia on Monday, 22 May, and re-assumed my responsibilities the following day, Tuesday, 23 May, when I attended a meeting of Cabinet. On returning to my office from Cabinet, I received certain information which led to my interviewing two female members of the staff early the next morning, Wednesday, 24 May. At this interview the girls made allegations that Mr. Dewar, whilst Acting Minister, forced his intentions upon them by kissing and other actions.

**Mr. Bennett:** Tell us what the other actions are.

**Mr. SPEAKER:** Order! The hon. member for South Brisbane has had a previous warning. I am giving him a final warning that if he interrupts once more Standing Order 123A will be applied.

**Mr. HERBERT:** Some of these acts had been observed by male members of the staff.

At this stage, I think I should assure the House that both of these girls are of impeccable character and resented the approaches, and repulsed them. After Mr. Dewar had had his face slapped by one of

the girls the advances stopped. They then decided to await my return before reporting the matter. The reason for this is obvious. If they had reported it to the permanent Public Service head of the department, he would have been placed in a most awkward situation in having to take action involving a Minister who, at that stage, was in charge of the department.

After hearing the girls' story on the Wednesday I felt that only one course of action was open to me, and that was to report it to my parliamentary Leader, the Treasurer, Mr. Chalk.

Apparently this is the act of treachery of which I have been accused by the hon. member for Wavell. I ask hon. members—and the public generally—what would they have done in the same circumstances. In my view, Cabinet solidarity does not include covering up immoral or illegal acts. Police action was not taken because the girls themselves realised the unsavoury personal publicity which would have accrued.

On the Thursday one of the parents of one of the girls said he wished to have a talk with Mr. Chalk, and would like me to introduce him to Mr. Chalk. I did this, and left the office. I then had no further part in the matter and, in fact, like the rest of the people of Queensland, the first I knew of Mr. Dewar's resignation from Cabinet was when I read it in the Press.

My Leader has given the House a detailed summary of the events that took place after he had received the report from me. At this point, I wish to make it quite clear that the story was not promulgated by my department. I made certain inquiries after the Press had obtained some of the details, and information made available to me left me in no doubt that the leaks had come from another department.

The "red herring" of the koala bears is the most ridiculous excuse that I have ever heard in all my years in public life. The facts of this matter are these: the Minister for Primary Industries, who is responsible for the issuing of licences for the keeping of koala bears, wrote to me explaining that the Oasis had applied to him for a licence to keep koalas and sought my opinion as Minister in charge of tourist activities. I consulted my advisers, and concurred with their view that the granting of a further licence to the Oasis at that stage would not be in the best interests of the tourist industry.

This view was submitted to Cabinet, and it was endorsed. Until that stage, I was not even aware of Mr. Dewar's interest in the Oasis. Subsequently the matter was reintroduced to Cabinet for further consideration, and the policy was changed. As far as I was concerned, the matter was one of many such instances in the daily life of all members of Cabinet, and I did not give it another thought.

The only people vitally interested would be those with personal interests in the establishments concerned, namely the Oasis and Lone Pine.

It is ludicrous for the hon. member for Wavell to allege that he lost his Cabinet post over four koala bears. Despite the reasons contained in his letter of resignation, written in his own handwriting, which have been revealed by the Premier, the hon. member for Wavell knows in his own mind the real circumstances which resulted in his resignation. It is significant that there was no mention of victimisation or koala bears in his letter of resignation.

Finally, I wish to make it quite clear that I have never considered myself to be engaged in a personal vendetta with the hon. member for Wavell.

#### PERSONAL EXPLANATION

**Mr. DEWAR** (Wavell) (11.23 a.m.), by leave: I thank the House for its indulgence.

I desire to correct certain matters in recent Press reports—

(1) Quoted as my statement, "The Courier-Mail" of last Friday reads—

"He alleged the real reason for his 'demise' was the treachery of Mr. Herbert, who he said had opposed his suggestion that the Oasis Gardens at Sunnybank should be allowed to have koalas".

(a) At no stage have I discussed the koala question with Mr. Herbert; nor did I discuss it at Cabinet, as I retired on each occasion.

(b) The request for koalas was made by Mr. Pottinger following a meeting of the Oasis group at which I was not present. In fact, at the next meeting the decision was opposed by me, so that at no stage was it my suggestion.

(2) In the same newspaper there is a report of Mr. Chalk's speech. I confess that during Mr. Chalk's speech it did not register with me that Mr. Chalk said, as quoted, that I had said, "Such happenings were acts of stupidity but because of my personal make-up these were acts of endearment." Further, it did not register with me that, in stating that I had admitted the kissing, Mr. Chalk had failed to mention that I had denied all other assertions. I hereby state that I did not make the statement referred to above. In fact, I admitted the kissing and flatly denied the other minor assertions and said, "Call it stupid if you like. However, throughout my life this has been a means of salutation of hello, good-bye, birthday and Christmas greetings, and it has happened at irregular intervals with the two girls in question over the past two or three years." Further, I said, "The matter has been magnified out of all proportion", and on 25 and 28 May Mr. Chalk agreed without equivocation that this was so. He so stated in these explicit terms on each occasion.



(3) "Sunday Truth" of 3 September carries the following:—

"And why did the Government apparently turn a blind eye to Mr. Dewar while he was Tourist Minister forming a company which included another M.L.A. to buy the Oasis, one of Queensland's best-known tourist resorts?"

This question is posed on a premise far removed from the truth. The company, The Oasis Pty. Ltd., was formed in February 1966, whereas I moved from the Department of Labour and Industry, which included the administration of the Tourist Bureau, to the Department of Industrial Development on 28 January 1965, more than 12 months earlier.

#### FORM OF QUESTION

**Mr. AIKENS** (Townsville South) proceeding to give notice of a question—

**Mr. SPEAKER:** Order! The hon. member is seeking an expression of opinion.

#### LOCAL GOVERNMENT ACTS AMENDMENT BILL

##### INITIATION IN COMMITTEE

(Mr. Hodges, Gympie, in the chair)

**Hon. H. RICHTER** (Somerset—Minister for Local Government and Conservation) (11.44 a.m.): I move—

"That a Bill be introduced to amend the Local Government Acts, 1936 to 1966, in certain particulars."

The purpose of the Bill is to empower a local authority, including the Brisbane City Council, to enter into a time-payment contract for the purchase of property or the performance of works or undertakings. The power of a local authority to enter into such a contract, however, is limited by the legislation so that the annual payments to be made under the contract in any year, together with the annual payments to be made in that year under any other existing time-payment contract, cannot exceed a specified percentage of the total estimated receipts of the particular fund in respect of which such contracts are relevant. This provision is, of course, designed to ensure that the liability of local authorities under this type of contract is kept within due bounds. The legislation is drawn so as to have operation from 1 January, 1967.

For the information of hon. members, I will proceed to explain in more detail the limitation imposed by the legislation on the capacity of local authorities to enter into time-payment contracts. In the case of a time-payment contract for the purchase of property, a local authority will be precluded from entering into such a contract—

(a) where the annual payment to be made under the contract in any year will exceed 1 per cent. of the estimated receipts of the relevant fund for the year in which the contract is proposed to be entered into; or

(b) where other time-payment contracts for the purchase of property are in existence at the time the contract is proposed to be entered into, if the aggregate of the annual payments under all such contracts in any year will exceed 1 per cent. of the estimated receipts of the relevant fund for the year in which the contract is proposed to be entered into; or

(c) where other time-payment contracts for the purchase of property or for the performance of works or undertakings are in existence at the time the contract is proposed to be entered into, if the aggregate of the annual payments under all such contracts in any year will exceed 10 per cent. of the estimated receipts of the relevant fund for the year in which the contract is proposed to be entered into.

In the case of a time-payment contract for the performance of a work or undertaking, a local authority will be precluded from entering into such a contract—

(a) where the annual payment to be made under the contract in any year will exceed 10 per cent. of the estimated receipts of the relevant fund for the year in which the contract is proposed to be entered into; or

(b) where other time-payment contracts for the purchase of property or for the performance of works or undertakings are in existence at the time the contract is proposed to be entered into, if the aggregate of the annual payments under all such contracts in any year will exceed 10 per cent. of the estimated receipts of the relevant fund for the year in which the contract is proposed to be entered into.

The percentage limitation will be calculated on the estimated receipts of the particular fund which is relevant to the time-payment contract in question.

In the case of the Brisbane City Council, the calculation will be made on the estimated receipts of that financial division of the City Fund (general, water supply and sewerage undertaking, transport undertaking, etc.) in respect of which the contract has application. In the case of local authorities outside Brisbane, the calculation will be made as follows:—

(a) where the time-payment contract relates to sewerage or water supply, on the total estimated receipts of the local authority's sewerage and water supply undertaking funds;

(b) where the time-payment contract relates to an undertaking other than a sewerage undertaking or a water supply undertaking, on the total estimated receipts of that particular undertaking fund;

(c) where the time-payment contract relates to a cleansing service, on the total estimated receipts of that particular cleansing fund; and

(d) in the case of any other time-payment contract, on the total estimated receipts of the general fund.

Local authorities in all other States except South Australia are already clothed with power to enter into time-payment contracts, and the legislation is designed to clothe Queensland local authorities with similar powers. The limitation imposed by the legislation on the indebtedness which a local authority may incur under a time-payment contract is based on provisions embodied in the New South Wales Local Government Act, with the exception that we have imposed a separate limitation in the case of contracts for the purchase of plant. The legislation specifically prohibits a local authority from entering into a hire-purchase agreement as a hirer. Tenders will, of course, have to be invited before a local authority may enter into a time-payment contract, and the local authority will require to accept the most advantageous tender.

Up to the present, the financial provisions of the Local Government Acts have been drawn on the basis that local authorities will carry out capital works from revenue or by the raising of loans. These provisions have been broadened to make provision for the carrying out of these works by way of time-payment contracts.

Provision has also been inserted in the law whereby the local authority will require to include in its annual financial statements a statement giving full particulars of time-payment contracts entered into during that year and of all such contracts which are then in existence.

The legislation introduces another new principle in that it removes the necessity for local authorities to advertise their intention to borrow, and the right of not less than 10 per cent. of electors to require the taking of a poll on proposed loan raisings. This is in keeping with modern local-government practice.

Local government is a form of government responsible to its electorate and we feel, as a natural corollary, that a loan-raising proposal formulated by a local authority should not be subject to veto at a poll. Applications by local authorities for loan moneys are closely scrutinised before an allocation is made on the annual loan programme; plans, specifications and estimates of cost of the work are reviewed by the relevant Government Department; the local authority cannot enter into negotiations to borrow unless it receives the Treasurer's sanction; and it has no authority to borrow until the Governor in Council so approves. It seems to me that the fulfilment of these procedures ensures that the interests of electors are fully safeguarded, and we have accordingly decided that the present requirement for local authorities to advertise their proposed loan raising be removed.

This amendment will place local authorities outside Brisbane in a similar position to the Brisbane City Council, for there is no requirement under the City of Brisbane Acts for the Brisbane City Council to advertise its proposed borrowings. Corresponding provisions were removed from the New South Wales Local Government Act some years ago, and from the Queensland Harbours Acts in 1963.

As I mentioned earlier in my speech, the local-government laws of the other Australian States, except South Australia, already vest power in local authorities in those States to enter into time-payment contracts. This Bill merely vests Queensland local authorities with similar powers.

I commend the Bill to the Committee.

**Mr. HOUSTON** (Bulimba—Leader of the Opposition) (11.53 a.m.): I am sure that all those who heard the Minister introduce this Bill are still wondering about the reason for the proposed legislation. I know that those who have been following the happenings of the day in Brisbane and other parts of the State are fairly conversant with what we imagine is the reason for the Bill. It is very regrettable that so often Ministers introduce legislation, sometimes of an involved nature, without giving some of the background associated with its introduction. After all, the purpose of the introductory stage of a Bill is to provide us with an opportunity to consider whether the legislation should be introduced.

The Minister read many words when introducing the Bill. To be quite candid, he went so fast and became so involved in theoretical calculations that I doubt whether at this stage any hon. member can fully appreciate the import of all that he read.

I think we are entitled to know the reason behind this amending legislation. We can assume that it has stemmed from the desire of the Brisbane City Council to finance a sewerage scheme at Sandgate, but all we know about that is what we have been able to read in the Press or learn in our interviews with people who are concerned in the matter.

At this point I appeal to all Ministers (and I am glad to see that there are four of them in the Chamber) when introducing measures to Parliament to realise that they have a responsibility to ensure that all hon. members know the background associated with the introduction of legislation.

As far as I can understand the measure, it appears to represent a major change in established principles and policy. Previously it was considered that it was not in the interests of the people to allow work to be carried out on the basis of what has been called hire purchase, or time payment. The Government has now decided to amend that policy. There may be many good reasons for doing so, but so far not one reason has

been advanced to show that it is in the interests of the Brisbane City Council or the people of Brisbane that this established practice should be departed from. It is true that apparently some arrangement was entered into between the Brisbane City Council and the Government concerning this scheme at Sandgate. It is also true that many harsh words were uttered about the statements made by the Treasurer prior to the council election. The Leader of the C.M.O. in the council said that it was apparently an illegal action. At this stage I do not think that is for me to determine, but I think Parliament is entitled to know why it was considered desirable to make the change, and why the Government, through the Treasurer, told the Lord Mayor of Brisbane that it was all right for him to proceed with the negotiations in a contract that was apparently illegal—or not strictly legal—under the existing law, but which will become legal under this measure.

Another important point in this measure is the fact that it is to be retrospective in its application. The Minister said that it will be retrospective to 1 January, 1967. Without any explanation to the House, the Minister told us that the Bill will legalise actions, negotiations and contracts that are established—that are actually in effect. If that is so, surely the Chamber is entitled to some explanation for the making of this legislation retrospective. Are other councils in exactly the same position? We know the story as it affects the Brisbane City Council contract, but are other local authorities in the same position? How long has it been known to the various local authorities that the Government intended to amend this legislation? Supposing that, by some stretch of the imagination, the legislation were defeated, what would the position be? I repeat that the Minister should tell us all the facts and everything associated with them.

In spite of what I have said about the Minister not giving us reasons for introducing this measure, I assure him that we will allow it to be introduced. We will not oppose the introductory stage, but we will then go through it in detail, considering each clause and how it affects local authorities and, more importantly, how it affects the people covered by local authorities.

Today the Brisbane City Council has grown to such a size financially that its budget is now equal to that of the smallest State in the Commonwealth, if it does not actually exceed it. Therefore, it is a financial business of some size. It must be given every possible consideration. It must not be looked at as some small show, but rather as a business of some magnitude.

Many local authorities in this State other than the Brisbane City Council are spending large sums of money. Some of them require a good deal of money in a short space of time—for example, Gladstone and Townsville, and, in the near future, many others that are fast developing. Following

the discovery of minerals, for instance, it is necessary for some local authorities to spend large sums of money providing acceptable amenities in a township. Time is a very important and necessary element. We must consider all these matters when considering the amount of money that is made available to local authorities.

All representatives of local authorities are elected. In Brisbane, the Lord Mayor and the aldermen are elected by full adult franchise. The aldermen are elected on exactly the same boundaries as are State Government representatives. They have to go to the people every three years, just as members of Parliament do. The Lord Mayor is elected on the vote of all electors within the Greater Brisbane area. As these elected bodies have to go before the people at regular intervals and are elected on issues current on the day of election, we must be particularly careful in our assessment and treatment of them. Members of those bodies are entitled to a certain amount of freedom in deciding what they will do and how they will carry out their work.

On many occasions I have said that I regret that the State Government's hands are tied by the Commonwealth Government relative to the availability of finance. I have opposed the Commonwealth's practice in dictating to us as a State on the spending of the money made available to us, and it is not wise that we, as a State Government, should dictate too much to the Brisbane City Council. As a State Parliament we must consider the State as a whole, and there must be a certain amount of restriction on or control over local authorities. However, we must view with an open mind how far this can go. Exactly the same principle applies to local authorities.

All local authorities suffer from lack of finance. On many occasions hon. members have suggested ways and means of making local authorities self-reliant financially. The State and Commonwealth Governments have certain powers in obtaining money to carry out their responsibilities, but, in the main, local authorities are restricted to what they raise in rates and service charges. I trust that the day is not too far distant when a full investigation is made into ways and means of assisting local authorities to obtain money without placing further burdens on the citizens who, in many cases, cannot afford any increase in the charges they now have to meet.

As time passes, costs increase. As I said earlier, an area formerly considered quite stable could overnight require heavy capital expenditure. Whether or not the proposals contained in the Bill will meet this situation is something that we will have to determine when we consider the Bill in detail. If it permits work to be carried out much sooner than it could otherwise be done without placing any extra financial burden on present and future generations, it will receive favourable consideration. If, on the other hand, we

find on investigation that, whilst at the moment no extra charges will be made, within a short space of time heavy financial burdens will have to be borne by the people, the Bill will have to be considered from that angle, too. No matter how it is financed, all work carried out has to be paid for at some time or other.

So far as the Brisbane City Council is concerned, the arguments put forward are many. One worthy of consideration is the contention that carrying out civic works on a time-payment basis means that they will be completed much earlier than they would be if it were necessary to wait for loan money to become available. Increased costs resulting from delay in carrying out work could also perhaps exceed the interest that will be charged. It could also be argued that, in any case, the rate of interest is not much higher than that charged on loan money, and the present interest rate will not necessarily be the rate in four or five years' time. It is well known that interest rates on public loans vary from time to time. Those are things that the Opposition will consider and, as I said earlier, I regret that they were not fully explained in the Minister's introductory speech.

So far as the Brisbane City Council is concerned, one thing that concerns me greatly is the statement reported to have been made by some members of the Government parties to a representative of "Sunday Truth" relating to happenings at joint party meetings. I know that Mr. Speaker ruled that I was quite wrong in asking the Premier whether there was any truth in that statement, and it was suggested that by not altering a word here and there I denied the Premier the opportunity to give that information to the House. I also know that, as we saw today, it is possible for a Minister to make a ministerial statement on any matter at all. I am therefore afraid that I cannot agree with Mr. Speaker's view that I denied the Premier the opportunity to address the House on this matter. I raise it now in order to give him the opportunity to tell hon. members whether it is the Government's intention to disband the Brisbane City Council as we know it to be constituted at present. Let us clearly understand where we are going in Brisbane. That is important at this point of time, because the contract that was responsible for the introduction of this legislation was for sewerage work.

**Mr. Aikens:** I easily demolished the Townsville Council.

**Mr. HOUSTON:** I am quite sure that the Townsville City Council will be referred to by those concerned with it, and I am satisfied that the hon. member for Townsville North is well capable of looking after the problems of Townsville from a State point of view.

When a local authority considers undertaking work financed by hire-purchase money, it will be necessary to consider whether the

returns to be obtained from it will be sufficient to meet repayments due on the borrowed money and, in accordance with business practice, whether there will be profits from it that can be applied to other council activities. So it becomes very important for hon. members taking part in this debate, and also the people of Brisbane, to know whether or not the Government has in mind taking some undertakings—in this case, the sewerage department—from the Brisbane City Council. If it is known that, within two or three years, the Government—if by some mischance it is still in power—intends to take the sewerage department from the Brisbane City Council and hand it over to a board or some other similar authority, as indicated, apparently, by the Premier at a meeting, it is very important that we should know what is going to happen to the indebtedness incurred by the council on this particular project.

Facts such as that are of great importance when the question of whether or not the proposed Bill should be passed is being considered. Once the contract has been negotiated and the work has been completed, the responsibility for paying for it is in the hands of the council; therefore, I think it is very important that hon. members should know what the future of the sewerage department is. As you and I know, Mr. Hodges, before the Jones administration came to office in the Brisbane City Council, very little progress was made in sewerage Brisbane. By paying increased rates and sewerage charges, the people of this city have helped to finance that very important part of the work of local government.

I shall not labour the point at this stage, because, as I said earlier, there was nothing in the Minister's introductory speech that we could debate with him. However, I indicate on behalf of the Opposition that, although hon. members on this side of the Chamber will support the introduction of the Bill, they reserve the right to go through it in detail at the second-reading and committee stages.

**Mr. HOUGHTON (Redcliffe) (12.13 p.m.):** As hon. members know, I have had experience over a number of years in local authority work, and, having heard the Minister introduce the Bill, I wonder who is kidding whom as to its fundamental principles. We all know the difficulties experienced by all local authorities in Queensland in raising loans, and one might well wonder whether, in the foreseeable future, the provisions of the proposed Bill will have the effect of forcing local authorities to pay a rate of interest on loans higher than they are now paying.

I am sure I express the views of many people who have been associated with local authority work when I say that if one approaches one's banker relative to raising loan requirements—this would be true in the field of industry, too—he immediately

says that, although no funds are available from which to make advances for that specific purpose, the bank has a subsidiary—one of its offshoots—that will be able to assist. That is a clear indication, in my opinion, that something is radically wrong with the financial structure and the whole system of local authority finance in Queensland. I remind the Committee that loans raised for local authority purposes, whether the work is carried out on a contract or semi-contract basis or by hire-purchase—call it what you like, Mr. Hodges—are Government guaranteed and the loan to the Brisbane City Council that has been mentioned in this instance will be guaranteed similarly. Surely to heavens the Loan Council, or somebody else, should make adequate funds available to local authorities for development throughout the State! I think when one analyses the position one will realise that the whole system will be aggravated by this legislation.

It is pleasing to note that a limit of 10 per cent. is provided in the legislation in regard to water supply or sewerage work, but it immediately poses the question, "Why have elections?" If we allow the Lord Mayor of Brisbane, or any other mayor or chairman of a local authority, to undertake works to the extent of 10 per cent. of receipts, he will be able to mortgage the local authority to the limit in one undertaking and, irrespective of who is elected at the following election, that council will be denied the opportunity to undertake further works in the ensuing three years. If that situation is to be tolerated, some limit will have to be imposed. I will go along with the 10 per cent. limit at the moment, but there should not be more than one bite at the cherry within any period of three years, otherwise the door is immediately locked to elected representatives in the next term. If the council is mortgaged by hire-purchase to the extent of 10 per cent. of its income the door is locked to any further undertaking in the future. As I say, if we follow this matter to its conclusion, we should not only impose a peak of 10 per cent. but also provide that only one bite of the cherry will be allowed during the life of any particular council.

I think it is abundantly clear to anybody with experience that the sooner sewerage is installed the earlier it will begin to return revenue. That principle could be applied also to the installation of a water supply, which in many instances, as a result of the actions of subdividers, places a considerable burden upon a local authority.

There are many aspects of this legislation which should commend it to the Committee, but there are also some that we should examine very closely. One such matter is the Minister's reference to retrospectivity. If this provision is good enough for the Brisbane City Council, it is good enough for every local authority in the State. I well remember one occasion, when I was mayor of Redcliffe, having 200 workmen sitting

around waiting for the green light from somebody in the department to commence a job. On that occasion we did not get subsidy because we did not get the green light. I repeat, if retrospectivity is good enough for the Brisbane City Council it is good enough for other local authorities.

Another point raised by the Minister was that the legislation removes the right of 10 per cent. of the electors to require the taking of a poll on proposed loan-raising. We will always have the agitators—those people who will run around with petitions asking the electors to sign them. On two occasions in Redcliffe we had petitions. On the first occasion 10 per cent. demanded a poll, and 11 per cent. decided the issue. A second poll was taken the next year in regard to our further borrowing programme. The same submissions were made and a further 10 per cent. demanded a poll. When another poll was taken 17 per cent. decided the issue. It is utterly ridiculous. After we made submissions to it, the Government decided in its wisdom to make voting at polls compulsory.

**Mr. Houston:** What would a poll cost the Redcliffe City Council?

**Mr. HOUGHTON:** Approximately \$3,000. We were forced into that situation.

I think the need for a poll should be left to the discretion of the Minister. The local authority should have this security at all times. After all, local government is the government closest to the people. The Minister should have the right to say whether a poll is necessary.

Because of my experience in local government, I adhere to the opinion that there should be a water and sewerage board for South-east Queensland. I have urged along those lines ever since I have been in Parliament. Whether it is deemed by others to be wise or unwise, right or wrong, I still advocate it, because I believe from experience that such a body should be allowed to operate as similar bodies do in the South—going onto the market in the same way as the Southern Electric Authority does.

**Mr. Houston:** Don't you think that now is the time for us to know what the Government's intentions are?

**Mr. HOUGHTON:** I cannot speak for the Government; I am only one member of the Government. I am giving my view now. From time to time I have clearly expressed myself on this point. I have formed this opinion on my experience of the hazards and problems of local government that I have encountered over the years.

**Mr. Mann:** Do you go along with the idea that all local authorities should enter into this hire-purchase racket?

**Mr. HOUGHTON:** This is not hire-purchase; this is contract. The point that must not be lost sight of is that somebody

must be propping up the contractor. If funds are available to prop up the contractor, surely there should be funds to prop up the local authority or semi-governmental body, or whatever it might be.

I think the introduction of this legislation all goes back to the sewerage undertaking of the Brisbane City Council at Sandgate. I have had a close look at the proposal from the point of view of capital costs in relation to the number of pedestals, etc. On paper, I would say that the scheme looks an excellent one. I have made a comparison with costs in Redcliffe and on that basis it would seem that this package deal of the Brisbane City Council is a good one.

There are a few points about this legislation that need to be looked at. What I am specifically concerned about is that nobody should be allowed to deny future elected representatives the right to implement a scheme such as is now being undertaken by the Brisbane City Council. My only reservation is that only one scheme should be allowed every three years to each elected mayor and his aldermen.

**Mr. NEWTON** (Belmont) (12.26 p.m.). As was indicated by the Leader of the Opposition, it is not our intention to oppose the introduction of this measure. No-one should be mistaken about the Opposition's attitude to this measure. Any measure that is designed to assist local authorities to obtain extra finance will be very closely investigated by the Opposition, for we believe that they require more assistance. However, we reserve our right to go thoroughly into all matters relating to the relaxation or repeal of certain sections of the Local Government Act to enable this Bill to be implemented. In doing so, we will keep in mind time-payment contracts and how they apply under the system being carried out by local authorities throughout the State.

There is no doubt that local authorities have suffered severe hardships, not only under the present Government but also, possibly, under previous Governments. From time to time certain changes have been made in the method of granting financial assistance to local authorities throughout Queensland. During the present Government's term of office we have witnessed certain changes that were made by the previous Treasurer. First there was a cut in certain subsidies, and then increases were allowed in loan allocations to the local authorities throughout the State.

It is true that on numerous occasions the previous Treasurer indicated that some local authorities did not avail themselves fully of the loan allocations agreed to by the Government. In the Opposition's view there could be a number of reasons for certain local authorities not using all their loan allocations. A very regrettable state of affairs could arise in the Brisbane City Council, as happened to the Gold Coast City Council following the difficulties experienced during the Queen's Birthday week-end, if it did not have

some funds in reserve. There are many reasons why local authorities should hold some money in reserve. No-one knows what financial responsibilities they may suddenly be called upon to shoulder.

I have dealt with the cut in subsidies and the increase in loan allocations to local authorities, but I now point out that the Government is using many ways to deprive local authorities of the benefit of increased rates.

More than ever before cases are being brought to our notice that indicate quite clearly what the Government is doing with regard to industries coming to the State, with leases being granted for which the rentals applied are nowhere near what they should be, and where the valuations applied by the Valuer-General's Department are also nowhere near what they should be.

**Mr. Carey:** Do you mean they should be higher?

**Mr. NEWTON:** Of course they should be higher.

**Mr. Carey:** To keep industry out?

**Mr. NEWTON:** It would not keep industry out at all. If what is laid down is carried out, it would not keep industry out and would not place on the local authority the burden that is being placed on it at present relative to loan allocations. That is one of the reasons many local authorities would be happy to accept the measure before the Committee.

One of the reasons for the Bill is the Government's awareness that in a number of local authority areas in Queensland where new industries have been established, or where mining leases have been granted to companies to take the mineral wealth out of the State, the local authorities have realised that they are being fleeced of portion of their rates.

**Mr. Carey:** Isn't it true that New South Wales local authorities subsidise industries to the tune of about 23 per cent. of the amount of capital required?

**Mr. NEWTON:** That is a different argument. I want to place as much as I can before the Committee relative to this position.

We have seen another method used by this Government to cut down the amount of money granted to local authorities, and this will happen again. The Government makes sure that the Valuer-General's Department carries out a revaluation every five years to seven years. That forces the local authorities' hands to the extent that once their areas have been revalued the rates must automatically go up.

**Mr. Chinchin:** Why must they?

**Mr. NEWTON:** The hon. member will have to answer this shortly, because it will happen in Brisbane within the next few months. Let the hon. member for Mt. Gravatt stand up at a protest meeting and

try to explain to the people that the valuations of the Valuer-General's Department have no effect on rates. It is a lot of rubbish to make that claim. It happened five years ago, and it will happen again shortly.

**Mr. Chinchin:** If the value is doubled and the rates are halved, the council gets the same amount of money.

**Mr. Hughes:** The council can adjust the rate.

**Mr. NEWTON:** Hon. members opposite will have to justify this, because it is their Government that is doing it. What happened on the previous occasion? The local authorities had to change the whole of their general rating system to help the man who owns his own house or his own block of land.

We were given promises and assurances by the Government that before revaluations were made again the whole matter would be reviewed and investigated and that certain recommendations would be brought down. But what has happened? The same lip-service has been given as was given to everything else about which promises were made by the Government. Nothing has been done at all. Members of the Government should hide their heads in shame. The Government promises to do this and that, but does nothing at all.

The point raised by the hon. member for Redcliffe relative to time-payment contracts is very important. The Opposition has had a serious look at the interest rates that may apply to these contracts.

**Mr. Chinchin:** You will never find out what the rates are, and you know it; they will not be disclosed.

**Mr. NEWTON:** I will disclose them in a minute, if the hon. member stays long enough to hear them. I have them in black and white. I know something about this, and so will the hon. member, so he need not worry about it. We have nothing to hide about the first Brisbane City Council time-payment contract that was agreed to by Cabinet.

**Mr. Chinchin** interjected.

**Mr. NEWTON:** You hold your horses. You are not making my speech. I will tell you when I am ready.

Interest rates, which were mentioned by the hon. member for Redcliffe, are a very important aspect of this measure. We on this side of the Chamber intend to assure ourselves when we study the Bill that the interest rates to be charged will not place an extra financial burden on the ratepayers of Queensland. It is laid down quite clearly in the Local Government Act that the interest charged on any project that a local authority has in mind is to be spread over the whole of the local authority area that

will benefit from it. In the Brisbane metropolitan area—to use that as an example—sewerage has been provided with funds raised in the ordinary manner by loans, and the Government has now agreed to a scheme under which sewerage work is to be carried out on time payment. There is a difference between the interest rates applying in those cases.

Of course, in the matter of interest rates and the granting of assistance to local authorities throughout the State, the Federal Government cannot be left out of consideration. It has failed to face up to its responsibilities. Although it is fully aware of the problems facing local authorities in Queensland, it has done nothing to assist.

**Mr. Chinchin:** You were going to tell us the interest rate.

**Mr. NEWTON:** The hon. member will get it.

The hon. member for Redcliffe said that he feels that the figure of 10 per cent. mentioned by the Minister should be very carefully watched. To ascertain how it is to be applied, possibly one can refer to the annual report of the Co-ordinator-General of Public Works, in which he indicates clearly most of the projects carried out by local authorities, such as water supply, sewerage, electricity and road works.

The hon. member for Redcliffe said also that this type of financing should apply to only one project, and only for the term of office of one specific council. In other words, he was very concerned that outgoing councils might commit incoming councils. Of course, that is done now in the raising of loans. Loans raised by a local authority in office between 1964 and 1967 commit incoming administrations for up to 20 years, or whatever the time for repayment may be.

**Mr. Chinchin:** But that is cheap money.

**Mr. NEWTON:** Of course it is cheap money. At least it is Government guaranteed and subject to the interest rates applicable to loans made in that field of finance.

I wish to place on record the facts relating to the sewerage contract at Sandgate. As chairman of the Parliamentary Labour Party Local Authorities Committee, I wrote to the Lord Mayor, and received this reply from him—

"I have to advise that the Contractors in the Sandgate and Extended Sewerage Contracts have had an analysis made of the project by the University of Sydney in order to determine the true interest rate being paid by the Council.

"You will appreciate that this is a very complicated exercise, there being a great number of imponderables and, as a consequence, the work was carried out by the Computing Department of the Department of Physics, University of Sydney.

"I am forwarding you for your perusal, photo copies of the Computer Print-out Sheets which were forwarded to us. They show the details, if anybody is interested. They also provide the information referred to in the following paragraph from the covering letter which I quote as the significant advice contained therein. This paragraph reads:—

"The Print-out Sheets at page 3 disclose at the left-hand column on the bottom line a statement that the rate of interest compounding each year throughout the life of the contracts is 6.249%. There is an error tolerance of plus or minus .001% which is negligible for our purposes . . ."

"For your information I think I should advise that an erroneous attitude has been taken up by some people in relation to the interest rate charged as a result of a statement made comparing the total interest paid over twelve months with the capital outlay. In order to make you completely familiar with the position, I must point out that initially the contract was for \$5,442,729.05, and the total apparent interest rate was \$1,132,521.00.

"This was subsequently increased to a total of \$8,142,729.05 without any increase in the interest charged. It was then stated, referring to the first proposal, that the interest charged was of the order of 26%."

That is what confused many people in the Brisbane metropolitan area. If my memory serves me correctly, the statement was made originally by the Premier of Queensland, and then the Treasurer, when introducing the Appropriation Bill earlier this session, corrected it and told hon. members exactly what the position was.

The letter continues—

"However, such a claim was completely erroneous, since it referred to the total interest charges over the twelve year period. The actual interest charges are, as determined by the University of Sydney computer, 6.249%. This is worked, by the way, on the \$8.1m."

**Mr. Chinchin:** Is that a flat rate, or simple interest?

**Mr. NEWTON:** That is the interest rate. Surely to goodness the hon. member knows the difference.

The letter continues—

"To show you the absurdity of the original statement, I am enclosing an analysis of the total interest payable by the Council on normal loan raisings, spread over the respective periods of amortisation in particular fields, namely 25, 40 and now, 12 years. I think this will enable you to assess the complete position and to gather quite conclusively that this scheme is not only advantageous in that it gives the Council wider borrowing

powers, but that it actually provides money more cheaply than on the normal loan raising basis.

"This is due to the fact that the 6.249% is the complete charge, whereas, in addition to our ordinary loan raisings, we are involved in advertising and brokerage costs in addition to the interest rate payable. In fact, our total servicing charges are considered to be, having regard to administration costs as well, something over 6½% in the case of public issues.

"Furthermore, associated with schemes such as this is the requirement that the work should be effected within a limited period and there are, as a result, three vital savings:—

1. Savings involved in having the work done now and not subsequently at higher costs.

2. Obtaining immediate revenues as a result of the work effected.

3. Providing a service to the community more quickly. This final one, I suppose, politically, is the most important one of all.

"Let me point out, too, that there is available to this City, immediately, \$50m. for any of the works required here, and the interest will not exceed 7½%. Surely it is crazy not to have legal provision for this City to borrow this money and do all the works needed, and in particular, I mention the Wilbur Smith Scheme, to enable the people of Brisbane to enjoy proper, modern facilities for living—now—instead of having to wait for the next generation.

"May I elaborate a little further on the importance of doing works now instead of deferring them. There is an escalation in cost at the present moment, of approximately 3%, likely to rise, perhaps, to 4%. Works delayed, therefore, over 5 years could increase in costs from 15—20%. Arguments on fractions of a percentage of interest, which are the only arguments that can possibly be levelled in this matter, are surely negligible compared with this practical situation when viewed in the light of increasing costs and the other beneficial factors I have mentioned."

That clearly puts the picture, as determined by a computer and checked, relative to the interest rate. As I have not the time, my colleague the hon. member for Sandgate will deal with the position as it applies to various loan programmes of the Brisbane City Council at the moment in order to give some comparison between the ordinary rates of interest and those that will be payable on the Sandgate scheme.

Now let me get onto the Bill as it relates to the first scheme ever carried out in this State under time-payment contract. It seems to me, from what the Minister has outlined—and on what we hope to find contained in the Bill—that this will be a progressive



step from the point of view of local authorities in this State, and will give them some breathing space in obtaining extra finance.

The Minister has indicated quite clearly that this legislation is patterned on the New South Wales Act, which has been in operation since 1919 and, from what the Minister has indicated to the Committee, is still in operation there. It provides quite clearly, as the Minister said, that certain things have to be done by the local authority in regard to contracts under this scheme so that the ratepayers of the area may have some knowledge of what is going on in relation to them.

The New South Wales Act specifically states—

“The council may agree to pay for any purchase lawfully made, or for the performance of any work which it might lawfully undertake, by instalments extending over a period of years.”

That is quite clear. The only point we may make in regard to the legislation now being introduced is whether it also covers the purchase of plant and material. The New South Wales Act, particularly in the section that I have just read, makes that point perfectly clear, but up to the present all we have heard is that this Bill allows a local authority to enter into certain contracts on time payment.

**Mr. Richter:** It includes purchases.

**Mr. Walsh:** The existing restrictions in the Queensland law have been repealed.

**Mr. NEWTON:** I am coming to that. Seeing that the point has now been raised, the Minister stated quite clearly that the section in the Local Government Act dealing with local option polls would be repealed. Of course, when these time-payment contracts are introduced, the legislation will also have to repeal section 7, which deals with contracts.

**Mr. Walsh:** They will have to repeal the restriction on hire-purchase, too.

**Mr. NEWTON:** The term “hire-purchase” has been bandied around, but I use a much better term—“time-payment” contract. That seems to be what is worrying hon. members at the back of the Chamber. They should know a lot about these things because they are supposed to be the great advocates of private enterprise. They should be concerned about interest rates. It seems that the position is clearly covered as far as the Brisbane City Council is concerned.

(Time expired.)

**Mr. LICKISS (Mt. Coot-tha) (12.50 p.m.):** I move—

“That the document from which the hon. member for Belmont quoted, purporting

to be from the Lord Mayor, Brisbane City Council, be tabled.”

Motion agreed to.

Whereupon the hon. member laid the document upon the table.

**Mr. LICKISS:** In simple terms, the proposal before the Committee envisages amendment to section 19 (2) of the Local Government Act. At the same time, I should like to have seen amendment of section 35 (10) which, to me, has greater bearing on the rights of the individual.

The proposed amendment is not by way of clarification of doubt about any provisions in the Act but, indeed, reverses present policy contained in the Act. We are virtually deleting what is now a clause of prohibition and inserting in its stead a provision condoning what was previously prohibited.

We must admit that times have changed, and we should not be opposed to change. However, it is incumbent on this Committee to critically examine these proposals. Again in simple terms, the major proposal is that certain works may be carried out on a time-payment system, and that property may be purchased on a similar basis. Of course, we know that in the first instance the figure of 10 per cent. was applicable—that 10 per cent. being the 10 per cent. of the income derived from that particular section of that fund and, of course, the 1 per cent. in the second instance being from the general fund.

The big issue to be discussed here today is why we envisage this change. Are there changed circumstances? If so, what are these circumstances? What precipitated this change? What purpose will the change serve? What are the merits and/or demerits of it as it applies to the normal concept of local government finance?

Last, but by no means least, what is the position in relation to the Greater Brisbane concept? In Queensland this is a marked departure from the normal concept of local government finance. We are told that this provision is common-place in other States, and we are also told that it has not caused any great concern in other States, but that, in fact, in some instances it has been useful. The next point, I suggest, is that we are relating Queensland to the other States. Are we any different from the other States, or can we reasonably assume that if it has worked satisfactorily in other States it should work satisfactorily in Queensland?

In terms of the Local Government Act, I believe that in dealing with the normal concept of local government in certain circumstances this provision could be beneficial, but, again, of course, Queensland falls out of line with other States because of the Greater Brisbane concept.

**An Opposition Member:** Why don't you keep it clean?

**Mr. LICKISS:** It is on this point that I wish to concentrate many of my remarks. We have heard the eminent Leader of the Opposition, with his vast vocabulary, when he has wished to silence an hon. member on this side, use the rather common expression, "Pull your head in!"

**Mr. Tucker** interjected.

**Mr. LICKISS:** If the Deputy Leader enters into this, I will fly him as well.

In his usual two-bob-each-way attitude, the Leader of the Opposition wishes to oppose the legislation but he also wants to keep on side with Clem Jones, and the hon. member who has just resumed his seat did likewise. I say quite categorically that if the hon. members opposite are inquiring why this legislation is being introduced—

**Mr. Houston:** Surely we are entitled to know.

**Mr. LICKISS:** I will tell the hon. gentleman. The nigger in the woodpile is Clem Jones. He is the man who held the gun at the Government's head. He is the man who, immediately before the council election, selected an issue knowing full well that such an issue, touching as it did so many of the citizens of Brisbane, would be very hard to knock back. We all realise that sewerage is an essential service. I will say of him that he is a cunning politician; he chose an issue on which he knew he could win.

The other issue, of course, concerns the hard, cold facts of local government finance. There is the difference.

**Mr. Houston:** Are you trying to say that he put it over your Government?

**Mr. LICKISS:** I am saying that he held the gun at the Government's head. I think everybody in the community knows that.

This Government has made more money available for local Government finance than any other Government in the history of Queensland. Let Opposition members deny that.

Provided there are sufficient in-built safeguards in this legislation, in the general concept of local government finance it will do no harm. But when I look at this socialistic concept of yester-year, this monolithic monster, fathered, I suggest, by socialist doctrine, given birth to by the Local Government Act and the City of Brisbane legislative provisions and now obviously too big for the crib of local government, I think we should examine this legislation. The situation is this: already the present council has changed the very basis of internal local government finance; already we see under this proposal that the community as a whole should provide for the amenities, say, of the Sandgate area.

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

**Mr. LICKISS:** Before lunch I mentioned that the internal finance of local government in Brisbane had already taken quite a change and that under this proposal the community is expected to pay for the area project at Sandgate.

I draw a comparison with what happens in the newer subdivisions in our community where, because of accelerated development, the incoming residential owner pays in full for all his improvements, including sewerage. This in turn, of course, increases the unimproved capital value of his land. The impact of that unimproved capital value then causes a still greater impact in rating, so he is contributing out of proportion, I suggest, compared with what people in the Sandgate area contribute for their amenities.

If the Lord Mayor is prepared to advocate this type of financing, I cannot understand why he does not also advocate the implementation of a "benefited-area scheme" so that those people in the benefited area will be called upon to pay a slightly higher amount than they normally would under the present set-up. Again, if we are going to play politics in this game I dare the Lord Mayor to institute such a system in the Sandgate area. Of course, it is only to be expected that this is the type of attitude that the Lord Mayor has demonstrated.

The Greater Brisbane concept, again I say, with its monolithic structure and dictatorial control, endowed with delegated authority by the sovereign State of Queensland, could at this very moment be in a position to destroy the very worth-while basis of local government as we know it in this State. The potential political pressures within the paper boundaries of Brisbane are such, and are increasing at such a rate, that Queensland as a State could be in grave danger from the activities of the Greater Brisbane concept.

What we have in fact is a fast-growing malignant cancer in State affairs. Brisbane cannot develop in isolation. We all realise this, and we also must realise that it is the capital city of Queensland and as such, I suggest, demands some special Government attention. But the type of climate that is developing is such that one could be forgiven for again stating that Greater Brisbane is growing as a city-State within the sovereign State of Queensland. I make no apology for my stand on the Greater Brisbane concept. I think the time is long overdue when any responsible Government should have had a good look at it to see where it is heading in 1967. It should have been done in 1957; indeed, it should have been done probably in 1947.

The propaganda and all this silly talk that you cannot unscramble an egg is just so much rot. Where there is a will to do a thing in the interests of the public it can be done. I again take the stand that I took before; I should like to see a royal commission or a committee of inquiry set up to have a look at the administration, functioning and finances of the Brisbane City Council.

I should now like to comment again on some of the matters raised by the Leader of the Opposition in his adopting, to use a common phrase, a two-bob-each-way attitude. He had a look at the Commonwealth and the States and, in similar terms, a look at local authorities, and he said that he always felt that related rights should flow along and greater control thus should be given to local authorities. Let us look at the Commonwealth. It is set up by virtue of the Australian Constitution, and a State Government has virtually absolute sovereign powers. It has the right of eminent domain over its territory, and local authorities have powers delegated by the State by virtue of legislation enacted in this place. In trying to compare the functions of local authorities with the sovereign powers of a State and constitutional powers of the Commonwealth, the hon. member reflects quite clearly his complete misunderstanding of the situation.

Indeed, I think from memory that it was in 1939 that the Labour Government of the day enacted the Brisbane City Council Business and Procedure Act in order to have a good look at the Brisbane City Council. If we decided now to have a similar look at the situation, hon. members opposite, because they are of the political ilk of the present civic administration, would be up in arms about it. At one time, however, their party did it, and we should do it now. I commend them for doing it then, and I think we should take a leaf out of their book.

The hon. member for Belmont, who has just resumed his seat, again threw terms around quite loosely and attacked the Government on the matter of land valuation. He merely demonstrated his complete lack of knowledge of the functioning and principles of this process. Indeed, he and the hon. member for Norman have been making ill-informed statements that are fostering a fear in the community. I think everyone deplures that.

**Mr. Newton:** They did not bring your report before Parliament. It must have been pretty hot.

**Mr. LICKISS:** Let me say that I gave evidence before the Hardie Committee. How many of the supposed experts opposite did? They would have been blown out in the first five minutes. If the hon. member for Belmont cares to come to my office, I should be only too happy to spend some time trying to explain to him the functions of assessing valuations of land for statutory purposes. The hon. member for Norman, to give him his due, saw me in the Library and I explained this to him in fairly simple language.

The whole purpose of a revaluation is to review the situation constantly so that equity between owner and owner is preserved. Except for its cost, the more often it is done the better. To settle disputes over the quantum of value assessed,

there is an adequate system of appeal. It is in the interests of all to ensure that their valuations are correct in relation to the valuations of all other properties in the area. Local-authority ratings now are based on the valuation that a property has in relation to the total valuation of the area. That is the whole purpose of a revaluation. I have made the hon. member an offer, and I should be pleased if he would accept it.

In terms of the matter now before the Committee, I hope that the Government will critically examine this provision as it is implemented by the various local-authority bodies in this State. I sympathise with the Treasurer for having to take this step. In terms of Loan Council discussions, I am concerned that this should not get out of hand and so become a matter for consideration by that body. The hon. member for Belmont comes into the Chamber with a letter, purporting to come from the Lord Mayor, setting out—

**Mr. NEWTON:** I rise to a point of order. There was no "purporting" about it; I said quite clearly that it came from the Lord Mayor to me, as chairman of the Local Government Committee of the Parliamentary Labour Party.

**The TEMPORARY CHAIRMAN (Mr. Hodges):** Order!

**Mr. LICKISS:** That only confirms my statement. I say that the hon. member for Belmont, in blissful ignorance, comes into the Chamber and demonstrates quite clearly that there is an interest factor in this transaction.

**Mr. Newton:** Nobody is denying that.

**Mr. LICKISS:** Immediately one introduces an interest factor into the transaction, the whole complexion of what the proposal sets out to do is changed. It voids any suggestion that this then becomes a contract to be paid off by instalments. It becomes a straight-out borrowing and, for the hon. member's information, is then controlled by the Loan Council.

**Mr. Newton:** It isn't.

**Mr. LICKISS:** Isn't it?

**Mr. Newton:** What can the Loan Council do about it?

**Mr. LICKISS:** Hon. members opposite are going to destroy the very provision they are trying to protect.

I regret the need to bring the proposed Bill before the Chamber, and I sympathise with the Treasurer, the Minister for Local Government and Conservation and the Government because of the events leading up to its introduction. If it is used wisely, I do not think it will do any harm; but if the Lord Mayor of Brisbane is allowed to get the bit between his teeth and really

go to town under the provisions of the proposed Bill, the State will be in trouble. In the hands of a council with a normal concept of local government, I have no worry about it; in the hands of the Greater Brisbane City Council, I have a great deal of worry about it. I trust that, if necessary, the Government will take added precautions to place a proper ceiling on these transactions, taking into account both amount and term.

Although I cannot say that I am completely happy with the proposed measure, I do not oppose it. In my opinion, it has to be considered in the light of changing circumstances. As I said, in a normal situation I would have little concern about it, because it has been tried elsewhere; only if it is carried to extremes will the State face a difficult problem. I have sufficient confidence in the Treasurer to believe that he will ensure that this will not happen.

**Mr. AIKENS** (Townsville) (2.28 p.m.): At the conclusion of my speech no-one will be able to claim that I have been ambiguous, that I have run from here to there and had, to use a corny old expression, two bob each way, as have the Leader of the Opposition, the hon. member for Belmont, and the hon. member for Mt. Coot-tha. As far as I am concerned, they are all in the same leaking boat. I express my opinion of the proposed Bill right now, at the outset, by saying that, within my knowledge, it is the most dangerous piece of legislation ever introduced into this Chamber, and I would cut my right arm off at the shoulder rather than cast a vote for it. I would cut my right arm off at the shoulder rather than cast a vote to facilitate anybody's doing business with the hire-purchase companies.

**Mr. Richter:** Did you say you would cut your throat?

**Mr. AIKENS:** I know that the Minister for Local Government might wish that I would cut my throat; so might some hon. members of the Opposition. As a matter of fact, there was a rumour going round Townsville recently that I had died, and the hon. member for Townsville North and other members of the A.L.P. demanded to see the dead body. They would not believe it until they saw the corpse. Of course, they were getting ready to hold a celebration.

There are very serious and putrid undertones to this measure. Because of the various suggestions that were circulating here a couple of weeks ago that consideration would be given to the parcelling-out of various bundles of shares in hire-purchase companies to anyone who opposed the Bill but whose opposition to it could be thereby changed, I really think that before this measure passes through the third-reading stage every member of this Parliament, both on the Government side and on the Opposition side, and the Lord Mayor of Brisbane in particular, should be compelled to lay upon the table of this

Parliament an accredited, audited statement of his holding in shares or other investments in the various hire-purchase companies.

**Mr. Newton:** The Lord Mayor has already done that, in 1964.

**Mr. Richter** interjected.

**Mr. AIKENS:** The Minister, who is piloting the Bill through the Committee, shakes his head and says there is no connection between the Lord Mayor's investments and this Bill. I have been given some figures, and I think that the Lord Mayor should come out into the open and tell the people of Brisbane and of Queensland whether it is a fact that he holds \$179,000 worth of investments in various hire-purchase companies in Queensland. My information comes from a source that I have always regarded as unimpeachable and impeccable. If that is untrue, I think he should tell us where he stands in his investments with hire-purchase companies. I think members of the Government should do the same thing, and also members of the Opposition. I am prepared to lay an audited and accredited statement of my investments on the table of this House at any time. They could be written with a thumb nail dipped in tar on a cigarette paper, and I am prepared to lay them on the table as a gesture of my honesty in this regard.

The Bill asks the members of this Parliament to give to the Brisbane City Council—and I assume to other local authorities throughout the State—the right to borrow money from hire-purchase companies.

**Mr. Richter:** No.

**Mr. AIKENS:** What is the difference? It is a distinction without a difference. They are going to borrow the money. They are going to get it under a contract for time payment. It is a distinction without a difference, and I say to the Minister—a man for whom I have a particularly high regard—that that is a very weak quibble on his part.

How can we honestly do anything that would bolster the business of perhaps the meanest, most contemptible and despicable form of trading in Australia today, and particularly in Queensland? There is not a man in this Chamber who, at some time or another, has not had experience of the tactics employed by the very companies that this Bill seeks to protect as lending agents or time-payment agents for various local authorities throughout the State.

I have a case here. I have not the time to deal with it in full because I have only 25 minutes to speak, but it is a case of one of the companies that this Bill seeks to protect, namely, the Mutual Acceptance Co. Ltd., of Brisbane. Any hon. member who is willing to come to my office—or here if he likes—can see the file—it is not a small one—dealing with this particularly despicable and contemptible company's dealings with an unfortunate young

couple in Townsville. I wish to pay a particularly high tribute to Mr. Kehoe, Registrar of Companies, who did everything possible to get justice for this unfortunate young couple. The hire-purchase companies, however, used every loop-hole and funk-hole in the law.

I do not think this Bill should be considered until the Companies Act, or the relevant Act dealing with the finances of hire-purchase companies, is completely overhauled and remodelled. The last letter I received from Mr. Kehoe with regard to this particular company—and this is a case that demonstrates the typically detestable tactics adopted by hire-purchase companies—dealt with a woman who thought—

**The TEMPORARY CHAIRMAN** (Mr. Hodges): Order!

**Mr. AIKENS:** I am dealing with a company that this Bill deals with.

**The TEMPORARY CHAIRMAN:** Order! I should like the hon. member to come back to the provisions of the Bill.

**Mr. WALSH:** I rise to a point of order. There is no Bill before the Committee at the moment. The Minister has asked leave to introduce a Bill. It must be remembered that in the relevant section of the present Local Government Act there is reference to the Hire-purchase Act.

**Mr. AIKENS:** I will not enter into a polemic discussion with you, Mr. Hodges, about the contents of the Bill, but members of this Committee are being asked to agree to a measure under which local authorities throughout the State will have power to deal in a financial sense with these companies. In deference to your concern, Mr. Hodges, I will not go into the whole of the aspects of this particular case; I will leave it until another time. However, I asked Mr. Kehoe to investigate a particularly scurrilous act of this company. I also asked him if the companies that this Bill covers who handle business with the local authorities of this State have any system of book-keeping that can be checked. This is what Mr. Kehoe wrote to me, and again I congratulate him—

“Although section 44 (8) of ‘The Hire-purchase Act of 1959’ requires the owner to keep proper records setting out particulars of the agreement and of the amounts charged and received in respect thereof, it does not prescribe any particular form in which these records should be kept. In the circumstances prevailing in X’s case—”

(I know you would not want me to mention the name of this unfortunate person)

“— I think it would be impossible to sustain or even commence a prosecution against the company in respect to this section of the Act or against the company’s agent for failure to account unless the receipts were produced.”

Mind you, they can have financial dealings with a local authority—even the Brisbane City Council—and yet they can keep their own set of books in any way they desire. There is no provision about the way in which their books shall be kept in respect of their financial dealings with a local authority. If, by some strange chance or other, the records of a local authority were lost or burned, the hire-purchase company could come on the local authority—as they did with these unfortunate people—and “slug” them for the whole of the money a second time. This is the sort of thing that the Minister for Local Government naively, astonishingly, and unusually for him, asks me to support.

The other day I asked a question of the Minister for Justice. It has not yet been answered; he is making inquiries. I asked whether real estate agents and other people act as “come on” boys for the hire-purchase companies. Anybody who goes to a real estate agent to buy an allotment of land finds that he pays the real estate agent a procuration fee and then the estate agent hands him over to be fleeced by the very companies that this Bill provides should handle the finances of the various local authorities throughout the State. Of course they tell us—and they expect us to believe—that there is a certain stipulated amount. That was the rather paltry excuse given by the hon. member for Mt. Coot-tha for supporting the Bill.

The hon. member for Redcliffe dealt with a point I had marked down. At the present time, if a local authority wants to raise money for any works at all, or for the purchase of plant, it is given permission to raise a loan, if it does not get it from one of the Government instrumentalities. Consequently, it canvasses various financial houses in an endeavour to have them lend it the necessary money. It will go to a bank, as the hon. member for Redcliffe said, and the bank will say, “Well, we have no money to lend you from our banking funds, but if you go down to the other end of the counter where we are running our subsidiary hire-purchase racket you will get all the money you want.”

There was a lot of talk from the hon. member for Belmont. If I understood him correctly—he is sometimes very clear and lucid in his utterances—I think that he seemed to be more intent on defending his “Moscow-mob” colleague Clem Jones than in putting a good case before us. He said, if I remember his figures correctly, that the interest rate would be only 6.29 per cent.

**Mr. Walsh:** Perhaps he does not know; he did not say it would be a flat rate of interest.

**Mr. AIKENS:** He does not know that it is a flat rate. It will work out at anything from 16 to 18 per cent. If he knows that, why does he not stand up and tell the people?

**Mr. Newton:** You are a mathematician; you work it out.

**Mr. AIKENS:** I have worked it out for the hon. member. I could give hon. members of his party a pencil and paper, and in four days they could not give me the figures I have arrived at in a couple of seconds. I repeat that it will work out at 16 to 18 per cent.

From time to time I have heard of cases concerning unfortunate people who have borrowed money from hire-purchase companies to build homes, and the interest rate has worked out at anything from 14 to 18 per cent. I told the Chamber on one occasion that a representative of Custom Credit Corporation Ltd., one of the biggest companies that will buy into the provisions of this Bill, told me that his company had stopped advancing money for the purchase of homes because they could charge an interest rate of only 14 per cent. and that was not enough. I have told the Chamber of this previously. This was told to me by a representative of Custom Credit in Townsville.

**Mr. Newton:** There is something wrong with anyone who would use such terms to purchase a home when he can get money at 7 per cent. and lower.

**Mr. AIKENS:** Where, and how much?

**Mr. Newton:** Of course he can get it, and you know it.

**Mr. AIKENS:** Where can it be got? I draw the attention of the hon. member for Belmont, and anyone else who professes to be interested in this measure, to the fact that, if he can read, he has only to pick up the daily newspaper, or the Sunday newspaper, to see that hire-purchase companies, who will be covered by this Bill, are offering 7 per cent. to people who will lend them money. They have to pay the people who lend the money 7 per cent. They have then to carry their own administrative expenses and provide for bad debts and for dividends for their shareholders. Yet the hon. member for Belmont wants us to believe that they can do all these things and still charge his "Moscow mate" Clem Jones only 6.29 per cent. interest for money for the Sandgate sewerage scheme, or whatever scheme the money is to be borrowed for.

I was astonished to hear the hon. member for Mt. Coot-tha tell the Chamber that Clem Jones had held a gun at the Government's head. Presumably, when he held the gun at the head of the Government he held it at the head of Cabinet, because the rank and file—the poor old yo-yos dancing on the end of the string—knew nothing about the negotiations between Clem Jones and Cabinet until the information appeared in the Press, or until the eve of the electioneering policy speech of Lloyd Olsen, the leader of the C.M.O. With the connivance or concurrence of this Government, Clem

Jones was able to arrange to get all the money he needed to build the Sandgate sewerage scheme.

What confidence can we have in a Government which, on the unsolicited word of the hon. member for Mt. Coot-tha, allows a man like Clem Jones to hold a gun at its head and get away with it? Either Clem Jones outsmarted the Government or he has the ability and guts we thought the Government had but that we now know it lacks. They can't have it two ways. That is something on which they can't have "two bob each way".

During the luncheon recess I said, rather facetiously, "If the hon. member for Mt. Coot-tha tells us that Clem Jones held a gun at the Treasurer's head, I am looking for the powder burns, because he must have held it pretty close." What a shocking thing it is that a man who we are told frequently by members of the Government, including members of the Cabinet, is an associate, and no doubt he is, of the "Fatso" Egerton-Trades Hall mob and is one of their blood brothers, can say to the Cabinet of this State, without the knowledge and consent of the rank-and-file members of the Government parties or of any other member of this Parliament, "You let me do what I want to do in order to win the Brisbane City Council election, or else!"

That was a favourite expression of Al Capone. I did not know Al Capone personally, but I am prepared to say that if what the hon. member for Mt. Coot-tha said is true and if Al Capone were alive today and came to Brisbane and set up business here in competition with Clem Jones, he would starve to death.

**Mr. Walsh:** Do you think that Clem has more guns than Al Capone had?

**Mr. AIKENS:** I do not know what he has.

The assertion of the hon. member for Mt. Coot-tha is the most surprising and startling statement made in this Chamber for many years, to my knowledge. It is shocking to think that a political enemy, a man whose politics the Government is supposed to abominate and detest, could hold a gun at the head of the Treasurer, the Premier, and the rest of them, and say, "Give me what I want, Chalky boy, or else," and get it.

**Mr. R. Jones:** Will you talk about the koalas?

**Mr. AIKENS:** I have not the time to go into all the amorous antics of any member of this Chamber. If I had the time, I would probably talk about amorous antics at the Trades Hall or the City Hall, and that would start something, believe you me.

Where will the principles of this Bill end? We are told that the Local Government Act will be amended to allow local authorities throughout the State to hand themselves over to the hire-purchase companies, beside whom Shylock would be a gentleman. Will it be

extended? I suppose it will be. The hon. member for Bundaberg has been here longer than I, and he has seen these measures brought down by his Government and by this Government. It has been said, "At present we propose to limit local authorities to 10 per cent. of their borrowing or loan requirements." Next year we will have amending legislation to make it 25 per cent., and, the year after that, 50 per cent. The following year they will be able to obtain from hire-purchase companies all the money they require for local government purposes.

Having given local authorities the right to do this, the next thing we can expect is an amendment moved by the Minister for Industrial Development to give regional electricity boards and the Northern Electric Authority the right to raise money under the terms of this Bill, and by other Ministers to amend legislation to give to harbour boards, hospital boards and other semi-governmental bodies the right to raise all the money they require from these greedy, grasping, detestable, contemptible organisations known as hire-purchase companies. Let us be honest about it. I do not propose to vote for the Bill.

I remember an incident concerning the late Forgan Smith. We did not get on very well together. As a matter of fact, I once described him at an opening of Parliament, after he ceased to be Premier, as being dressed like a "Piccadilly spiv". What he said about me could not be repeated in this Chamber. I shall tell you about it later, Mr. Hodges, if you would like to know. However, "Forgan" had a very wise streak in him—a touch of Scottish canniness.

When we talk about doing what is done in New South Wales and, to use an Industrial Commission expression, "like with like," and doing in Queensland what is done in other States and following precedent instead of having the guts to make it, because it is those who make precedents that make history, when are we going to establish poker machines in Queensland? I understand that they are a very lucrative source of revenue to the Government in New South Wales—to the tune of \$14,000,000 a year. What is the Treasurer doing that he does not hop in on poker machines because they have them in New South Wales? Why does he not agree to that overnight—sell it to Cabinet overnight—and then make an announcement to the Press so that the poor old rank-and-file members of the Government will know later what he did?

If we are going to follow precedents established by other Governments, let us remember an occasion that I am sure the hon. member for Bundaberg remembers well. I do not want to embarrass him, because he was not the fellow who brought the story out of Cabinet to me. He and I did not get on very well for quite a long

time, and we still have our guards up every time we meet. However, that is by the way.

I remember the time when a fellow named Swindell, or some similar name, wanted official approval to put poker machines and fruit machines in hotels, and went to Forgan Smith about it. There was a move for them amongst some members of the Labour Party. It is not hard to pick from the ones still here those who would be in favour of that sort of thing. Forgan Smith said in his Scottish brogue, "Well, if you are walking along a street and you see a heap of filth in the road and you walk through it instead of around it, you can't blame anyone else if you get the filth on your boots and the bottom of your trousers." That is why I am not going to walk in and get the filth of this Bill on my boots and the bottom of my trousers.

**Mr. PORTER (Toowong) (2.54 p.m.):** From a very modest introduction by the Minister, we have had a far-ranging debate. There have been some surprising equivocal speeches from Opposition members, although that seems to be the pattern of much of their attitude to Government legislation. Both the Leader of the Opposition and the speaker who followed him from the other side of the Chamber pointed out things that they did not like about the legislation, and then carefully explained that they would probably accept it. So far as the hon. member for Townsville South is concerned, he is in the fortunate position of being able to strike dramatic attitudes, knowing full well that he will not have to accept responsibility for them. I hope that if he cuts off his arm he will obtain a plastic sheet first, because I would not like to see the carpet spoilt.

I regret that the Bill is before the Committee and, with the hon. member for Mt. Coot-tha, I regret the existence of a situation in which a large city-State has been able to put Cabinet into a position from which, in order to honour a pledge given before a council election, we now have this type of legislation before us. As the hon. member for Mt. Coot-tha said, it was presented like a loaded gun at Cabinet's head and, in all the circumstances of the time, Cabinet deemed it proper to take this action. In those circumstances, it is not possible for the matter to be considered on its merits.

Of course, members of Cabinet are not able to talk about this, perhaps, as we humble back-benchers may be able to do. So I do regret very much that Parliament is now required to give its endorsement to the principle of time-payment borrowing by local authorities. I particularly deplore the situation that that has been required by one man—one man anxious to secure the acclaim that comes his way when he announces enormous, grandiose schemes,

and who apparently has little concern for the people who have to carry the cost of those schemes in the future.

For one man we have had to do this. And what I regret most is that, in order to do it for that one man, the Lord Mayor of Greater Brisbane, we have had to open the flood-gates of time-payment contracting by all other local authorities which, as far as I know, neither sought it nor wanted it. Indeed, the only statement that the chairman of the Local Government Association of Queensland, Councillor Behan, has made about it is that he is flatly opposed to the proposal.

**Mr. Newton:** He said that the Press distorted the statement on that point.

**Mr. PORTER:** I should say that if anything recently and starkly has revealed the power of this city-State of Greater Brisbane, the measure before the Committee today does indeed make that revelation. It reveals, too, the enormous influence that can be wielded by its political prince, its Lord Mayor. We are being asked to spread this to other local authorities; but that is a kind of cover story which, unfortunately, we have to accept. The real requirement is for this Chamber to accept a pledge demanded by, and necessarily given to, the Lord Mayor of Brisbane.

I think hon. members on this side of the Chamber are concerned about the sequence of events. I speak against the Bill—perhaps this will clear up some questions for the Opposition—but I will not vote against it. I speak against it because I do not like what is being done. I will not vote against it, because I see this as a matter of judgment and not a flouting of my party's platform or essential principles. I want that clearly understood. It is completely in line with what I said last year when the Commonwealth Savings Bank of Australia Agreement Bill was discussed in this Chamber.

**Mr. Aikens:** You are splitting straws now.

**Mr. PORTER:** I am not splitting straws. I am being completely consistent in what I say, and I hope always to remain consistent in what I say in this Chamber.

In giving its pledge to the Lord Mayor, Cabinet acted with the best of good intentions. It has been well said that the road to hell is paved with good intentions, and I say that what is proposed in the Bill does not affect only the citizens of today and the elected administrators of today; it affects those of the future, too. I believe that it is a basic principle of democratic procedures that elected bodies should never be permitted to do so act that they are unable to hand on to their successors as full and as fair a charter as they themselves enjoy. It is the financial outcome of the provisions of the proposed Bill that I dislike, because

I think it might reduce that aspect of the democratic charter. Perhaps I exaggerate the dangers; that is difficult to tell.

It is true that this may not be such a terrible thing as far as ordinary local authorities are concerned. I do not like the principle, but I would not be speaking against the proposed Bill in these terms if it were only a matter of letting time-payment contracting into the hands of ordinary local authorities. But when this is done to the Greater Brisbane City Council, when it is permitted to operate in this way, it becomes a vastly different matter. The limitation mentioned by the Minister in his introductory remarks was not more than 10 per cent. of the particular funds with which the council is concerned. For ordinary local authorities, that might be all right. They obviously will have only small funds, and 10 per cent. of the revenue will mean that the time-payment contracting will also be small. But that is not true of the Greater Brisbane City Council, and the Leader of the Opposition pointed that out when he spoke. He said that the Greater Brisbane City Council has a larger budget than has the State of Tasmania. So when one applies the principle of time-payment contracting to the local government of Greater Brisbane, one applies it not to an ordinary local authority but to a financial monster.

**Mr. Houston:** I made that point.

**Mr. PORTER:** The hon. member did, but he then went ahead and accepted this proposal.

**Mr. Houston:** I did not say that at all.

**Mr. PORTER:** Anybody who regards applying this type of provision to Greater Brisbane as well as to any ordinary local authority as being the same thing is, I think, guilty of false logic almost to the extent of false pretences. To pretend that because we officially term Greater Brisbane a local authority it is therefore the same thing as something 1/500th or 1/50th of its size, is misleading, and we must all be careful of this. It is like pretending that one can handle a 12-inch goanna and a 25-foot alligator with the same impunity because they are both reptiles, or regard a sore throat as no more dangerous than double pneumonia because they are both virus infections. It is saying that the degree makes no difference. It is equally wrong to pretend that this is not borrowing. Time-payment contract is borrowing and it has interest charges, no matter what one might call them. Interest charges are there, and in the financial facts of life they must come up in any of these transactions. It is a bit like "The Sentimental Bloke"—a rose by any other name will smell the same. These are loans, and interest and other money charges will be made.



I am old-fashioned enough to believe that the basic principle of borrowing public moneys for public works is that you borrow the cheapest possible money so that the debt to be carried by citizens of the future is the lowest possible debt, and in the debate today I have not yet heard any suggestion that buying on the "never never" is a better principle than borrowing as cheaply as one can. The suggestion that to do it now, even though the money costs more, will be cheaper in the long run because the cost of work will increase, I reject as totally specious. Nobody knows what work costs will be in the future. It is quite feasible that in many directions technological gains will ensure that a great deal of work done is cheaper, not dearer. Indeed that is continually happening in the field of technology.

I also remind the committee that if work is dearer five, 10 or 15 years ahead, revenues will also be higher five, 10 or 15 years ahead. Again, in the last 20 years real money values in this country have kept consistently ahead of price rises, so the argument do it now, no matter what the cost, because it will be cheaper, is totally fallacious. I am sorry to see it used by anybody.

It has also been suggested that we are being asked to do something that is not much more than is done in other States and has been done by them for many years.

**Mr. Walsh:** I think that statement is misleading to the Committee.

**Mr. PORTER:** The hon. member says it is misleading. I do not think it is deliberately so; it is so easy to get misinformation in this regard, and it is also easy to look at part of the picture and not the whole picture. Things are not the same here as they are in other States. For a start, every other State has as an absolute right of ratepayers, a ratepayers' poll on any loan project.

**Mr. Newton:** Not in New South Wales.

**Mr. PORTER:** If the hon. member knew enough about New South Wales to know what is on the stocks there at the moment with its Local Government Act he would know that that will not be so for long. There is also the fact that in every other State time-payment borrowing by local authorities is actively discouraged. Certainly there is no suggestion that they should use it as an alternative to normal borrowing procedures. Indeed, since New South Wales seems to be quoted here, the official handbook for local government officers and elected persons—Morse on "Internal Control in Local Government"—says—

"Time-payment contracts are suitable for the purchase of plant or equipment. The use of short-term loans for the purchase of plant, public works etc. requires careful selection. Loan instalments become fixed charges to be met from future revenue (rates and charges); and there is

an economic limit, expressed as a proportion of the rate income, beyond which a Council should not let its loan instalments reach.

"A uniform amount raised regularly each year and repayable over a period of 15 years will provide a Council with loan moneys in excess of the total loan instalments for each of the first ten years.

"Beyond this point the loan instalments payable will exceed the loan raisings. Generally speaking, short-term loans should be used with care and then in accordance with a set pattern."

I have gone to some trouble to secure information as to what happens in other States. It is possible I have been misinformed, although I would not think so. I think my sources of information are pretty authoritative. In Victoria, time-payment borrowing by local authorities is used in only a small way for plant and equipment. Perhaps half a dozen councils use it for financing the construction of private streets. In Western Australia it has a very minor use. In South Australia it is not used at all. In New South Wales it has small use, and is supplementary always to borrowing through normal channels. Certainly nowhere is time-payment financing used by local authorities as an officially approved alternative to borrowing through normal channels.

All I am seeking to do here is point out that if we accept this in the belief that by encouraging local authorities to put massive portions of their borrowing into the time-payment field we will be doing what is done in other States, then we are in error. There are differences.

Another great advantage that some other States have is that they put into their Local Government Act a statutory ceiling for all borrowing; that is, a formula is written into the Act which prevents the local authority from taking its borrowing beyond what is regarded as a dangerous ceiling. We have not got that protection. I will come back to that matter in a moment. Of course, the greatest and most fundamental difference is that no other State has a Greater Brisbane. I venture to say that the total time-payment contracting approved for all other local authorities in Australia—hundreds and hundreds of them—would not amount to more than a fraction of the time-payment contracting which is now proposed for this one body of Greater Brisbane. Let us not delude ourselves that in this Bill we are only proposing something that is exactly the same as exists in other States, and that it is something they have been doing for years. On my information this just is not so.

I believe that a ceiling is essential. I appreciate the assurance given in another place that the Local Government Act would be amended again later this session when a ceiling would be written in. In Victoria and Western Australia there is a slightly different formula, but each has the effect of preventing

any local authority from over-borrowing to the extent that it financially hampers its successors. Basically, the formula is that you take the council's ordinary income, which is defined in the relevant Acts, and subtract from that its annual loan charges. What is left you multiply by the figure which is set out in the Act, and then from that you subtract the current total indebtedness. What is left is the available ceiling for all future borrowings.

If the formulas used in the other States are applied to Greater Brisbane and we use the figures of the Brisbane City Council's estimated income according to its last budget together with the loan charge figures and total loan indebtedness as shown in the last Auditor-General's report, we get the surprising picture that Greater Brisbane has already over-borrowed on a rigid reading of the Act. If we had in our Local Government Act the type of statutory ceiling that exists in other Acts we would find that Greater Brisbane had no more room to borrow, and far from encouraging it to borrow in the dear money market we would be doing our best to curb its access.

I should not want anyone to think that I am saying this thoughtlessly. Let us have a look at the picture in terms that we can all understand. Perhaps hon. members know that the total net loan indebtedness of Greater Brisbane is now just over \$138,000,000. It has risen to this figure from \$100,000,000 in 1959-60. In other words, its loan indebtedness has risen 38 per cent. in the last six years. In the preceding six years the loan indebtedness rose 19 per cent. In other words, in the last six years the rate of expansion in the Greater Brisbane total loan indebtedness has been more than double that at which it grew before the present administration took office.

Let us look at it from a different angle. At present, not only is a substantial portion of normal revenues diverted towards financing loans, but in addition one-third of the council's loan borrowings has to be diverted towards conversion and renewals. Only two-thirds is available for works and services. Without a total ceiling this will worsen, and of course it will worsen much more rapidly if the council enters this dear-money market—this time-payment operation—on a large scale. Before long we will reach the stage where only half, or perhaps even a third, of the money is available for works and services and colossal sums are required to service the loan charges. A responsible Government and a sensible Parliament cannot wash its hands in this regard; it must accept responsibility for its capital city. This is the centre of our industrial and commercial complex and we must be concerned. No other State in Australia accepts the proposition that it can ignore what happens to its capital city, because it has a responsibility in this direction.

We must look into this and, like the hon. member for Mt. Coot-tha, I believe that the time is long overdue when we should do so. I welcome the announcement that it is the intention to look into this in the near future to see what can be done to strip the present Greater Brisbane of some of its powers and disperse its monolithic structure, and so ensure that neither this nor any future Government can be subjected to the intolerable pressures that have produced the legislation now before us.

There is one other by-product of this legislation which I regret, perhaps as much as any other aspect of it. This matter has not yet been mentioned. I believe that this official enshrining of the principle of time-payment contracting deals a body-blow to the basic principles of public tendering. Once upon a time public tendering meant that a public body was able to select the person or firm best able to do the job at the best price. What will it do now? It means that the person who has the best access to money will get the job.

The cost factor will be obliterated in this style of tendering; indeed, this is bound to be so. When we examine the Sandgate sewerage contract, which is the nub of this legislation—the reason for its introduction—it is quite clear that the money cost (the loan) is a little over \$6,500,000, and it has been intimated that the work cost is only \$5,400,000. The difference of over \$1,000,000 is what? Interest, of course—money charges on what is advanced.

With all due deference to the computer calculations that have been bandied around this Chamber, on the basis of a 12-year loan with three sets of repayment over four-year periods for each separate repayment, that is an interest rate of no more than 4 per cent. Since this money originally comes from Swiss sources, is anybody sufficiently naive to believe that these people will lend their money outside their own country at 4 per cent., or at 5 or 6 per cent. if it comes to that? The plain fact is that the work cost of \$5,400,000 contains some built-in interest charges. This will become a feature of this type of tendering. We will never again be able to separate the real work cost from the work cost plus the money cost. The best protection that could ever be devised against extravagant spending by public bodies will be removed when we accept the use, on a large scale, of this type of tendering for time-payment contracting.

**Mr. Mann:** The Treasurer probably has some shares in a company.

**Mr. PORTER:** I regret any suggestion that members on this side of the Chamber, or on the Opposition side, have shares in these things and that there are sinister motives. I do not believe that at all.

This method of tendering will, unfortunately, tend to preclude the securing of economic tenders. It will mean that we are likely to see extravagant work done on the basis of dearly borrowed money. I am sorry indeed that we should reach the situation where we have legislation that will permit Greater Brisbane to go in for massive-scale time-payment contracting. That is an expensive luxury anywhere. But, as planned already by Greater Brisbane, I believe this will only be the first step in an enormous advance towards this type of operation. It can then become the rapid road to ruin.

The 10 per cent. fund ceiling—that is, 10 per cent. of the revenue of any fund—covering annual charges for time-payment contracting is perhaps useful for ordinary local authorities, but it is totally useless as a protection when applied to Greater Brisbane.

I look forward to early attention being given to reducing this Frankenstein monster of Greater Brisbane. Above all, I look forward to, and I expect soon to see, another amendment to this Act which will put a statutory ceiling on total borrowing for Greater Brisbane and other councils.

**Mr. WALSH** (Bundaberg) (3.17 p.m.): The last statement of the hon. member for Toowong was rather interesting. He indicated, and I have no doubt that he has some knowledge of the position, that another Bill will be introduced at a later date to more or less clarify what Parliament is now being asked to do. That is a shocking state of affairs. As we have been asked to consider the amendment of an Act that covers a wide field of local government administration in Queensland, we should surely expect that the Government would have proceeded on the basis that it would clean up the whole position by introducing one Bill.

I am afraid I cannot congratulate the Minister who introduced the measure this morning and set out the provisions. I think it will be agreed that he did not give the Committee much information. We will have the unusual spectacle of the Treasurer getting up and trying to blind, with a whole array of figures, all and sundry who are against this proposal.

**Mr. Chalk:** No, I haven't any figures.

**Mr. WALSH:** I have studied the Treasurer long enough to know that he will get up and say what should have been said when the proposal was introduced, and, if there has been some unnecessary criticism of the proposal as outlined by the Minister, the Treasurer is as much to blame for it as the Minister.

It would not be a bad idea if I recalled to the minds of members of this Committee, particularly members of the A.L.P., the origin of the restrictions imposed on local authorities in raising money by hire-purchase methods. No matter how the Minister speaks of them, or how the hon. member for

Belmont or anybody else seeks to distinguish between "hire-purchase" and "time-payment", they still mean the same thing to me and I think to every other intelligent member of the Committee. If it is intended to convey that the companies that are interested in financing these transactions will work outside the provisions of the Hire-purchase Act, we want that information. We want to know that, because it is important.

This prohibition arose from a set of circumstances in Mackay. That city council was controlled by a majority of Labour aldermen and a Labour mayor, and the Labour Premier of the day represented that electorate in State Parliament. The council was dissolved, because it entered into certain hire-purchase agreements. Of course, suggestions of gratuities during the process of their being entered into were bandied about. Even this particular proposal now before the Committee lends itself to that characteristic.

In my book, hire-purchase companies are akin to oil companies; they do not care how or by what methods they get their money. In 1934 the prohibition against hire-purchase agreements was introduced by amendment of the Local Government Act—two years after Mr. Forgan Smith became Premier, and as a result of happenings in local authority matters in his own electorate.

For the benefit of the hon. member for Belmont, the Minister or anybody else who wants to get away from the term "hire-purchase", let me say that whilst the 1934 amendment did not specifically refer to the Hire-purchase Agreement Act, it is interesting to look at what was done in the consolidation of the Local Government Act in 1936. Section 19 (2) reads—

"Notwithstanding anything contained in this Act or in any other Act or law or rule or process of law to the contrary, a local authority shall be prohibited from entering into any contract of the following nature, namely:—

(a) A hire-purchase agreement within the meaning of 'The Hire-purchase Agreement Acts, 1933 to 1934' (or any Act amending the same):"

Whilst the 1934 amendment did not specifically refer to the Hire-purchase Agreement Act, it was mentioned in the consolidated Act of 1936. Section 19 (2) (d) provides that the prohibition shall apply—

"In respect of the carrying-out for and on behalf of the local authority by any person of any works or undertakings (other than works carried out by means of loans pursuant to this Act) a contract whereby the payment by the local authority for the carrying-out of such works or undertakings shall be spread over a period of time whereby such payments may be made by the local authority by way of instalments."

From the point of view of Labour Party policy, it was evident that the Labour Government, the Labour Party, and the Labour movement generally thought it necessary at that time to impose such limitations and restrictions on local authorities.

Again let me remind the Committee that a Labour Government in Queensland can take the credit for introducing the first Act concerning hire-purchase in Australia. That was introduced by the late Hon. John Mullan in 1937. It is all the more significant when it is remembered that the Government of the day saw fit three years before then to impose restrictions on local authorities.

The Minister, and others who support him, have referred to the operation of this principle in other States. The Minister mentioned the States of New South Wales and Victoria and one other State. I do not think he has been quite fair in doing that. If he had gone to the trouble that the hon. member for Toowong went to and presented the Committee with some figures showing the extent to which those other States had used a similar provision to raise money for works, he might have made more impression. Instead, a Government back-bencher has had to do the devilling to show to what a limited extent a similar provision has been used in another State.

I remember that Loan Council procedure is that local authorities borrowing up to \$300,000 are not the concern of the Council. In fact, up until the current financial year the figure was even less than that—I think it was about \$200,000. Therefore, local authorities in that category within this or any other State are really subject only to the control exercised by the State Government.

Any attempt to compare the conditions in Queensland with those in another Australian State is just plain ridiculous, in my opinion. No State in Australia has such a wide charter of local government as has Queensland—not one—and no State in Australia is asked to administer the affairs of local government over such a vast territory as is the Government of Queensland. When hon. members remember that Queensland has more cities with a population of over 20,000 than any other Australian State, they will appreciate the ramifications of local government administration in this State. I am sure that the Minister knows, as the officer in charge of the Department of Local Government, Mr. McNamara, knows, and as the Treasury officials who have been sitting in the lobby making financial assessments know, that the semi-governmental and local authority borrowings are higher in Queensland than they are in any other Australian State.

If that is a factor to be taken into consideration, one might well ask why, when a State with such wide responsibilities in the field of local government, particularly

relative to finance, has been able to do fairly well for itself over so many years—I remind the Committee that a Labour Government introduced a policy of paying subsidy and so assisting local authorities greatly—it should be necessary to resort to any of the bush-ranging financial tactics—I say advisedly “bush-ranging financial tactics”—of the hire-purchase companies. I am surprised that the Country Party section of the coalition Government should have fallen for this proposal.

The Treasurer has come into the Chamber again. While I am on that point, I indicate to him that I think some reply is required to the statement made by the hon. member for Mt. Coot-tha. The statement made by the hon. member that the gun was held at the head of the Government, or at the head of the Treasurer, as the case may be, more or less implies that the Government was forced into this action. That lends itself to the construction that there was something irregular about the proposal of which the Minister or the Government knew. The expression used by the hon. member appeared to me to indicate that the Government had no way out and had to agree with what the Lord Mayor put up and succumbed accordingly. The people of Queensland are entitled to a more frank explanation of the dealings of the Brisbane City Council with the Government than they have received up to the present.

So there can be no misunderstanding of the statement I made a while ago about borrowings per head, I refer to page 65 of Table 39 of Commonwealth Payments To or For the States, 1967-68. It is fairly up to date although we have not the estimated figures for 1967-68. The per-head borrowings for State, semi-government and local authorities are \$26.17 in New South Wales, \$33.22 in Victoria, \$42.16 in Queensland, \$17.05 in South Australia, \$23.58 in Western Australia and \$31.74 in Tasmania. Against a total for the whole of the States of \$29.60, Queensland's borrowing per head is \$42.16.

Can the Treasurer get up here and say he expects that further funds are going to be made available to the Brisbane City Council over and above what they are able to raise by way of loans and debentures at the present time?

**Mr. Chalk:** No, I cannot.

**Mr. WALSH:** The Treasurer says he cannot. This simply points the way to what is going to happen. It is perfectly obvious to me that further funds will not be available because why would any hire-purchase company, or any bank with an interest in hire-purchase companies, invest money in debenture loans raised by local authorities and semi-governmental bodies at £5 7s. 6d. per £100, or whatever the figure is now, when it can get this other rate of interest per medium of hire-purchase companies?

It will be found that in many respects in this State there will be a falling-off of funds available to local authorities and semi-governmental bodies. I must correct myself there; I realise that this measure applies to those authorities, and I am wondering whether, at a later date, some provision might be made for the State Electricity Commission and other public bodies such as harbour boards, hospital boards, fire brigades boards, and all the other statutory bodies that at present are clothed with borrowing powers. That is very important. The Treasurer, I feel, should give this Committee some examples of the contract, even if he only gives a hypothetical case, as it were, and states a figure, using the figures mentioned by the Minister this morning, namely, 1 per cent. of one fund or 10 per cent. of another fund and working it over the period for the repayment of Government loans of 30 or 40 years. That is another important factor, and I think the Treasurer should give some figures to cover the wider field of local government administration in Queensland.

I am prompted to ask the Treasurer, or the Minister, where this request originated. Did it come directly from the Brisbane City Council? Or did the proposals that were made to the Brisbane City Council and to the Government emanate from some financial source? We have to weigh up the position, and the ready way in which the Government agreed to the request by the Lord Mayor must be taken into consideration. Hon. members will remember the statement made last week by Mr. Behan, President of the Local Government Association of Queensland, which covers the wider field of local authority administration in Queensland, especially on a population basis and an area basis.

As president of that association Mr. Behan said that it did not ask for this provision, and, what is more, did not want it. Why was this not made an issue at the last city council elections? Why was the great body of ratepayers not told it would have to pay higher rates so that a section of the Brisbane city area would get a particular service, water or sewerage, much sooner than it would if ordinary loan funds were used? This will be the position unless protective measures are taken to ensure that higher costs through higher rates of interest are not passed on to the population of this city generally. The A.L.P. boys should wake up to this. They have been pleading for the pensioner and the basic-wage earner. Because of this type of contract and because of the added cost, people who now enjoy and have enjoyed for many years the services now being planned for other parts of Brisbane, eventually will be called upon to pay increased rates.

I do not see anything at all in the proposal that would suggest to any hon. member, after giving it careful consideration and weighing it up from the point of view of community interest, that he could justify Parliament's approving of it.

We have to realise that in dealing with a matter like this we are laying down a precedent. I am not against the creation of a precedent—not by any means—as long as it can be shown that what is being done is going to be beneficial to the community at present and in the future, and is in the public welfare generally. After all, we have to move with the times. As one hon. member said this morning, times have changed. They sure have changed! They have changed to the extent that even this Government, on the foundations established by Labour Governments in the past, has seen fit to amend the hire-purchase legislation from time to time to cope with the ramifications of many of those engaged in financial propositions.

Actually what the Minister and his party have approved of is the bringing in of a system of finance identical to that applying to ordinary household hire-purchase agreements. Provision is being made whereby local government works will be financed in the same way as the TV set, the motor-car or the washing machine is bought on a time-payment basis by the individual. Apparently it will not be long before the Government is forced into the same position. The suggestion has already been made that the Minister for Education might be interested in getting some money from hire-purchase companies for the building of schools. Once the precedent is established, we do not know how far it will be extended for public finance.

Until we see the formula mentioned by the Minister in his opening remarks it would be stupid for any of us to attempt to arrive at a final conclusion about the financial effects of the proposal. With the Minister's formula before us we need to go into a hypothetical case in order to present the full picture. However, at this stage I feel that the general ramifications of its effects are against the public interest.

I should be surprised if this matter is not raised as an issue to be debated at the Local Government Conference to be held in Bundaberg the week after next. That is why I expect the Country Party representatives to give some consideration to this new system of finance raising. This is a matter on which the Country Party will have to make some explanation to the great body of ratepayers who are already saddled with a heavy burden in rates on their properties. The hire-purchase companies will be able to step onto their lands due to this method of financing local-authority works.

I reserve any further comments until I hear further from the Minister.

**Mr. CHINCHEN** (Mt. Gravatt) (4.41 p.m.): I do not oppose this measure in any way. I believe that there is a need for its provisions, as is demonstrated in other States. However, I believe that the real need lies in the purchase of plant and machinery, and for that reason I believe that the idea is a good one. I can imagine that more modern

machinery and plant would frequently help to reduce considerably the cost of jobs carried out by local authorities, and from that point of view this is reasonable legislation. As the hon. member for Toowong has said, if a private road is required and loan funds are already committed, and if the people themselves are quite happy to take on an extra financial burden at a higher interest rate, they may say, "We will share the cost of the road and we are willing to accept hire-purchase or time-payment rates." In such a case it makes sense, and there is nothing wrong with the legislation, which allows this to happen.

However, I believe there is a possibility of legislation such as this being abused. Public works should not be financed at an interest rate higher than necessary. What is to be gained? The only thing that is gained is time. The work would still be done, but the time factor is shortened. Is it right to impose additional costs on people in the future just to save time? There is another point: the works will still be done. In one case it may take five years, and in another case it may take seven or eight years. The only difference will be the time factor, but the added cost will be considerable.

I was very interested to hear the Leader of the Opposition, with tongue in cheek, saying, "We on this side of the Chamber have considered this matter seriously and we believe that we must study and consider it further when we have more information." He knows as well as I do that he cannot afford to disagree with this proposal. He knows where it originated. When the white-haired boy of the A.L.P.—he is a Q.C.E. member—says what he wants, and it looks as though he is getting it, there is no doubt that everybody on the other side of the Chamber will go along with it. I am not saying that they are wrong, but I am pointing out that an abuse of the Bill's provisions would be wrong. That is my real complaint.

**An Opposition Member:** Have you no confidence in—

**Mr. CHINCHEN:** I have every confidence. I am only hoping that local authorities in general will apply the principle with great discretion.

The small local authorities will not have any problems, because 10 per cent. of their funds is not a great sum. But 10 per cent. of the cost of sewerage and water in all Brisbane, applied to Sandgate, is where the problem arises. The Leader of the Opposition must be able to face his electors in Bulimba, who may be charged higher rates for this project at Sandgate. That is what he has to face up to—that is one of the considerations facing him—but I am sure these matters will pass him by, because he cannot advance any serious opposition to the legislation.

I refer now to the letter quoted by the hon. member for Belmont, dated 28 August. The letter was written to him by the Lord Mayor, Alderman Clem Jones. It is interesting to note that the Lord Mayor said—

"I have to advise that the contractors. . . have had an analysis made. . ."

I point out that it is the contractors, not the city council.

The letter says—

". . . the contractors. . . have had an analysis made. . . in order to determine the true interest rate being paid by the Council."

Would not these people know? They are the contractors. Do they not know the amount for the actual work and the various provisions for interest? Certainly they do, but they do not want to disclose it.

The Lord Mayor says—

"You will appreciate that this is a very complicated exercise . . ."

Certainly it is, because there is one amount of money and it must be broken up somehow.

He continues—

". . . there being a great number of imponderables and as a consequence, the work was carried out by the Computing Department of the Department of Physics, University of Sydney."

A computer can do nothing with imponderables. It is evidently thought that by saying it was done by a computer everybody will be happy. I am not happy, because a computer works only on facts. A computer works on what is put into it. It works on facts given to it and comes out with facts. If there were a great number of imponderables which could not be understood by the Lord Mayor, they could not be understood by the computer. Yet out of all this comes a figure. Out of all this great number of imponderables comes a figure.

In his letter the Lord Mayor quoted—

"The Print-out Sheets at page 3 disclose at the left hand column on the bottom line a statement that the rate of interest compounding each year throughout the life of the contracts is 6.249%."

The Lord Mayor said there was an error tolerance which is negligible, and I believe that it is negligible. I do not believe that that is a factual figure because a computer, working with imponderables, cannot give facts.

**Mr. Walsh:** It can only give you what you feed into it.

**Mr. CHINCHEN:** Yes. If facts are fed into it, facts come out. But if there are imponderables which were not understood by the Lord Mayor, the computer cannot use them, so how did they produce the

6.249 per cent.? I will tell you; because this figure is a bit higher than the normal loan rate, which the people may accept. I see no other reason for it.

The problem here is that there is a greater interest content, I feel, in the total sum. But if this is got down to a lower amount of interest, subsidy is paid on the balance, which is presumed to be the work cost. On this subsidy is paid, so the interest must be shown as low as possible. I can well imagine it is high-interest money, because I know full well that, with vehicles, 5½ per cent. flat rate is equal to 10½ per cent. simple interest and more, and the council, when leasing vehicles, is paying between 10½ per cent. and 12 per cent. That is expensive money. The council cannot get them for less. That is the best deal available today. I know that as a fact. It does not show as interest. In a lease agreement there is no such thing as interest. There are amounts to be paid monthly.

**Mr. Coburn:** Instalments.

**Mr. CHINCHEN:** Yes, instalments. In this deal, I contend that the Lord Mayor was faced with the same problem. He got a package deal and has to pay so much every so often for 12 years. He was left with the problem of finding out how much of it represents interest. I feel that he knows the amount but cannot afford to tell the public, so he says, "Pop some imponderables into the computer, and out of all of them we will get a figure—I do not for one moment believe that it will be the true figure—that is acceptable." If he has been able to do that, I think he has done very well. I do not for a moment believe that it is right. As the hon. member for Toowong has said, "What is going to happen in the future when we have the injection of the third man, the money-lender, in all of these big deals?" The true cost of the job will be hidden and lost, because if the interest rate is high, less subsidy is paid than if there is a presumably low interest rate.

**Mr. Walsh:** Will he get a subsidy on this?

**Mr. CHINCHEN:** I understand that he will on the works, but who is to know how much is "works" and how much is "interest"? So we have a nice figure from the computer, which was fed imponderables.

The Lord Mayor said—

"I must point out that initially the contract was for \$5,442,729.05, and the total apparent interest rate was \$1,132,521.00." He does not speak of interest; he says "apparent interest rate". It is not a rate; it is a sum. But he calls it a rate. He refers to an apparent interest rate; he does not know, because there are too many imponderables. Yet the computer was able to come up with 6.249 per cent. It is beyond me.

The Lord Mayor goes on to say—and this is rather remarkable—

"This was subsequently increased to a total of \$8,142,729.05 without any increase in interest charged."

I cannot possibly accept that statement. If the Lord Mayor has the ability to find \$1,000,000 free of interest, I am staggered. I feel that there is an explanation owing to us, and I think that the hon. member for Belmont, who is the one who received this letter, should make inquiries and ask the Lord Mayor how it is possible to obtain such a large sum of money without paying any additional interest. This staggers me and I am amazed to think that he would write to anybody in those terms, although it would be understandable if he thought he could get away with it with the hon. member for Belmont. I should like some explanation of it.

After a number of other statements, the Lord Mayor says—

"...but that it actually provides money more cheaply than on the normal loan raising basis."

That, too, surprises me. I have never bought anything on hire-purchase in my life. Perhaps I should consider it now, because the Lord Mayor is here stating that hire-purchase provides money more cheaply than normal loan raising. He tries to justify this, of course, by pointing out that it costs money to go on the loan market. I just do not believe that this will be a means of providing money more cheaply.

The Lord Mayor gives three reasons to justify the whole scheme. They are, firstly, the savings involved; secondly, the immediate obtaining of revenue from work carried out; and, thirdly, the provision of a service to the community more quickly. The final one is politically the most important, and is the whole reason for the deal. There is no question that a service is being provided more quickly, which politically is very important, but who is to pay for it? He does not seem very concerned about that, whereas I am concerned for the people of Mt. Gravatt because they provided their own sewerage, as have all people who purchased land in new estates, and will now have to pay part of the cost of providing sewerage in one area of Brisbane. That is why this principle, unless used judiciously and with great discretion, is a bad thing for the city. Although it may not be a bad thing for all other areas, it is bad for Brisbane because 10 per cent. of its revenue will probably end up in one small area and everyone else will have to pay for it.

**Mr. Mann:** What is the tie-up between the Lord Mayor and the Minister?

**Mr. CHINCHEN:** There is nothing wrong with the legislation, but it is not being used correctly. If the law provides for the use of finance obtained on time-payment, this

type of legislation is necessary. In the case of an organisation such as the local authority in this city, the whole thing is abused. That is my complaint. The people generally will pay higher sewerage and water rates as a result of this deal, which benefits only the Sandgate area. It is simply a question of economics. There is an additional large debt, and the people of Brisbane have to service it.

**Opposition Members** interjected.

**Mr. CHINCHEN:** I am telling hon. members opposite the story, if they will listen. It is another debt, with expensive money, in addition to the city of Brisbane's present debt of \$37,000,000, and the people will have to service it. This will be done on an equitable basis. There cannot be a higher rate in Sandgate—hon. members opposite know that as well as I do—and everybody in Brisbane will be paying the same rate to cover the higher servicing cost.

**Mr. Houston:** Is this the same argument as you used in Caucus?

**Mr. CHINCHEN:** Exactly.

**Mr. Houston:** Well, why didn't you convince them?

**Mr. CHINCHEN:** I am pointing out the dangers of the provisions of the proposed Bill in the hands of certain local authorities that do not—

**Mr. Houston:** Why don't you say you haven't any confidence in the Minister for Local Government?

**Mr. CHINCHEN:** I have every confidence in the Minister. I repeat: I have every confidence in him.

The Bill that the Government proposes to introduce is sound and sensible for the purposes for which similar provisions are used in other States. But in Queensland the situation is complex, and if the provisions of the Bill can be used in another way, they will be used in that way. That is not our business; it is the business of local government. However, it is a great pity. My big worry is in sorting out the Government's responsibilities. Is it Government guaranteed? Will there be a ceiling? Is there any limit on interest? All those questions should concern hon. members.

The problem would not be so great if there was a multitude of small local authorities in the metropolitan area, as there is in other States; but there is not. There is a problem here because in Brisbane the provisions will not be used discriminately. I have grave doubts about the information conveyed by the Lord Mayor to the hon. member for Belmont.

**Mr. Houston:** You don't like Jones. Why don't you say so?

**Mr. CHINCHEN:** I am quite happy that this is a sound measure if its provisions are used sensibly by local authorities.

**Mr. DUGGAN (Toowoomba West) (3.57 p.m.):** I share the views of the Leader of the Opposition, who expressed some concern about the way in which a measure embodying many new principles was introduced. Very appropriately, he drew attention to the need to scrutinise the Bill carefully, when ultimately it is printed, in order to examine its full implications and so that members on this side of the Chamber, in their Caucus meeting, may come to some decision on the attitude that they should adopt. I support his criticism that there is an obligation on the Government, when it introduces a measure as important as this Bill is, to give hon. members a detailed explanation of its contents.

Indeed, I am rather surprised on this occasion that the introduction of the Bill is not being handled by the Treasurer. I am not casting any reflection on the Minister for Local Government and Conservation. I suppose it could be said that constitutionally he is responsible for the administration of local authorities and, therefore, in the normal course of events would be the Minister responsible for introducing a Bill of this type. But I think that, superimposed on that, there is a greater obligation for the Treasurer of the State, the chief custodian of its finances, to inform the Committee of the reasons that motivated the Government in altering very drastically indeed the financial structure under which certain undertakings are carried out by the Government and local authorities throughout the State.

I also wish to make it quite clear at the outset, in answer to the criticism expressed by Government members of the attitude of the Australian Labour Party, that the Bill is not designed to deal with Alderman Jones, or the Lord Mayor of Brisbane, but has application over the length and breadth of the State. In the absence of any specific charges, I do not like the statement by the hon. member for Mt. Gravatt that it is a sound, sensible piece of legislation as long as it is sensibly operated. If he only knew, the very thing that he is criticising in Mr. Jones's assessment of the interest rate—the imponderables—

**Mr. Chinchén:** That is the word he used.

**Mr. DUGGAN:** Yes. But the hon. member said, "How can he arrive at this figure of 6.2 per cent., because imponderables come into it?" The hon. member laid himself open to the same type of criticism when he said, "If we knew what the ceiling was going to be, if we knew how far it was going to extend and whether the 10 per cent. was likely to be increased . . ." They are essentially the imponderables that the Government has not explained to the Committee.



In 1951 I went to New York, as part of a trip to Europe and the United States of America in connection with the modernisation of the Queensland railways. One of the first things that took my attention on the New York Central Railway was a tremendously powerful diesel locomotive. On the side of that locomotive appeared a sign reading, "This locomotive is owned by the Phoenix Assurance Company." I inquired why locomotives that were operated by the New York Central Railway should be owned by the Phoenix Assurance Company. I found that it was a common practice there for the insurance companies to buy equipment and lease it to the railways with an amortisation period, in the case of locomotives, of 18 years. At the end of that period the locomotives were sold to the railway for a nominal figure.

There is therefore nothing exciting or new about this proposal. When I read in the newspapers about four months ago that we had some financial wizard about the place who had discovered a new way to finance projects for less than at the present time, I cast my mind back to 1951 and realised that I discovered this principle and was probably not the first to do so. Finally, the Minister said this morning that, with the exception of South Australia, this is the last State to introduce a proposal of this kind.

Without taking up time in explaining the fundamentals of the Loan Council and the Financial Agreement, those two things came into being primarily for the purpose of preventing the States from competing with one another by offering high rates of interest for available funds for developmental works. That was their sole purpose, and, despite outbursts of indignation when the Premiers return from Loan Council meetings, no State has been prepared to buck that arrangement. The Treasurer knows as well as I do that it would be within the competence of the States to out-vote the Commonwealth if they were in unanimity at the Loan Council, and to raise the figure to one in excess of that approved by the Commonwealth Government; but they do not do this because the Commonwealth Government, if the figure is in excess of the amount that it is prepared to underwrite, would refuse to accept the obligation of underwriting the loan. As I say, these things have been done for the sole purpose of trying to keep interest rates down.

The Australian Labour Party believed in hire-purchase in its original conception. Many families would not have the use of electrical appliances and other comforts in the home if it were not for the fact that they have the opportunity, on low deposit and on amortisation over the life of the appliance, to have these things. But we have seen the hire-purchase principle injected into our lives to such an extent that today one can even go for a holiday overseas and finance it on

hire-purchase. That goes far beyond the original conception of hire-purchase as it was viewed by the Australian Labour Party.

We laid down in our legislation a higher deposit than this Government has provided for in hire-purchase agreements, because we felt it was a good safeguard from the point of view of the person using hire-purchase facilities that the interest burden should not be excessive, that he would have a reasonable equity in the particular machinery, equipment, or appliance that he was using, and that there would be less recovery of bad debts insurance in hire-purchase transactions, so that the insurance ratio to the loan would be lower and the hire-purchase companies would not be obliged to charge such a high rate.

I think it ought to be made clear that we want something more detailed than has been given to us yet, and, I regret to say, a few of the important principles that are involved in this matter. I do not think the Treasurer would have done a disservice to himself or to the Government, and he certainly would have done a service to this Committee, if he had said, "I am not going to supersede the Minister for Local Government in carrying out his proper function of introducing this Bill, but there are important changes of Government policy in regard to financing local government which I feel the Committee should know something about." I think if that had been done he could have temporarily taken charge of the Bill and then handed it back to the Minister for Local Government, whose competence I am not questioning. However, we have had from him no indication as to just what is required.

As at March, 1967, the balance of loan outstandings, instalment credit for retail sales, totalled \$1,429,000,000. There was a great deal of progressive improvement over a considerable period of time, and, taking the State, Territory and Local Government Authorities' Finance and Government Securities bulletin for 1964-65, the total outstandings for local government only, as distinct from water, sewerage and electricity, amounted to \$759,000,000. That is indeed a very large sum of money.

I now come to the gravamen of the charges levelled by some members of the Government against the Government itself. What is to be the measuring-stick of these desirable projects that the local authority proposes to introduce?

At this stage I want to register, as did the Leader of the Opposition, a protest at the increasing tendency for retrospective application of legislation. We saw it in the case of the Thiess-Peabody agreement; we saw it in the case of the alumina agreement; we saw it in the case of the Weipa agreement; we saw it in the case of the Amoco agreement, and many others that I could enumerate. This Parliament is becoming merely an acquiescing authority, or rubber-stamping authority, for decisions of the Executive. That is what has

happened in this case. The Executive has made a departure from accepted norms of financing in order to let a local authority borrow a certain sum of money.

Who said that 10 per cent. was a prudent maximum? Obviously it was the Treasurer, or the Treasurer and his Cabinet. They deem 10 per cent. to be a prudent maximum. Who is to say that the judgment of someone else in the Treasurer's position at a later date might not be 15 per cent., 20 per cent. or 30 per cent. as a prudent maximum? We have had no indication from the Minister so far as to what these ceiling rates of interest might be. It could well be that one local authority was right up to its 10 per cent. maximum permissible borrowing at an average rate of interest, for the sake of argument, of 6.2 per cent., the figure mentioned by the hon. member for Belmont. Another local authority that was borrowing only 5 per cent. of its permissible total of 10 per cent. might be paying 8 per cent. or 9 per cent. interest for that money. Who will be the screening authority?

When I asked a similar question the other day by interjection, the Treasurer said he was not interested as long as the 10 per cent. was not exceeded. The Government ought to be interested. Obviously there will be competition for the carrying out of this work. Quite frankly, in my view, on the money market that operates no business undertaking can afford to engage in speculative tendering on borrowed money on a basis of 6 per cent. I regard A. V. Jennings Industries Ltd. as a highly successful firm. I use it as an example because I read in the Parliamentary Library that it had 7½ per cent. debenture stock on issue. That company finances general construction programmes throughout Australia. It is a highly regarded, very efficient firm, and I wish it to be understood that I am not being critical of it in any way when I make these remarks. How could a firm of that kind, if it was borrowing money at 7½ per cent., with the cost of preparation and so on and with its obligation to earn profits for its shareholders—it has shareholders as well as debenture obligations—finance operations on the basis of 6 per cent?

**Mr. Hughes:** It is the application and use of that money.

**Mr. DUGGAN:** I mentioned diesel locomotives, as it can be proved that the operating economy of that form of traction in the Railway Department makes it perhaps desirable to pay 10 per cent. or 15 per cent. for that type of money because it is collecting additional revenue. Sewerage does not create additional revenue, nor do footpaths. They are both desirable social amenities; they are amenities that local authorities are obliged by law to provide for their citizens. But they do not bring to the local authority any increased revenue.

I feel that there are several implications in these things. We talk about overseas investment coming into this country. Let us consider a time of credit squeeze in this country.

What will be the position of the Brisbane City Council with this motor vehicle lease-lend business? I am not criticising it because I do not know enough about it. I read in the newspapers that the council was supposed to be saving a tremendous amount of money by this scheme. If I were to be critical, I would say that it is rather a reflection on the maintenance section of the council that an outside organisation can come in and service its vehicles and so save the council some thousands of dollars a year. They cannot have it both ways. It could be either a reflection on the council or a high commendation of private enterprise for being able to do the job so much cheaper.

General Motors-Holden's Ltd. have certain agencies for collecting money and hon. members can see, from their reading in the Library, that they are asking for money at 7½ per cent. interest to finance the leasing or renting of vehicles. It will be seen, too, from the Library that the Ford Motor Co. of Australia Ltd. has listed 8 per cent. debentures for quite a considerable sum of money, to help it in its financial expansion programme in Australia.

The point I am making is this: how in the name of goodness, from a logical viewpoint, can these people make money available for local government projects at 6.2 per cent. when they are paying not 8 per cent. but much more than that. They have to bear the operating costs, the cost of advertising, the cost of transfer forms, maintenance and staff costs—

**A Government Member:** You don't believe the letter from the Lord Mayor?

**Mr. DUGGAN:** I am not talking about the letter.

**A Government Member:** You mentioned the 6.249 per cent.

**Mr. DUGGAN:** That is because the hon. member and other hon. members quoted it. I am saving time by quoting what the hon. member for Belmont said.

**A Government Member:** We are agreed on that.

**Mr. DUGGAN:** I do not propose wasting my time in disagreeing with the hon. member at the moment. I am only saying that the rate of interest may be right, and if that is so there must be a hidden cost in the project to allow for the cost of advertising and all the other coincidental costs. That is the important point. If money was borrowed at a rate higher than the interest charged for it the company would soon go bankrupt.

I am sounding a note of caution. During the credit squeeze, when Australian companies were restricted by governmental action and a Reserve Bank decision from making advances for certain purposes, what was to prevent an overseas company like

General Motors, the Ford Company, International Harvester, or any of the big construction firms or French or Italian firms, such as Electric Power & Traction Co., who are carrying out extensive construction work on electrical transmission lines, coming to the Brisbane City Council, or any other local authority, and making proposals to them? What is to prevent these companies from getting finance from their parent companies to get a toe-hold here when Australian companies are prevented by Government decisions from making finance available for expansion in this country. Those are material points once the big companies get a foot-hold. As the Treasurer will admit, we have in Queensland two manufacturers of diesel locomotives, namely English Electric Co. of Australia Pty. Ltd. and Clyde Engineering Pty. Ltd. I do not think the Treasurer, the Minister for Transport or any other Government member would now urge the establishment of a third company, because there would be a problem with spares and so on.

**Mr. Chalk:** I would agree with you, provided there were two.

**Mr. DUGGAN:** There would then be competition, but any number in excess of that would mean wasteful extravagance in that three fuel-injection units, three engines instead of two, and a whole lot of surplus stores and so on, would have to be kept in stock.

In this important matter, I believe that we should give some thought to the dilemma in which local governments are finding themselves when, like everyone else, they are competing for available funds. The moment money becomes tight, interest rates tend to rise. It is interesting to point out that we are paying an average of 4.8 per cent. interest on our total indebtedness. A publication that I have here, titled "Government Securities on Issue at 30 June, 1967," strangely enough, may be an indirect compliment to previous Labour Governments, as the average rate of interest payable in Australia on State indebtedness is lower for Queensland than for any other State. We have not been profligate. I am not denying a deal of credit to other Governments, but the interest rates show that Queensland is paying the lowest average rate. I mention that to show that we were not bad managers when we were in office. It is interesting to note the statement concerning the total interest liability per head of population for both Commonwealth and States, excluding local authorities, is shown as \$22.57 in 1947 and \$43.3 in 1967.

Probably some ambitious councillors or aldermen like to outline a great programme for development in an effort to be elected. Speaking from personal knowledge, that happened in Toowoomba at the last council election, which saw the sensational defeat of a mayoral candidate who wanted to spend

a great deal of money. There was a reaction by the ordinary ratepayers, who felt that the limit had been reached in the rate burden imposed on them.

There is this twin thrust. There is an ageing population, with more people on pensions and a demand for rebates on rates paid by pensioners. That demand has been acceded to by many local authorities. There is a constant demand for the percentage of rebate to be increased. I do not blame the pensioners for this, but the rebate can be increased only at the expense of other ratepayers who are not in the pension group.

There was a revolt in Toowoomba and we saw elected the candidate who pledged that he would peg rates. There has been no increase in rates in the Toowoomba area.

The postponement of the effect of profligation does not discharge responsibility. Obviously some succeeding administration must come into the picture and be tied up for a number of years meeting the obligations of its predecessors. That is the point. It may be claimed that that happens now. As the hon. member for Belmont said, each administration has to fulfil the contractual commitments of its predecessors. But it should not have to pay more than is desirable.

If these things are desirable, and I believe that the Treasurer thinks they are because he says he will allow them up to 10 per cent., surely there should be an approach to the municipal authorities throughout Australia. This does not apply only to Lord Mayor Jones, who has been seized upon as a vehicle for attack. The Bill deals with the application of this principle to all local authorities in Queensland, so a conference of all local authorities throughout Australia, together with the State and Federal Governments, should be convened to see if we can establish on a more suitable long-term economic basis the reasonable borrowing programmes of municipal authorities throughout Australia. That is the only way we will be able to permit of this being done, otherwise it will be subject to a large number of variables.

I can remember that early in the hospital administration of this State, hospital boards had the right to select their own radium equipment. What did we find? Salesmen called upon the various hospital boards and suggested that they buy a particular type of equipment. Fortunately we were able to stop that abuse creeping in and now the Department of Health has virtually standard equipment throughout the hospital system in this State, which is very desirable.

In the local authority field I have noticed directors of large earth-moving equipment manufacturing companies and representatives of other firms inviting aldermen and council engineers to Sydney at the expense of the company. They are accommodated at expensive hotels. What is their reaction?

They must feel obligated to the firm that is paying for them to stay at the Chevron Hotel or the Hotel Australia. This applies to several aldermen, not just one or two, and sometimes to the chief engineer of a local authority. When I was a Minister—and I am sure this applies to the Treasurer when he was Minister for Transport—I did not go around and look at every little piece of machinery. I got the chief mechanical engineer to report to me on the mechanical efficiency of the equipment. I see nothing wrong with the chairman of a particular committee going around with the engineer and then being able to say, "I have seen the equipment and I can recommend its purchase to the council." But a large number of people go to Sydney and are feted at expensive banquets. This expense is being loaded onto the price of the equipment somehow.

There is similarly a strong temptation to load a comparatively low interest rate by putting an extra cost on the project itself. I was in England in 1951 and I found that the rolling-stock manufacturers had an agreement. The oil companies, the electric light companies and other people have also agreed to submit identical prices when tendering. Apparently Lord Mayor Jones and other people in local authorities know this. If the price is loaded on an identical basis, obviously there is no competitive tendering. That is what is happening because the big construction groups are becoming more monopolistic.

I join firmly and sincerely with the Leader of the Opposition in saying that it is a great pity that we were not given a fuller explanation of this Bill. The safeguards ought to be outlined more specifically and with greater particularity than they have been. If that had been done, and the Committee had been taken into the confidence of the Government, the facts acceptable to the Government would have been put before us. Of course, what my party decides will always be my attitude. Speaking privately, however, I am not opposed to looking at this type of lend-lease arrangement provided I know exactly what the terms are. I feel that that should be the attitude.

(Time expired.)

**Hon. G. W. W. CHALK** (Lockyer—Treasurer) (4.21 p.m.): There are one or two matters that I think should be clarified before I address my remarks to the Bill.

Earlier today reference was made to the fact that legislation could be forthcoming in the future that will limit the borrowings of local authorities. It is true that this is a matter that has been discussed at party level. However, no decision has been reached on it, and therefore neither I nor anyone else can say that at some future time such legislation will be brought down. There are others who perhaps believe that that should not be the case.

**Mr. Hanlon:** What is prompting your current examination of this matter?

**Mr. CHALK:** I have just started to make my speech. If the hon. member for Baroona will be patient, I shall deal with that matter. It seems I always have to ask him to do that, because he is the most impetuous member in the Chamber.

The fact is that this matter has been discussed, but it would be wrong to leave the impression that there will later be some amendment concerning matters pertaining to it. Although that could be the hope and ultimately the decision, at the moment such has no association with the measure now before the Committee.

Having said that, let me now refer to the statement of the hon. member for Toowoomba West that perhaps an earlier explanation of the Bill could have been given by the Treasurer. I believe that it is the responsibility of the Minister for Local Government to introduce this legislation, and I consider that what he said this morning clearly outlined the measure. It is true that as it has proceeded the debate has drifted into other areas, to include the Brisbane City Council. For that reason, I now feel that I have a responsibility to enter the debate and try to explain to the Committee the matters that have been raised.

First of all, let me clear up one issue. The hon. member for Bundaberg has referred to hire-purchase. This legislation in no way reduces the effect of the existing law so far as it relates to hire-purchase and local authorities. It has been asked, "What is the difference between hire-purchase and the payments that will be made under this legislation?" Surely most hon. members know that ownership of an article the subject of a hire-purchase transaction does not transfer to the purchaser till the hire-purchase agreement is completed.

As to the deferred-payment basis associated with the Bill, the services are completed and the councils concerned have full possession and ownership of the services involved, but there is a basis of deferred payment between the persons who provide the services and the council.

Reference has been made to interest. The contract that has been entered into does not involve the question of interest. If it did, it would come within the ambit of the matters dealt with by the Loan Council. The provisions of the proposed Bill give councils the right to call tenders for a certain job and to lay down the conditions under which the work will be performed and the conditions on which the council will be able to find the money for payment. The question of financing the contractor is not one for the local authority; it is a matter between the contractor and the source from which he raises the money.

**Mr. Walsh:** Government guaranteed?

**Mr. CHALK:** No.

**Mr. Walsh:** No Government guarantee?

**Mr. CHALK:** No, there is no Government guarantee. Although one hon. member said this morning that there is, there is no Government guarantee. Take the case of some of the largest contractors in Brisbane who want, perhaps, to carry out a large contract. They cannot finance the work involved themselves, so they go to a bank and borrow from it for the services they are to provide. They have a hefty overdraft—the hon. member can call it what he likes—and they have to meet their commitments to the bank.

**Mr. Walsh:** Surely not at bank-overdraft rates?

**Mr. CHALK:** I ask the hon. member for Bundaberg to be a little more patient. I have already proved him wrong twice. I have told the Committee the basis on which contractors raise the money. The basis on which they submit a tender is related to the contract, which is described.

The Government is concerned about two things. It is concerned, firstly, because of its basis of subsidy, with making payment relative to the services rendered. Therefore, it has indicated quite clearly that, although it is understood that there are debt charges and that there is an accommodation figure in the price that is submitted, it will not subsidise that figure. It is the responsibility of the Co-ordinator-General to decide what work content is involved and what is the balance of the accommodation.

**Mr. Houston:** Will this be before or after the job is done?

**Mr. CHALK:** Before any subsidy is paid; before any agreement is given by the Co-ordinator-General to allow the work to proceed. If the council goes ahead without the approval, no subsidy is paid. In the case of a sewerage contract, for example, no council would be foolish enough to do that and so lose its 40 per cent. subsidy on the work factor involved.

**Mr. Houston:** The public then would have an indication of the estimated cost.

**Mr. CHALK:** The public has an indication of the work content and the basis of accommodation, but how that accommodation is provided is something between the contractor and his source of finance.

This is the situation that confronted the Government of Queensland. This type of operation—this type of financing, if we call it such—does exist in other States, and the Government—in this case it was the Cabinet, because Parliament was not sitting—was faced with an application that was started last year by the Lord Mayor of Brisbane in which he indicated that there were available contractors who were prepared to carry out the sewerage of the whole of Brisbane

at a fixed price, being today's price, and that this service could be provided within a period of five years.

**Mr. Houston:** How long ago was that?

**Mr. CHALK:** It was late last year—late in 1966—when the matter really came before me as Treasurer. It was talked about earlier than that. It was talked about 12 months prior to that, when my predecessor was in office. It was not something new, but the Lord Mayor of Brisbane pursued the matter. That is his own business and responsibility.

The matter came to Cabinet and we were told, "Here is the situation. These people have the money to put into the contract." In other words, "This contractor will do this work. If he does not do it in Queensland he will do it in New South Wales or Victoria." As a Queenslander, I believe that we were confronted with a situation in which, by turning down this proposition, we would have denied 10,750 sewerage connections to Brisbane. A total of 10,750 sewerage connections could be made in Brisbane over a period of 3½ years and paid for at no extra cost to the Government. It would be paid for by the council plus the Government on a subsidy basis on the understanding that the Brisbane City Council, or any other local authority, would receive subsidy not in relation to when the work is done but in relation to the time at which payments will be made. Therefore, the Lord Mayor of Brisbane will not get a tidy sum of subsidy and sit on it for a period. As he makes his payments over the 12 years, so he gets his payment of subsidy, and not one cent more of subsidy, because we have laid it down that payment will be at the rate applicable at the time payment is made.

In addition, he also gets a return from 10,750 sewerage services. Some of this return will commence to come in immediately the connections are made. So that, down through the years, the council first of all will have obtained the contract at a fixed price, which, I venture to say, by the time the contract is finished could be considerably higher, if the contract had been let piecemeal, service for service, or even for thousands of services at a time. First of all, as I say there was this favourable deal. There was a fixed basis of payment. There was a return to come from the services as they were provided. What cannot be measured in money is the service to the community and the health of the people in the area concerned.

I am surprised that anyone should bring in the argument about the Brisbane City Council. It is all right to have a discussion about deferred payment, but when the issue is introduced about what happens with the Brisbane City Council, then I say it is being approached on a wrong premise. There is a very clear indication that what has been done by the Brisbane City Council is for the benefit of the people of this city.

The Lord Mayor did not hold any gun at my head; he came to Cabinet with a business proposal. If there had been any gun I am sure he would have pulled the trigger had we turned it down because it would have meant denying this service to the people of Sandgate, or wherever it is to be provided. Where it is to be provided is the responsibility of the Lord Mayor of the Brisbane City Council. If people in any other part of the city are concerned that it has gone to one place or another, that is a matter to be settled between the aldermen involved. As persons charged with the responsibilities of State we did what we believed was in the best interests of Queensland.

There has been talk about its being retrospective.

**Mr. Walsh:** Why wouldn't you consult the Local Government Association?

**Mr. CHALK:** I do not agree with the expressions of Mr. Behan. In fact, he now says that he was somewhat misrepresented on that point.

We have had requests from other local authorities. I do not propose to mention them because they all are desirous of conducting negotiations along these lines. If, in the interests of their cities or towns, they can effect savings and provide for their people benefits that are being conferred on certain people in Brisbane, I believe that this legislation should be passed so that they can do so.

**Mr. O'Donnell:** In what way would local authorities outside the metropolitan area benefit, whether they are in provincial cities or rural shires?

**Mr. CHALK:** Exactly the same set of circumstances applies to them as to the Lord Mayor of Brisbane. Do not tell me that there are not local authorities or provincial cities which, based on the 10 per cent., cannot enter into a contract on the same basis as this. I know some who are breaking their necks to do so now, because they realise they can get machinery or provide a service that will return them money.

I agree with the reference of the hon. member for Toowoomba West to dieselisation. We should have been in hire-purchase—I use that word because that would have been the basis of procuring it—for dieselisation years ago. When I was Minister for Transport I had some discussion on that subject with the then Treasurer.

**Mr. Duggan:** Just for the record, I point out that I did make some overtures—

**Mr. CHALK:** I am not denying that. The hon. member made approaches, as did others, but they were not acted upon. Approaches were made in my own time as Minister for Transport. But I do not want to be side-tracked at the moment. All I want to indicate is that this legislation does not throw

anything to the wind. It places the City of Brisbane and every other local authority area in Queensland on the same type of footing as is applicable in all other States but one. Reference was made this morning to the fact that this sort of thing did not exist in other places. I know of several contracts that have been entered into in the South.

I will not enter into an argument as to what we should do so far as the magnitude of the Brisbane City Council is concerned. That is another question, to be decided at another time. The argument can be used that if it is good enough to allow a small local authority to do this in a small way, then, because the security of the Brisbane City Council is much greater, naturally the contracts to be entered into by it could be of greater magnitude. I will not mention any names, but I give the Committee the assurance that there are three local authorities in Victoria that I know of which have let contracts worth close on \$5,000,000. The first contract is for street work, the second for street paving, and the third for road work.

**Mr. Aikens:** How much annual interest are they paying to the hire-purchase companies?

**Mr. CHALK:** If the hon. member had been listening a moment ago he would have heard my explanation. He is the so-called authority on interest. My points concern the price for which the work can be done and the saving in time. This is not a hire-purchase Bill. The hon. member entered the debate to vent his spleen on hire-purchase and for no other purpose.

Let me return to the real issue. I believe that what we are doing will give the local authorities in Queensland an opportunity to do what other local authorities throughout Australia can do, with the exception of those in one State. What is wrong with that? The ultimate decision as to whether they adopt this procedure is the responsibility of the individual local authorities themselves. A local authority is a body that is elected by the people. If the people of an area believe that a local authority is overstepping itself, they have the same remedy as they have with the Government. At the end of three years, they can remove it. On the other hand, if a local authority can indicate that by this type of business deal it can provide additional services, I believe the Government would be falling down in its responsibility if it did not provide it with the opportunity.

I believe there is little more I need say. I have outlined the basis under which this approach first came from the Brisbane City Council.

**Mr. Aikens:** The council held a gun against the Government's head.

**Mr. CHALK:** It is a pity somebody did not hold a gun against the hon. member's head sometimes; the pity of it all will be

if he does not pull the trigger. It was not a matter of the council's holding a gun at anybody's head. It was a matter of the Government's having to accept responsibility and making a decision as to whether this would help Queensland, and I believed it would. I believe it will help the people of Queensland as a whole and that is why I had no hesitation in recommending to my Cabinet colleagues that it be proceeded with.

We have been asked why application of this legislation was made retrospective. Retrospectivity was included because the contractor indicated quite clearly to the Brisbane City Council that unless the contract for which the council had called tenders was accepted by a certain date, it was off. Were we going to put ourselves in the position where the Brisbane City Council could have said to the Government, "You spoiled the contract for us.?" The council could have called tenders again and perhaps got a contract that was \$1,000,000 dearer. What would have been the position then? Around whose neck would the responsibility for the extra \$1,000,000 have hung? This Government would have had to accept the responsibility.

I believe that this legislation will place every local authority in Queensland, including the Brisbane City Council, in the same position as almost every other local authority in Australia. Whether it is used or not is entirely a matter for the local authority concerned, and if Mr. Behan or others associated with local government do not want it, they should advise local authorities not to use it. Let Mr. Behan pit his arguments against those of the local authorities in New South Wales and Victoria.

**Mr. Duggan:** Was he consulted?

**Mr. CHALK:** Not on this legislation.

**Mr. Duggan:** Then he would be talking in the dark.

**Mr. CHALK:** I believe he was talking in the dark. It might be a good idea for Mr. Behan not to comment on it if he does not know the full facts.

(Time expired.)

**Mr. HUGHES (Kurilpa) (4.46 p.m.):** I believe that the Committee should vote for the introduction of this Bill to enable us to study it and its many ramifications. In the broadest sense I believe that the proposal, if approved, will apply, in some cases, to the benefit of local authorities. But they must of necessity use it in special instances and not in a general sense. We must study this Bill because many questions will have to be asked and many answers given before members of the Committee will be in a position to know where this might get the public of Queensland. We know that this is not a Bill specifically confined to the Brisbane City Council area, yet much of the debate this afternoon has centred around the proposal for a sewerage scheme put forward by the Lord

Mayor. If the proposals in this Bill were carried to the ultimate, the Bill would obviously place in the hands of local authorities the right to borrow at higher rates of interest. We seem to be calling it hire-purchase, but these days "hire-purchase" is taken to mean or embrace anything in the way of deferred-payment purchase, confirming-house business, etc., and making hire-purchase payments for consumer goods and other things. This proposal really means a rate of interest different from that approved by the Australian Loan Council for local authority fund raisings. So it is a matter that boils down to the cost of the job and the ability of any area to service its debt, and to amortize the principal and interest involved in any project.

I cannot agree with the Treasurer that, if this money were to be used for the purpose of carrying out road works and works of that nature, this would be sound local authority financing, because those are non-return works. There is no revenue obtained from that form of work. When local authorities come to analyse this weapon that they have in their hands, this ability to obtain a form of finance for some of their various works and services—mainly services and not works—the essence of their decision must crystallise into this: is the proposal based on sound business principles and what is their capacity to service the debt out of their earnings? They have to ask themselves, "Is this a good deal for the people of Brisbane" in the case of the sewerage deal, or, in the case of other local authorities, "Is this a good deal in the interests of the people in our area, and for the people of the State?" Therefore I think we should examine very clearly, closely, and analytically the contents of this Bill.

Coming to the Brisbane City Council's proposal which, I suppose, galvanised the Government into action in this way and triggered off the introduction of this Bill, we must look at the structure and nature of the area controlled by the Brisbane City Council. It was well described by my colleague, the hon. member for Mt. Coot-tha, when it was formed under the City of Brisbane Act of 1924, as a Socialistic octopus and venture. We have a city that has on many occasions been starved of loan funds, and I have much sympathy for the councils that have held the administrative reins during recent years. There has been a tremendous need for works and services in Brisbane, which in area is the second largest city in the world—in a country which is the third most car-conscious country in the world. The provision of necessary increased services is extremely costly, especially sewerage and underground works in the schist and shale of the Brisbane area. Local factors make works and services in this city very costly, and the Brisbane City Council, in common with many other local authorities in Australia, has been starved of loan funds. The utterances of many mayors who have tried to obtain loan

funds to carry out what was required in the development not only of Brisbane but other parts of Queensland have ranged from resounding cries almost to the bleating of emasculated lambs in the wilderness. This applies particularly to Brisbane, however, because it has had more of these problems.

I cannot see anything wrong with a local authority's obtaining additional loan funds from wherever it can obtain them, providing good accounting and business principles apply and the works carried out produce sufficient revenue to service the debt. The public debt per capita of the Brisbane population must not be allowed to become so burdensome that a future Government may find itself in the invidious position of having to step in to save the city from bankruptcy.

Over the years Brisbane has languished because of a lack of loan funds. In any borrowings, ability to repay principal and interest is the guiding factor. Consideration has to be given to what such a deal would cost the city, and to what extent it would be able to cope with it. The hon. member for Toowoomba West made a good point when he referred to ceilings. Each deal proposed by a local authority in Queensland will, with the passage of legislation such as this, have to be, as it were, placed under the microscope. There must be some form of ceiling. There could also be a reduction in competition for loan money. The Brisbane City Council will not lay water mains unless it will receive a minimum of 10 per cent. net return.

Provision of extra funds means that the people will get the benefit of having work done sooner rather than later, at a lower cost than if it were done in years to come. I do think, however, that great care is needed in this matter and that each deal will have to be scrutinised. This will need the services of some specialists in the appropriate department, and they will need to be more like computers than human beings. I cannot envisage any simple formula that could apply in sorting out the amounts on which subsidy is payable as against interest and other charges.

**Mr. Sherrington:** What about the Co-ordinator-General?

**Mr. HUGHES:** Even with all the brains at his disposal, I do not think that he would be able to sort out, in deals such as a sewerage scheme in Brisbane, how much attracts subsidy as against interest and other charges.

**Mr. Sherrington:** If you are saying he is not competent, who are the "ginger group" to complain?

**Mr. HUGHES:** I do not think he would be competent to do this. I shall mention a case as I go along and refer the hon. member to it.

I challenge the argument put forward by the hon. member for Toowoomba West relative to retrospectivity. The question of the need for retrospectivity is often hotly debated, and I am not always in favour of retrospective application. However, on occasions it is needed. The hon. member spoke about agreements with Thiess-Peabody, Amoco, and others. I remind him that until there is a signature on the dotted line and the agreement is subject to ratification, there is no reason to bring down a Bill. When it is brought down, of course, its provisions must in most cases have retrospective application if the agreement is to be implemented. The hon. member for Toowoomba West has conveniently forgotten, I think, that an amending Bill cannot be brought before the House unless an agreement is in existence and it is thought that further consideration should be given to it.

To return to borrowing powers, the ability to get additional finance under these terms and conditions, and the interest rates that will be applicable: I believe that for many years there has been a need for additional loan funds to be available. Requests have been made to the Government and to the Loan Council for such funds. Many years ago the Loan Council refused a request by a C.M.O. Council to use funds from Swiss sources for the purchase of generators and turbines for the Tennyson Power Station. This was following the building of the package plant at a time when the demand for electrical energy was very great, and its construction was swallowing up about £1,000,000 a year in loan funds. In fact, the Brisbane City Council had very little more available; almost all its loan funds were swallowed by that great octopus.

**Mr. Sherrington:** It was very badly needed at that time.

**Mr. HUGHES:** Yes; I do not disagree. I am pointing out that both Labour and C.M.O. Lord Mayors found very great difficulty in obtaining additional loan funds. In this instance, funds were available from Swiss sources to finance the purchase of turbines and generators, but the Federal Government refused to allow the Brisbane City Council to make use of them. On many occasions it has refused requests by the Brisbane City Council for additional funds and made it very difficult for the Council to carry out necessary work.

**Mr. Sherrington:** At that time we were going through the worst period of black-outs in the history of Brisbane.

**Mr. HUGHES:** Agreed. Over the years many Lord Mayors have attempted to find other means of raising money for the council's requirements, but they have been frustrated.

The proposal now before the Committee should be scrutinised very closely by hon. members to ensure that it is based on sound business principles, that its terms are reasonable, and that the period of amortisation is



satisfactory. Hon. members should think of the plight of local authorities. Provided that the provisions of the Bill are policed, it may well be that the State will benefit from its introduction. It is a question of whether a local authority area can afford to pay the interest rates for a scheme such as is proposed. Local authorities will be paying more for the work; they will be using money that costs more.

I have nothing against hire-purchase. A family man may be able to buy a car or consumer goods for the home at an interest rate of 1-1½ per cent. a month. Although it is dear money, he can repay it from his earnings over a period, and in most instances a man who enters into a hire-purchase contract knows where he is going. But the Brisbane City Council and most other local authorities have a limited capacity to pay, and that is why I suggest that the proposal should be scrutinised very carefully.

I now turn to the question raised by the hon. member for Salisbury as to who is going to dissect the costs and on what basis subsidy payments will be made. This will have to be policed, and I do not think that the Co-ordinator-General has a crystal ball that will enable him to find the correct answers. Whilst the subsidy will be paid at 40 per cent. and whilst there will not be any commitments by the Government unless the local authority has received the prior approval of the Minister, the interest is buried in the total cost structure of the particular project, and the public—in this instance of the Sandgate sewerage scheme—should be told the exact interest rate and on what amount the interest rate and subsidy are to be computed.

We can fool ourselves in some ways by looking up blind alleys and I believe that there are many factors in this matter which must be given the closest and most detailed scrutiny.

Whilst it is important to provide a greater volume of work in a shorter period of time, to get essential works done today instead of in the future, there will always be the motivating factor of tendering on the basis of a tenderer's capacity to borrow. Let us call it borrowing, although that term is disliked because it connotes conflict with Loan Council authority. However, that is what it is.

Let us take the case of the sewerage of an area in any part of Queensland and let us assume that only two contractors tender for the job. They may be the only ones with the ability to obtain or borrow the money for the work and therefore the only two able to tender, because this is borrowed money carrying a higher rate of interest than the council would normally pay with Loan Council approval. The number who could tender would be restricted to those who could self-finance the scheme with the embodied interest. I should like the Treasurer to come up with the answer to this one because I do not think anyone

could tell whether or not some of the interest payments were included for the purpose of computing subsidy payments.

For instance, one tenderer might submit a price of \$220,000 and, in his costing may allow \$200,000 for costs and \$20,000 for interest and other expenses and charges. The other tenderer for the same job might tender \$210,000, but, because he is more efficient and can buy better and so forth, his actual cost for the job might be only \$160,000, and because of his greater efficiency he is able to pay a higher rate of interest on the money he has to borrow to enable him to do the job. So tenderer A pays \$20,000 interest and tenderer B pays \$50,000 interest. Can the Treasurer tell me whether he or the Co-ordinator-General or anybody else including the council can say, "This is the exact amount of money applicable to the cost of the job and on which subsidy will be paid?"

**Mr. Sherrington** interjected.

**Mr. HUGHES:** No, because the total cost structure embodies everything. One tenderer's costs amount to \$200,000, whereas the other's, because his efficiency is greater, amount to \$160,000, but who is able to say what is the true cost factor of that job, on which subsidy is to be paid? Therefore, the Co-ordinator-General and this Government could find that they could be actually paying a 40 per cent. subsidy on thousands of dollars of actual interest payments. These are things which must be very carefully looked into. We cannot just in an airy-fairy way say, "This is wonderful."

**Mr. O'Donnell:** You would not know how much it would cost to repair your car unless you were a qualified mechanic.

**Mr. HUGHES:** There is only one man who would know the cost of any of these tenders or jobs—the man who made up the costing. The board of directors of the tendering company would have the whole of their cost analysis structure. They would know the interest rate and other charges. They are the only people who could tell you, if they would.

**An Opposition Member** interjected.

**Mr. HUGHES:** Certainly I advocate private enterprise; I espouse it. By the same rule I cannot see that under this system the Co-ordinator-General or anyone else would have a crystal ball or would be able to find out by the use of computers. The Lord Mayor of Brisbane could not get it from the computers at the University of Sydney. No-one can get it. To some extent it is a matter of guesswork and estimate. There is only one person who would know this. There would have to be dissection of interest and other charges. It is something that will need to be very closely supervised. Every scheme will have to be analysed separately. It

could be a worth-while business proposition in terms of economics and the ability to service loans and amortise costs. I go along with these things on the basis of what the community benefit will be from them, as long as there are adequate safeguards. It is possible that by doing the work now the costs will be less. I agree in principle with this because it is possible that it will be cheaper to do a job today when costs are lower than by putting it off for five or six years. At the same time it is to the public benefit to do it now.

I remember what happened when the late Sir John Chandler was Lord Mayor—the best Lord Mayor this city ever had. I pay full credit to him for all he did. He had £1,000,000 worth of trunk mains underground on the northern side of the city. He could not use them for years because the council could not get money to reticulate to them. This capital investment was lying idle and in addition the council was paying interest on this money. Here is a typical case. Had this scheme been in operation then it would have got the council out of a lot of bother.

It is all a matter of how you can use your money. I will pay 50 per cent. for the use of money if I know that in the next 30 days I can turn it over and get 75 per cent. Any prudent businessman would. Money is a commodity and the matters to be considered are its adaptability and the servicing and profitability factors, whether it is a local authority, free enterprise or anybody else who is using it. It is a matter of how to amortise and service the debt.

There are a lot of questions that have to be answered here. What is the actual interest on the Sandgate sewerage scheme? It is a matter of costs and dissection. What amount of subsidy is payable? What percentage of commitment of the council's funds is involved? What ceiling is being placed on it? What safeguards have been provided for the citizens? How much and how deeply would the council and the ratepayers be mortgaged ahead? Where does this stop? If it is not confined to this scheme how much farther can any council go?

Are funds available from Swiss and German sources? I suggest that funds for this particular contract are emanating from Swiss sources. I suggest that the Loan Council should give local authorities the right to engage in extra fund raising on their own initiative, when they might be able to obtain money from Swiss and German sources. I know of one man in Brisbane with \$6,000,000 available from German sources. Can any council get this? Not on your life. They cannot get approval for it. Instead of paying the higher interest charges embodied in the cost of a total works programme, local authorities should have the ability to go out and find on their own initiative the funds they can use at lower interest rates.

What rate of interest will be applicable to these things? Will this be taken as a precedent? Are there other similar proposals to come from the council? If there are, I think we should know of them. The Lord Mayor should state categorically that this is the one instance, if that is so, and that there will be no future proposals. What safeguards are embodied to limit this method of finance and to safeguard people against any local authority that may unwisely commit itself? How can we safeguard the person who has to pay, namely, the ratepayer? Of course, the Government which ultimately has to underwrite everything which the council does must have a safeguard.

I believe I have proved that this method will restrict tendering. Only the contractor with the capacity to borrow funds will be capable of tendering. Most contractors will not borrow from banks but from hire-purchase sources. If necessary, money will come from America and other places, as well as from local sources. Provided a project will pay its way and make available a public service utility, I will agree with that method.

The points to be considered are these: What will it cost the council? What will be best in future deals? How far are we to go in this field? Would we, by putting such an instrument in the hands of so many local authorities let them get to the stage where they might get into deep water?

The Local Government Department must continually scrutinise what is happening, seek an answer to these questions and try to find a sound economic and business basis for the scheme.

**Mr. DEAN** (Sandgate) (5.12 p.m.): Since the introduction of this legislation this morning I have listened intently to the various speakers but, with the exception of the Treasurer, I have yet to discover what hon. members opposite really think about it. I have never heard a more confusing and perplexing dissertation on the introduction of legislation than that to which I have listened today. We all realise that, in the introductory stages of a Bill, it is not always possible to comprehend the implications. Today, and particularly this afternoon, many wildly exaggerated statements have emanated from Government members. I am sure that they will be embarrassed when they see the legislation and realise how foolish their statements have been. I gained the impression that most of their expressions of concern and attack—with the exception of the comments by the Treasurer and the hon. member for Kurilpa—were levelled against the Lord Mayor, Alderman Jones.

**Mr. Sherrington:** They have a Clem Jones phobia.

**Mr. DEAN:** As the hon. member for Salisbury interjects, they seem to be suffering from a very bad attack of Labour administration phobia, or "Clem Jones phobia".

Whatever the Lord Mayor or the Labour-controlled council may do, hon. members opposite seem to overlook the very important fact that the custodian of local government in Queensland is the Minister for Local Government. If there is any transgression by the local authority, the blame lies fairly and squarely on the Government's shoulders.

Having referred to those matters I intend now to quote figures that have been supplied to me and shall include them in the early part of my speech before my time expires. They are authentic figures dealing with the relative interest costs. We have heard much

about the cost of interest and the rates applicable to what is known as the Sandgate sewerage loan of \$8,000,000.

**Mr. Lickiss:** It is a loan now?

**Mr. DEAN:** This \$8,000,000 loan was initiated by the Lord Mayor of Brisbane. I make the point clearly and strongly—it is the main bone of contention of Government members, especially the Liberal back-benchers—that the Lord Mayor beat them all to the draw. This could have been done many years ago by previous Lord Mayors. Like many hon. members I have had the privilege of serving on a local authority and I know only too well how short of funds we were compared with what is available today.

This tabulation sets the position out in a very clear and lucid manner.

STATEMENT OF RELATIVE INTEREST COSTS

	Loan	Period	Interest Rate	Interest Cost
	\$	Years	Per cent.	\$
1. Electricity .. .. .	5,000,000	25	5½	4,260,230
1a. .. .. .	8,000,000			6,816,368
2. Works, Water, Sewerage .. .. .	5,000,000	40	5½	7,417,368
2a. .. .. .	8,000,000			11,867,789
3. Normal Loan Raising .. .. .	5,000,000	12	5-625	3,375,000
		(part of 40)		
3a. Sandgate Scheme if done under normal Loan Raising ..	8,100,000	12	5-625	5,467,500
Actual Contract—				
Stephens .. .. .	8,100,000	12	6-249	1,132,521

Unfortunately the main attack has been on the Lord Mayor himself. I challenge Government members to oppose the present Brisbane City Council programme and not ratify this agreement or pass this legislation. If they did, 750,000 people in the Greater Brisbane area would descend on Parliament House and demolish it brick by brick because they have so much faith in the present Labour administration in the council. I do not need to emphasise that. Hon. members on the Government side are fortunate that they were able to hold seats that were won by Labour aldermen in the council election.

**Mr. Aikens:** Have you a Labour alderman representing Sandgate?

**Mr. DEAN:** Certainly, and a very good one.

It is rather futile trying to debate the Bill to any extent because we do not have it before us, so let me return to the Brisbane City Council, which seems to have the most attacks levelled against it. Whether hon. members on the other side of the Chamber admit it or not, its financial record is second to none in semi-governmental circles in Australia. It must be realised that at the moment it is the largest local-government instrumentality in Australia, administering an area of 365 square miles. I think the hon. member for Toowong made some reference to its total loan raisings, and I think it of interest to place them on record. They amount to \$14,600,000 for this year.

Interest and redemption charges against general rates are the lowest in Australia, and are in fact two-thirds of those applying in Hobart. Hon. members opposite certainly have a lot to be critical of when they look at those figures!

One hon. member on the other side of the Chamber referred to the city debt. As at 30 June, 1966, the total city debt was \$138,154,180, which is approximately half of what has been assessed as reasonable for a city the size of Brisbane by competent authorities overseas.

**Mr. Lickiss:** Name them.

**Mr. DEAN:** I have only 25 minutes in which to speak and it is impossible to give all particulars in that time. I can assure hon. members opposite that from time to time I have been in the company of experts who have examined the affairs of this city and the wide ramifications of city councils and they have stated that the Brisbane City Council is quite comparable with, if not ahead of, similar local authorities throughout the world.

The Brisbane City Council's new money-borrowing constitutes approximately 14 per cent. of its total budget. Surely that is not exorbitant or even out of the ordinary for a city the size of Brisbane. Actually it is extremely low when compared with the position in similar cities overseas. Honolulu, for example, has a loan borrowing of approximately 50 per cent. of its total budget.

**Mr. Lickiss:** What about Hobart?

**Mr. DEAN:** If I have the time I will tell hon. members opposite about Tasmania, too.

Let us face the issue. Because of a shortage of capital funds, Brisbane lagged in public works for a long period before the present go-ahead Labour administration attained office. Hon. members opposite seem to endeavour to lay all blame on the shoulders of the Lord Mayor, Alderman Clem Jones. The 750,000 people of Brisbane do not do that at each city council election. There is no doubt that if money had been available 20 years ago, and the Lord Mayor and aldermen had been as progressive and far-sighted as are those of the Jones administration, this work could have been done then.

For the information of the hon. member for Mt. Coot-tha, people in my area have waited 30 years for sewerage. The work is being carried out very expeditiously. It will be completed well within the three years that the contractor estimated it would take.

If there is a deficiency in the proposed Bill, I believe, as do many other hon. members, it is that its provisions may not go far enough to give local authorities power to borrow money to the extent that they believe they can borrow it within the framework of their budget. In my opinion, that may well be the shortcoming of the proposal. However, as the Treasurer pointed out, no doubt amendments will be made to the legislation in the future, just as they are made to almost every other piece of legislation on the Statute Book. If legislation is not amended from time to time, it may not be of much use. Hon. members opposite seem to treat that remark as a joke. Evidently they want legislation that was brought down 65 or 70 years ago to operate today. That sort of thinking does not lead to progress.

As I said earlier, one hears from time to time the allegation that the Government has leaned specially towards a particular administration of the city council by giving it assistance with a sewerage scheme.

**Mr. Hughes:** I think you must be fair enough to admit that the Government has paid more subsidy than has ever been paid before.

**Mr. DEAN:** I would be prepared to admit that I would scrutinise very carefully the points raised by Government members. Many hon. members opposite—the Treasurer was an exception—have become very political during the debate instead of making a broad-minded approach to the proposed Bill. According to the notes that I have here, assistance of the type now being given to the Labour Council was discussed as far back as September, 1966—12 months ago—by the Government's advisers. It was considered that it would assist the Brisbane

City Council and the people of Brisbane and also assist in overcoming unemployment in the metropolitan area, which was high at that time. A number of sewerage workers and others engaged in similar types of work were unemployed, and it was thought that it might provide employment for them for two or three years.

**Mr. Lickiss:** Would you prefer to see this work financed from the normal loan allocations or under this system?

**Mr. Sherrington:** How are you going to get it from a McMahon?

**Mr. Lickiss:** I asked the hon. member for Sandgate a question.

**Mr. DEAN:** If hon. members opposite want any information on that point, I am sure that the Lord Mayor or the Town Clerk will be happy to give them an answer. They can make a request in the usual way. Let me be political about this for a moment. How can one expect the Brisbane City Council to get any additional allocation of loan finance while a Government such as the one that controls the Treasury benches in Canberra is in office? It could not be more unsympathetic to the Brisbane City Council.

I address my remarks mainly to broad-minded members of the Government. I feel we must have members opposite who have some breadth of mind and sufficient conception to accept a fair thing and to give praise and credit where they are due. I feel sure that if the Government had not been active at the time, through their representative the Treasurer, an \$8,000,000 loan would have been lost to Australia. I challenge any hon. member here to go out and justify to the people of the Sandgate area the loss of such a loan whilst they remained without the sewerage amenity.

**Mr. Porter:** I would be very happy to justify it.

**Mr. DEAN:** I am not a mathematician but, at the same time, my common sense tells me that people outside, generally, would not be very favourably inclined to accept the justification which the hon. member for Toowong has just intimated he would be prepared to offer. As I said earlier, we have waited 30 years for this amenity in Sandgate and for 19 of those years we had a council administration at the City Hall of the same political colour as the hon. members of the Liberal Party.

**Mr. Lickiss:** Would you be in favour of it being declared a benefited area?

**Mr. DEAN:** I am in favour of amenities being provided for these homes equal to those in other areas in Brisbane.

I am very anxious to see this Bill printed so that we can see just what it contains and what effects it will have on local authorities generally, not only in the Brisbane

City Council. Anyone sitting in the lobby or in the public gallery this afternoon could be excused for thinking that the Committee was legislating simply for the Brisbane City Council. This legislation is for the local authorities of Queensland generally and hon. members opposite do not pay much credit to their Ministers—particularly the Treasurer—when they accuse him of having a gun held at his head by the Brisbane City Council. I think that is stupid and I cannot understand men of learning, men of knowledge, so-called men of great business acumen and commercial stature, coming into this Chamber and making remarks like that. The Treasurer's speech was the only one from the Government side that was worth listening to, because he was speaking pure logic and common sense. The Treasurer knows I do not pay compliments unnecessarily, but his speech was the only one from the Government side from which I received any enlightenment.

I repeat, until the Bill is printed I am afraid many members opposite are simply beating the air with supposition, trying to work out something by using clairvoyant powers to look into the future.

With those few remarks I hope I have somewhat clarified the position in regard to the loan for sewerage reticulation at Sandgate. I assure the Treasurer that the people of Sandgate, indeed the people of Greater Brisbane, are very grateful for this specific loan that is providing this amenity that Sandgate and the City of Brisbane have awaited for so long.

**Hon. H. RICHTER** (Somerset—Minister for Local Government and Conservation) (5.35 p.m.), in reply: It seems idle for the Leader of the Opposition to complain about the alleged lack of detail in my introductory remarks. He also complained about the lack of background and history. He and other members of his party have clearly indicated that they have been particularly well briefed on the history of this legislation.

**Opposition Members** interjected.

**Mr. RICHTER:** I gave hon. members opposite the details of the Bill. I am not interested in their argument with the Lord Mayor, which is something that has been raised. I gave them the details of the Bill clearly and fully.

The Leader of the Opposition referred also to deferred-payment contracts, and spoke of mortgaging the future. I cannot follow his reasoning. Is there any difference between the council's borrowing by means of a loan and entering into a time-payment contract? Are they both not mortgaging the future? When the council decides to borrow money to do a certain job in the normal way it certainly is mortgaging the future. I make it very clear that there is a vast difference between a hire-purchase agreement and a time-payment contract.

The Leader of the Opposition complained that I did not elaborate on the Brisbane City Council proposal. Why should I? I was introducing a Bill for the whole of the State. Anything that happened with that council is not really my concern when I am introducing the Bill. I fully explained the Bill, and as the debate developed it became very evident that hon. members opposite were very well briefed. They knew the story. As a matter of fact, they had far more detail at their disposal than I ever had, and possibly far more detail than the Treasurer ever had. I expected that they would be well briefed. I thank members of the Opposition for giving the Committee the secret thoughts of the Lord Mayor.

The hon. member for Townsville South is usually fairly sound, but on this occasion he had his wires completely crossed; he was right off the beam. Apparently he does not know the difference between hire-purchase agreements and contracts entered into under this Bill. I do not think he could have been listening to the introduction of the Bill.

**Mr. Aikens:** It is the same difference as the difference between a footpad and a robber.

**Mr. RICHTER:** The hon. member is still well off the rails. The Bill specifically forbids a local authority from entering as a hirer into a hire-purchase agreement within the meaning of the Hire-purchase Act of 1959 or to grant a bill of sale within the meaning of the Bills of Sale and Other Instruments Act of 1955. It is quite evident that the hon. member does not appreciate the difference between a hire-purchase agreement and a time-payment contract.

**Mr. O'Donnell:** What about a deferred-payments contract?

**Mr. RICHTER:** He can give it any name he likes. The hon. member for Barcoo appreciates the difference between hire-purchase and time-payment, but apparently the hon. member for Townsville South does not.

The point was raised that this Bill would be quite beneficial but for the Greater Brisbane City Council concept. It developed into an argument about whether the Greater Brisbane City Council should be retained. Surely I was not expected to introduce that subject into my introductory remarks.

The hon. member for Toowong advanced a very good argument. He spoke of the controls in New South Wales and read from a handbook. I remind him that, in Queensland all local authority proposals to borrow, or to proceed with any scheme at all, are examined very closely by my department and the Treasury Department. Decisions are made on the ability of each local authority to meet its commitments.

I should like to explain to hon. members the difference between this State and New South Wales. The subsidy arrangement that we have in Queensland does not operate in New South Wales, although I appreciate that New South Wales has an upper limit on borrowing. It is a blanket limit which applies equally to all local authorities. In Queensland we look at each local authority's financial position; we determine its ability to meet its commitments, and then approve or otherwise accordingly.

I feel that the hon. member for Bundaberg defeated his own argument. He, too, referred to hire-purchase and tied it to this Bill. He then quoted from the Hire-purchase Act.

**Mr. Walsh:** I quoted from the Local Government Act.

**Mr. RICHTER:** I remind the hon. member that similar conditions are contained in this Bill—the very conditions that he quoted.

**Mr. Walsh:** You did not tell us that.

**Mr. RICHTER:** I told the hon. member. I will repeat my notes if he so wishes. I told him; either he was not here or he was not listening.

I feel that the hon. member really knows the difference between hire-purchase and time payment. I have known him long enough to realise that he is not as foolish as that. I made the point that hire-purchase was strictly forbidden under this Bill. He knows the difference, and I do not have to advise him. He also mentioned that these provisions were not used to any extent in the other States. If that is so, what is he alarmed about? If they are not being used in the other States, why is he so concerned?

Nothing in this legislation compels a local authority to use these provisions. The decision is entirely in the hands of each local authority. If a local authority wishes to use the provisions they are available, but if it does not wish to do so it need not. In the past, four of the six Australian States had this provision which enabled a local authority to take advantage of this procedure. We are about to become the fifth.

**Mr. Aikens:** You are taking from the electors the right to demand a poll. Answer that one!

**Mr. RICHTER:** That is true. Local authorities are responsible bodies elected by the people. I have received petitions demanding a poll and counter-petitions objecting to a poll, and some people have signed both petitions. I ask the hon. member to work that one out. It is the easiest thing in the world for a rat-bag to take a petition up and down the street and get people to sign it. If 10 per cent. of the people demand a poll—and they can be “conned” into it by any individual who has an axe to grind—the local authority is committed to a good deal of expense. This happens

over and over again. Many polls that are held because 10 per cent. of the people demand them are in fact defeated by a vast majority.

The debate has developed into an argument on the Brisbane City Council scheme. I did not introduce this argument; as a matter of fact, I do not think I mentioned the Brisbane City Council. This applies to all local authorities. My speech was based on the provisions of the Bill.

For the benefit of the hon. member who argued about hire-purchase, I point out that hire-purchase agreements are prohibited under this Bill. Tenders are called by the local authority, which supplies full specifications including conditions of payment spread over a number of years. Those conditions differ from the usual ones based on payment made. Ownership passes to the council when the work is completed even though the council is indebted to the contractor. That does not apply in the case of a hire-purchase agreement, under which a hirer does not become the owner until his final instalment has been paid.

**Mr. Aikens:** You are quibbling.

**Mr. RICHTER:** No, I am not. There is a vast and important difference. The hon. member for Bundaberg pointed out that this was recognised by the previous Government. We should not introduce hire-purchase into this matter. These contracts will contain maintenance clauses. The only differences relate to payments and the time when payment is made. It is a contract to do a certain job, and instead of payment being made as the work proceeds it will be made over a period. I repeat that it is vastly different from hire-purchase, where ownership does not pass to the hirer until he has made the final payment.

As I have said, this legislation exists in four other States, and it is based on the New South Wales Act. I commend the Bill to the Committee.

Question—That the motion (Mr. Richter) be agreed to—put; and the Committee divided.

Resolved in the affirmative under Standing Order No. 148.

Resolution reported.

#### FIRST READING

Bill presented and, on motion of Mr. Richter, read a first time.

[*Sitting suspended from 5.53 to 7.15 p.m.*]

#### ADDRESS IN REPLY

##### RESUMPTION OF DEBATE

Debate resumed from 31 August (see p. 328) on Mr. Armstrong's motion for the adoption of the Address in Reply.

**Mr. INCH (Burke)** (7.15 p.m.): I join with other members of this Assembly in the reaffirmation of loyalty to Her Most

Gracious Majesty Queen Elizabeth II. I also offer my congratulations to His Excellency the Governor, Sir Alan Mansfield, for the very able and conscientious manner in which he is carrying out his duties in this State as the representative of Her Majesty the Queen. His Excellency has shown that he is prepared to travel extensively throughout the State, to see for himself whatever progress or development may have taken place and also to discover the needs of the people who are doing so much for the progress and development of the State in general.

Speaking on the question of development, I can recall that in one of my first addresses to this Assembly I stressed the point that development of the northern and western areas of the State was dependent on many factors which would include the provision of adequate means of communication, such as good roads and other transport facilities, as well as health, medical and educational facilities, combined with adequate housing accommodation to meet the requirements of the people in these areas. As housing plays a very important part in the development programme which has been under way for some time now within my electorate, especially in Mt. Isa, and to a lesser degree the Cloncurry district, I trust that the Housing Commission authority will continue to expand its activities in the construction of homes in these areas. However, I must again voice a very strong protest against what can only be considered to be the unfair and inequitable allocation of these homes as they become available.

I am well aware of the importance of the mining industry to the State and of the extensive part it has played and continues to play in the development of the north-western area of the State; but I am equally aware of the fact that there are other industries and agencies of employment that are also contributing to the progress and development taking place in these districts, and whose work force is also in need of accommodation. However, the members of this work force who are not directly associated with the mining industry are excluded from the possibility of home-ownership because of their lower incomes and the high rentals they are forced to pay for accommodation in which to house their families. In such circumstances, they have no chance of saving the requisite deposit on a Housing Commission home and the accommodation they are forced by circumstances to accept is in many instances sub-standard, and in other cases could only be described as unfit for habitation.

Councils, and their health officers, are well aware of these existing conditions but are placed in an invidious position by having either to declare such premises unfit for habitation, and thereby force the tenants out onto the streets, to live in tents on the river bank or in the camping reserve, or to

allow such conditions to continue in the hope that the position will be alleviated through the provision of more housing accommodation by way of rental homes. However, in view of the attitude adopted by the Housing Commission over the past five years in relation to the allocation of homes constructed under its authority in Mt. Isa during this period, it would appear that applicants for rental accommodation other than on a guaranteed rental basis will receive scant consideration in the meeting of their requirements.

It is apparent that Mt. Isa is regarded by the Commission as being a most lucrative field of investment for the construction of homes for purchase and guaranteed rental, and little concern is shown for the plight of the numerous wage earners and those in the low income group who are desperately in need of clean and adequate accommodation at a reasonable rental.

There can be no denying the fact that in Mt. Isa there has been a most inequitable allocation of rental accommodation to the detriment of the wage earner and the low income group. The truth of this accusation is borne out in the Minister's reply to a question I asked on the 24th of this month. I asked the Minister for Works and Housing—

"(1) How many Queensland Housing Commission homes were constructed in Mt. Isa during the periods July 1, 1962, to June 30, 1963, and July 1, 1963, to June 30, 1967?"

"(2) Of these numbers, how many were allocated, (a) for home-ownership, (b) on a guaranteed rental basis; and (c) for rental?"

His reply was—

"(1) 1962-63, 77 house-units; 1963-67, 235 house-units completed and contracts let for a further 51 houses.

"(2) (a) 136, (b) 162, (c) 14."

It will readily be seen by these figures that the number of homes allocated on a guaranteed rental basis, mostly to industrial concerns, exceeds by 26 the number of those allocated for home-ownership and is just a little under twelve times the number allocated for rental. On an approximate percentage basis, of the 312 homes constructed during the period 1 July, 1962 to 30th June, 1967, approximately 43.6 per cent. were allocated for home-ownership, 52 per cent. on a guaranteed rental basis, and only 4.4 per cent. were for rental.

Therefore is it any wonder that I continue to voice my protests against the unrealistic manner in which this type of accommodation is being allocated? It is obvious from the figures I have just cited that there is discrimination against the wage plug and low income group in favour of big businesses which have the means at their disposal to provide accommodation for their employees.

I realise that this state of affairs is not peculiar to Mt. Isa alone but that similar preferential treatment has been accorded to

industrial concerns in other parts of the State; nevertheless it does serve to illustrate the lengths to which a Government of this calibre is prepared to go in its pandering and servitude to big business interests and overseas investors. What the Government should realise, and must realise, is the fact that the wage-earner has a stake in this State also, and his interests should be served equally with those of monopolies and big business.

With regard to the further 51 homes to be constructed at Mt. Isa and for which contracts have been let, it will be of interest to see in what proportion they are allocated to the various categories. I can only exhort the Minister to take a more realistic and humane view of the need of the people for rental accommodation, and trust that of these 51 homes, and those that will undoubtedly be constructed in the future, a more reasonable percentage will be made available for rental purposes.

While on the subject of housing, there is another aspect to this question of accommodation. It is one which is of concern to residents and civic authorities at Mt. Isa, Cloncurry, and other outlying centres. I refer to the problem of accommodation for the Aborigines or fringe-dwellers as they are sometimes referred to. I want it to be clearly understood that the concern evinced by the people in these districts is not the product of intolerance on their part towards the indigene.

I have lived all my life in the Northern and Western areas of the State and, with few exceptions, I have never noticed any marked degree of intolerance on the part of the people towards persons of any racial colour or creed unless, of course, such persons have shown themselves to be undesirable types.

The concern expressed by the residents and authorities in these areas relates to the present conditions under which many of these people are living in camping reserves. In many instances, their place of abode is of limited living space, primitive in construction, and lacking in a number of facilities and items of household furniture. I feel sure, however, that given the same opportunity as their counterparts in Dajarra, who are now housed in homes of modern design, these people would exhibit the same degree of pride in their homes and their surroundings as do the people residing in the Dajarra residences.

Members of the OPAL organisation, which takes a very active interest in the welfare of these people, are doing whatever they possibly can to assist these people but their efforts in this direction are hampered by the lack of accommodation and restricted by limited financial resources.

I urge the Government to take immediate steps to carry out a complete and thorough investigation of the present conditions under which these people are living with a view to implementing a housing scheme to meet

their requirements. Unless some positive action is taken now in this regard, the whole position could be aggravated still further at a later stage by the possible gradual influx of station hands and their families from the Territory and other outback areas in search of better wages and conditions, and the enjoyment of attractions associated with life in the larger towns.

While this problem can be regarded as essentially one for solution or rectification by State authorities, I feel that there is still a moral obligation on the Federal Government to work in conjunction with the State on matters such as this, and I suggest to the Government that it should take every opportunity to hammer this home to its Federal colleagues.

While dealing with matters which directly concern the Ministers for Works and Education, I again raise the subject of the need for a new police station and cell block at Mt. Isa, and the need for general improvements to be carried out at the single men's quarters at the station. In dealing with the present police station, on previous occasions, I have described it as "an architectural monstrosity" and "a rabbit warren" in which an ever-increasing number of police officers are being jammed up in small, pokey offices which are cluttered up with obsolete furniture and fittings. Conditions such as this can no longer be tolerated if we are to expect efficiency from officers attached to a station which has now been designated as the headquarters of one of the largest police districts in Queensland. The application of a very occasional coat of paint, and a few minor repairs and improvements to the interior of the station, will not serve to hide the fact that it is decrepit and obsolete, and that it must be replaced by a structure of modern design which will add to the prestige of a police district headquarters.

So far as the cell block is concerned, I think that, in previous speeches, I have aptly described the dilapidated state of this structure and the surrounding stockade walls, also the ease with which the springhead nails can be removed from the corrugated sheets of iron which form the walls of this stockade, making it very easy for a determined prisoner to escape from this compound.

A large section of the single men's quarters needs to be scrapped completely, and replaced with larger and better ventilated rooms, better furniture and kitchen facilities, and with an ablution block containing sufficient showers and other toilet facilities to meet the requirements of the increasing numbers of officers appointed to this station. The present practice of carrying out occasional paint and repair work on these quarters is only throwing good money down the drain, and the department would be much wiser to adopt the course which I have indicated.



Comments made by the Leader of the Opposition on his return to Brisbane after a visit to Mt. Isa several months ago, when he had had the opportunity of seeing for himself the all-round conditions at this station, bear out the criticisms which I have expressed in the past and those which I have just made.

While I am speaking on this subject, I might add that the Camooweal Police Station and court-house combined is another relic of the past and, by its general appearance and state of repair, I feel sure that it must have been constructed in the early days of Camooweal and gradually allowed to decay ever since.

It is an object of some amusement to the numerous tourists who pass through this centre on their way to Darwin and other places in the Northern Territory, and it would be safe to say that many scores of these southern tourists (and possibly overseas visitors) have photographed this particular police station. I can well imagine the type of impression their friends must gain of our police accommodation when viewing these snapshots or colour slides.

In contrast with this station, we see business premises of modern design springing up in Camooweal. A motel and caravan park have recently been completed, and I understand that a new hotel will soon be under construction. Camooweal is no longer one of the isolated outback townships of this State. The main bitumen highway from Darwin and the Northern Territory to the coast passes through this town and consequently there is an ever-increasing flow of tourist traffic through this centre, together with the numerous motorised cattle trains bringing beef cattle from the Territory to the railhead at Mt. Isa. It is high time that a new police station and residence was constructed at Camooweal in keeping with the progress taking place there and to give some dignity to the Police Force.

Another matter of concern to me and to the residents of another township in my electorate is the present state of the Burketown State School. This school suffered considerable damage as the result of a heavy infestation of white ants. In some parts of the school, the lining boards were a mere shell through the activities of these termites and, in other areas, the wall linings had been loosened from their supports and were bulging out into the classrooms because of the pressure of white-ant dirt behind them. Wall plates, bearers, and stumps were similarly affected and, generally speaking, the school was in a mess; for that matter, it still is.

I admit that efforts have been made to repair the damage to this school. But in the process of carrying out these repairs, which necessitated jacking the school up to replace the stumps, sections of the building have been forced out of line, with the result that

windows have been loosened and have fallen out of position and wall boards have opened up.

Although I am now informed by the Minister for Works that general repairs, including the easing and adjustment of all windows and doors and the renewal of several weatherboards, are to be carried out as early as possible, it is my candid opinion that in a school as old as this, and in view of its present state, it is only a waste of time, effort, and good money to carry out patch-work repairs. The only sensible solution to the problem is the construction of a new school in its stead, and I urge the Minister to give serious consideration to acting on this proposal.

There is a need for new quarters for the single teacher at Burketown. I have made representations on other occasions relative to this matter and have been told that the Minister was looking into it and would do whatever was possible to provide better accommodation. Unfortunately the single teacher still occupies the same quarters, which are tucked away at one end of the front veranda of the school. His kitchen equipment is on the back veranda. Although the floor has been repaired, the kitchen is still substandard. The sink is in a terrible state and should be replaced with a stainless-steel sink. Water and electric light should also be provided in the kitchen quarters. The whole matter needs cleaning up. Possibly the construction of quarters for a single teacher was delayed because a new married teacher's residence has recently been built. Now that that has been provided, there is no reason why the single teacher should have to continue living under the present conditions. I sincerely hope that the Minister for Works and Housing and the Minister for Education will get their heads together and give the single teacher there reasonably decent accommodation.

Whilst referring to schools in my electorate I take the opportunity to make some comments on the recently established opportunity school classes at Mt. Isa. Residents of Mt. Isa, especially the parents of children entitled to enrolment in these classes, were delighted to see the facility provided at long last after considerable representations had been made from various quarters to have a school of this type established at this centre.

However, their pleasure has been marred to a great extent by the conditions under which the children are being taught. They are accommodated in a small building which at one time formed part of the Central State School. Whilst the outside appearance might be considered reasonably presentable through the application in recent times of a coat of paint, whatever favourable impression might have been gained from the exterior is, on entering the building, immediately dispelled by the interior conditions of the classrooms. The walls and ceilings are shabby, and urgently need repainting to brighten up the surroundings for the

children and their teachers. Floor coverings are needed to cover the rough flooring of these rooms.

School-room furniture is at a minimum, and I understand that the furniture in use at present is unsuitable for this type of school. I believe that efforts were made by the Regional Director of Education in April and again in August to have the delivery of an adequate supply of school furniture of a suitable type speeded up in preparation for the opening of these classes, but so far his efforts have been of no avail and the staff are trying to make do with the meagre facilities at their disposal.

Immediate action must be taken by the department to hasten the delivery of furniture and equipment to this school and also to improve the general condition of these classrooms. Teachers, no matter how dedicated they may be to their task, must eventually become depressed and frustrated by such conditions and surroundings. It is quite possible that any feelings of despondency on their part could eventually be transmitted to their pupils.

Whilst it is appreciated that some provision has been made for children to attend opportunity classes at Mt. Isa, an ever-increasing enrolment in the near future will overtax the present accommodation. Taking everything into consideration, it would have been far better in the first place to have constructed and furnished a new school of this type on land set aside for that purpose, preferably away from other schools. I sincerely trust that the Minister and his departmental officers will take cognisance of what has been said concerning the present condition of these classrooms and their immediate requirements, and that the necessary steps will be taken to plan and construct a new school as quickly as possible.

Finally, I express my appreciation of the advice that I have received from the Minister for Health concerning plans for the construction of a new hospital at Burketown, and also additions to the hospital accommodation and nurses' quarters at Mt. Isa. Those are matters on which I have previously spoken in the House. I pointed out the very bad state of the Burketown Hospital, and it appears that the Minister has taken notice of my representations and is going ahead with the preparation of plans for a new hospital. I do not know what is included in the plans. If the matron's quarters are separated from the hospital, I hope that a covered walk will be provided between the two buildings. It would be of advantage, also, if an alarm system could be installed in her quarters, because in Burketown there are many occasions on which people seek her attention at any hour during the night and in the early morning and she has to be awakened. In addition, the in-patients would be able to call her if they needed attention during the night.

I have spoken in this Chamber before of the congestion that has prevailed in the Mt. Isa hospital and of what is required to overcome it. I have referred, too, to the good work of the medical staff and the nursing staff at the hospital. At times they have been run off their feet, as a result of staff shortages, and have found it very difficult to meet all the requirements of the patients. In fact, the congestion has been so bad that many patients have had to occupy beds on the verandahs. On a recent visit to the maternity section of the hospital, I found that congestion still prevails there. There was not one spare bed in the section, and some women who were occupying beds and who had not reached their time were asked to leave the hospital so that the beds could be used by patients who needed them immediately. Therefore, I sincerely hope that, when additions are made to the Mt. Isa hospital, more accommodation will be provided in the maternity section and that planning of these extensions has adequately provided for both the immediate and future general requirements of the people of Mt. Isa.

**Mr. NEWBERY** (Mirani) (7.43 p.m.): I join with the mover and the seconder of the motion for the adoption of the Address in Reply in reaffirming my personal loyalty and the loyalty of the people of the Mirani electorate to Her Most Gracious Majesty, Queen Elizabeth II.

I congratulate Sir Alan Mansfield on the very fine address that he delivered on the occasion of the opening of this Parliament, and I express the appreciation of the people whom I represent of the excellent manner in which His Excellency and Lady Mansfield are carrying out their duties in this State. We are particularly proud of them because they are Queenslanders.

The mover of the motion, the hon. member for Mulgrave (Mr. Armstrong), and the seconder, the hon. member for Chatsworth (Mr. Hewitt), are to be commended on their very fine speeches. The new hon. member for Roma, Mr. Ken Tomkins, had a very good win in the by-election for the Roma seat. He has a background of wide experience, and I am sure that he will be a very valuable member of this Assembly. I had the opportunity of listening to the hon. member's maiden speech, and I must say that it was an excellent contribution to the debate. Undoubtedly the Roma electorate will be well represented by Mr. Tomkins.

Before proceeding further, I wish to mention drought relief. Drought plays havoc in the sugar industry as well as throughout the rest of the State, but the havoc has been worsened this year in the sugar industry as the result of good out-of-season rains just prior to June. These rains, following a tremendous drought as they did, played havoc with harvesting in Mackay, and no doubt in North Queensland generally. The farmers and the millers

have been working very hard over the last few weeks to make up lost time. There are further problems in burning to prevent extraneous matter going into the mill. Most hon. members will know, of course, that in these days of high-grade requirements for sugar all these things present tremendous problems in the industry. Extraneous matter is always a big problem, not only to the farmer in supplying good-quality cane but also to the miller in making good-quality sugar.

Many millers and farmers have been caught up in these circumstances, which are most unusual and, I may say, very damaging to the efficiency of the sugar industry today. Mills, of course, are required to make saleable sugar that will reach the high quality demanded; farmers must supply their allotments, and this has been very difficult because of the unsuitable harvesting weather.

**Mr. Bromley:** Things are not sweet in the sugar industry.

**Mr. NEWBERY:** Things are not very sweet in the sugar industry today; we are beset by some tremendous difficulties. I might mention that one particular district in my area—the North Eton area—has had a severe drought extending now into the fourth year, and some farmers started off this year with as low as 7 c.c.s. and even 3 c.c.s. To those hon. members who understand c.c.s., that is just not millable and is not bringing any return to the farmers.

Mills, of course, are striving to produce their peaks and in the case of North Eton, where we had this extensive drought followed by heavy rain and low sugar content, the problems were tremendous.

The drought problem, of course, is well known to the Premier, and people in the area were gratified when he travelled through the North to have a look at the havoc that was being caused, especially in the North Eton, Septimus, Mia Mia and Oakenden areas. He decided to give relief to scores of farmers, many of whom had reached a low ebb financially, some to the extent of having to seek unemployment relief. The Premier hastened to aid them, and in excess of 60 are now receiving drought relief to help them recover from three bad farming years. The Premier declared that these farmers must receive immediate relief, and relief was forthcoming. I thank the Premier for his prompt action in giving these farmers some relief. It has enabled them to remain on their farms.

However, some farmers did not qualify because they exceeded the 800-tons limit that was put on the drought relief, and I have made representations to the Treasurer to see if we can give some relief in the case of farms on which there are several families in partnership. On one farm where there are three partners the estimated harvest this year is only one-quarter of its crop. Following the commencement of crushing this farm

received 5 and 7 c.c.s., so harvesting ceased immediately. In such cases some relief should be given. The Government is examining the position to see if any further relief can be afforded to these very deserving people.

I should like to express the appreciation of the industry for the financial support that was forthcoming for the 1966 sugar crop. At least this support by way of a loan from the Commonwealth Government enabled the industry to carry on. Following that, in the early part of the year we had an increase of 1½c in the home-consumption price. This was of tremendous assistance throughout the industry. Of course, \$10,000,000 was allocated in the last Commonwealth Budget for further relief if requested by the industry. It has been mentioned that the assistance could be as high as \$15,000,000, if required.

I feel that this Government and the Commonwealth Government have done everything within their power to give relief to the sugar industry. They have satisfied the requests of the industry. In spite of this help, however, I am still somewhat concerned about the financial position of the farmers and the millers. Many of the farmers and quite a few of the mills are in real financial difficulties. Some of the farmers are unable to pay their fertiliser bills, and their machines are running down. This has been happening for several years. Some mills are well down in production because of the difficulties of the farmers. There is no doubt that without further support the farmers will not be able to produce.

Another factor damaging the sugar industry in my electorate is what is virtually the imposition of a subsidy on the mills in that they are called upon to pay for the transfer of sugar by rail to Mackay Harbour. This is a very sore point with me, and no doubt it is with several mills. I do not like to see railway lines pulled up—I believe they serve a good purpose—but we have now reached the stage in this part of the State where some lines are retarding development. We have to move with the times, and it is now apparent that the railways cannot compete with road transport. I believe it is wrong that one industry should be penalised. I still do not want to see a railway line pulled up, but I want to see some new thinking on railway freight matters.

In one of my speeches last year I mentioned rail freights and said that the Railway Department was pricing itself out of business. I will now prove how it is doing this. The railways in the Mackay sugar region have been, and still are, a very profitable proposition for the Government. That has been the case for many years. The profits from the Mackay region have helped considerably to meet the losses in other regions. I believe that charity is very commendable but it should begin at home, particularly when it is damaging an industry at home, which is what it is doing.

I appreciate the fact that early in the year the Premier received a deputation from the sugar industry. Those concerned with the sugar industry appreciate it, too, and we are looking for some benefits to flow from that deputation which represented the whole of the industry. I say quite frankly that I am now speaking in support of the case put to the Premier for some relief in freights.

One mill in the Mirani electorate that is facing problems because of the drought was called upon last year to pay almost \$50,000 in rail freight on sugar in excess of the price at which it could have been carried by road to Mackay Harbour. This year the rail freight on sugar has increased by 23c a ton, but road transport quotations for the same job have been offered at an increase of only 7c a ton, making this year's subsidy to the railways—or penalty for having to use the railways—almost \$60,000 for a peak crop in the case of one mill. The actual rail freight for a peak crop last year would have cost the mill \$136,220, whereas road hauliers quoted \$87,416, which included permit fees, road maintenance tax, etc., representing a loss of \$48,804 to the mill. The rail freight cost this year with a low tonnage due to drought is set at \$115,885, whereas the road haulage cost would be \$71,379, a loss to the mill of \$44,506. Last year, because the mill was required to use the railways for sugar haulage, and because the harvest was below peak because of the drought, the loss to the mill was \$37,737.

This mill is the North Eton mill. It is served by a short branch line that is in a bad state of repair. It is used only for the carting of sugar and could easily be removed to let this mill, which is in a bad way financially, use road transport and save this money. I might say that the mill is several million dollars in debt. In this area 60 farmers are drawing drought relief. They are farmers with under 800 tons peak. I assure those hon. members who know nothing about cane-farming that 800 tons is not enough to live on. Whilst on drought relief, the farmers in this mill area are requested to pay a 50c levy as their contribution to the liquidation of the several million dollars debt to which I have just referred. They had passed through three years of drought and were going through the fourth year when they struck this trouble.

I have six mills in my area. Two of them are privileged in being able to cart their cane by road. The other four are trying to make this saving by approaches to the Minister and in the approaches I am now making.

The second mill is the Plane Creek mill, to which I am a supplier. This mill could save 38c a ton on sugar alone, not including freight on the bins. The sugar industry supplies the bins and pays for them one way, with the sugar in them. The mill can save \$35,000 on sugar, and the bins supplied by Plane Creek mill cost the industry \$34,000 a year in freight. If we are allowed to transport by road the industry will save \$34,000

and the mill will save \$35,000, a total of \$69,000. It is of particular interest that while we could save that amount, we would pay \$85,000 to the Department of Transport in road fees to cart the sugar.

At present the overseas price of excess sugar is \$36 a ton, of which the mills' share is one-third, or \$12 a ton. In this case, where the mill carts the cane by railway at \$2 a ton, as it takes 7 tons of cane to make 1 ton of sugar, that is equivalent to \$14 a ton of sugar; in addition, it costs \$2.84 a ton to rail the sugar to Mackay. Therefore, it costs the mill \$16.84 a ton to cart cane and sugar, for which it gets \$12 a ton. It is completely wrong. I hope that the Government will see fit to reduce the railway freights, or let us enjoy the benefit of road transport. The mill is not obliged to take excess cane, but it is trying to do so for the sake of the farmers.

The third mill, 40 miles from Mackay, manufactures 40,000 tons of sugar. The minimum rail freight is \$3.86. With fines and penalties for overloading and underloading the maximum charge is \$4.19 a ton. The mill called for tenders for the transportation of this sugar by road. Taking the lowest railway freight rate of \$3.86 and the highest road tender, which was \$3.45, the mill can save 41c a ton. It is a small mill. The farmers are levied 50c a ton each year to help liquidate the mill's debt. By transporting sugar by road the mill could save \$16,400, based on its peak. In addition, with road transport, there are no penalties for overloading or underloading. This mill does not want to transport by road; if it can get competitive rail freight rates it will continue to rail its sugar.

The fourth mill's normal output is 80,000 tons. By using road transport the mill can save \$70,000, which includes \$22,400 freight on bins that would be saved with road transport. The Railway Department is pricing itself out of business. The mill has already arranged for 250,000 tons of cane to be carted by road instead of by rail. In that way the mill, which is in financial difficulties, will save \$150,000.

In 1967, 14 mills are transporting sugar in bulk, totalling 700,000 tons, the longest haul being 81 miles in the Maryborough district. Twelve mills will pay \$350,000 in road transport fees to the Department of Transport. The industry, of course, supplies the bins for the railway wagons to transport its own product. These bins cost \$1,100 each, and the industry has to supply 1,550 boxes or bins to transport sugar on railway wagons. Four boxes fit on one wagon. Four boxes weigh 3 tons and the sugar contained in them weighs 22 tons, making a total of 25 tons. Another very great anomaly is that freight on the boxes containing sugar is charged at the sugar rate, so that actually this rate is being paid on 22 tons of sugar and the 3 tons that the bins weigh. This increases the freight on sugar by 13 per cent. As a matter of interest, the

cost of freight on the bins supplied by the industry to the Railway Department to cart sugar this year will be \$430,000.

Another thing that disturbs me is that mills are now paying bagged-sugar rates for bulk sugar. The industry is supplying the bins to cart the product and paying for the cartage on the bins. The Railway Department is benefiting by a much quicker turn-round of rolling-stock, as wagons can now be moved in and out in about an hour. The Railway Department also effects another saving because with the use of bins there is no need for tarpaulins.

Finally in my remarks concerning the sugar industry, I feel that the time has arrived when the Sugar Board should take over sugar at the mills. At present this is being done in the case of several mills, and I feel that if there is to be fair equity within the industry the board should take over the sugar at all mills instead of at the wharf. I hope that the Government will pay some attention to that matter also.

**Mr. Wallis-Smith:** Tell us about electricity charges.

**Mr. NEWBERY:** I am coming to that. Because of comments made lately not only in this House but throughout the State concerning tariffs and loan money for industry, I should like to make a few observations. Some criticism has been levelled at the Northern Electric Authority because the bulk-supply tariff has been increased by an average of 9.3 per cent. Only two years ago, however, the price of bulk electricity supplied by the Northern Electric Authority was reduced by 5 per cent., so that since 1961 there has been an over-all increase of only 4.3 per cent.

Mention has been made of the reasons for the increases. I shall give the House the real reasons. Firstly, as you well understand, Mr. Deputy Speaker, the Northern Electric Authority supplies the Mackay, Townsville and Cairns areas. In years of good rainfall—in the main, rainfall has been heavy in recent years—the supply comes principally from hydro sources. In 1964-65, 91 per cent. of the electricity was supplied from hydro sources; in 1965-66, 84 per cent.; in 1966-67, 67 per cent. The lowest percentage was 56 per cent. before good rain fell. That is the main reason why the tariff is being increased. When the hydro supply decreased to 56 per cent., the maximum coal usage in one week was 4,378 tons. Since heavy rain has fallen, the hydro supply has increased to 93½ per cent. and the total usage of coal is 419 tons a week. Before the heavy rain fell, when the hydro supply was down to 56 per cent., 21,700 gallons of fuel oil a week were used; only 8,800 gallons a week are being used now. Of course, since 1961 wages have increased by 33½ per cent., the price of copper by 56 per cent., and the price

of electric-light poles by 20 per cent. I think that shows why the price of the bulk supply has been increased.

When the hydro supply dropped to 56 per cent. and the authority had to meet the additional costs to which I have referred, a deficit of slightly less than \$1,000,000 was incurred. That debt will have to be liquidated over several years, and in order to do that and meet additional costs the price of the bulk supply had to be increased.

**Mr. Wallis-Smith:** How much has the cost of administration increased?

**Mr. NEWBERY:** The cost of administration has not increased very much.

A shortage of loan funds has created another problem for the authority. The three boards comprising the Northern Electric Authority have built up over the years—this is good administration and a practice followed by all businesses that look to the future—a reserve known as a tariff equalisation reserve. I do not think there is any need for me to tell hon. members of the troubles that have flowed from the decreased allocation of loan funds. Because of the shortage of loan funds, the tariff equalisation reserves had to be transferred to capital works. This did not fill the requirements, and last year the authority had to ask for further funds to carry it over into this year.

In the case of the Mackay Regional Board, the first allocation of loan funds did not enable it to meet its commitments. It had to reshuffle its funds, and in some instances it had to ask people supplying it with equipment if it could defer payment of their accounts till next year. The shortage of loan funds is another reason why the tariff has had to be increased.

I have here some interesting figures on the rapid growth in capital expenditure. It is of an annual average of 17.3 per cent. over the period from 1962-63 to 1966-67. The growth rate of the industry is only just sufficient to meet demands for electricity, which are determined by consumers.

Because of its great distances, Queensland has widely dispersed load centres where decentralisation development, most of which classifies as northern development, is taking place. This places heavier capital costs on the industry owing to greater transmission distances and the need for more power stations. Four power stations are at present under construction at a total estimated cost of \$190,000,000 including transmission facilities, in order to meet the demands of consumers in North, Central and South Queensland.

The major contribution that is being made to northern development, particularly in the supply of power to these areas where rapid primary and secondary industrial growth is taking place, is illustrated by the fact that in the past five years 40 per cent. of total

capital expenditure on electricity works was incurred outside of South Queensland. Northerners, take note of that. This is further emphasised by a reference to the annual capital expenditure on the Northern Electric Authority, which increased from \$2,807,000 in 1965-66 to \$8,500,000 in 1966-67, and for the whole of North Queensland, that is, in the Northern Electric Authority and the Mackay, Townsville and Cairns regions, the increase during the same period was from \$8,550,000 to \$15,000,000.

**Mr. Bennett:** Rex Patterson is responsible for all this.

**Mr. NEWBERY:** Dr. Patterson had nothing to do with it.

To continue, in North Queensland the record of this Government has been impressive. It has been responsible for the establishment and construction of the Northern Electric Authority to serve the best interests of electrical development in the area, and also for the decision to proceed with the construction of the Barron Falls Hydro-electricity Project and the Collinsville Power Station, and to complete the inter-connection of the North Queensland system. Since 1 July, 1957, a total amount of \$85,046,844 has been expended on the electrical development of these regions.

As an example of the Queensland situation, particular attention is directed to the position in Central Queensland, where the establishment of major new power-consuming industries has resulted in an unprecedented increase in demand for electricity of 42 per cent. for the year ended 30 June, 1967. Prior to the establishment of these industries the maximum demand was only 44 mW. No other undertaking has had to meet such a dramatic increase in such a short time on a relatively insignificant base. Maximum demand in this area for the period to 1971-72 is expected to increase by an average annual rate of 25 per cent., a record annual growth rate for Australia.

New industries in Central Queensland include Queensland Alumina Ltd., Thiess-Peabody-Mitsui, Utah Development Company and Central Queensland Cement. These four companies alone will have a total demand for electricity of 52 mW—more than the demand for the entire region in 1965-66.

These developments are of national importance. A survey of 12 new industries indicates that production will more than double during 1967-68, although still remaining far below expected full production. Value of exports by these industries is expected to increase from \$55,000,999 in 1966-67 to \$120,000,000 in 1967-68.

Special capital expenditure by the Capricornia Regional Electricity Board on generation and transmission to provide power for the industries already being established is estimated at \$25,000,000, as follows:—

Prior to 1967-68	\$11,000,000
Required in 1967-68	\$4,100,000
To complete for known requirements	\$9,900,000

Since April, 1952, the State Electricity Commission has raised \$132,000,000. In 1966 the loan raising was \$55,000,000. This year it needs \$67,000,000. Of course, we need much more loan money. We know that the Premier and the Treasurer journeyed to Canberra for the last loan talks and put up a very good case for \$9,500,000 for this development. It is a matter of developing the State; it is a matter of developing the North. I have already said what is being spent in developing the North. I do not think that the consumer in the North should be expected to meet these capital requirements from internal revenue. Tremendous development is taking place in North Queensland, and because of this it deserves a better deal from the Commonwealth Government.

Before resuming my seat I should like to mention the subject of education. Although I have no intention of speaking at length on this matter, I feel that the Government has defended itself very well against the attacks on its education policy. Tremendous strides have been made in education in this State in the last 10 years. Ten years ago there was not one high school in my area. Today there are two, with 610 students attending them. The Labour Government did not build one high school in my area. The Labour Government did not build a high school in Mackay. This Government did. The people in my area are very grateful for what this Government has done in the field of education.

**Mr. HANSON** (Port Curtis) (8.23 p.m.): I do not want to pursue the usual course in the Address-in-Reply debate of affirming the loyalty of the electors of Port Curtis and myself to the throne. When members of Parliament are sworn in they take an oath of allegiance to Her Majesty. That oath certainly is not taken lightly by me. Most hon. members take their oath very seriously. The monotonous, usual practice of proclaiming one's loyalty in this debate seems to me to be a waste of time.

I pay great tribute to the representatives of Her Majesty in this State, the Governor, Sir Alan Mansfield, and Lady Mansfield. They have excelled in the duties thrust upon them. They have toured the State extensively and certainly are a great credit to Queensland.

Sir Alan was a very prominent jurist and a man who was highly respected at the Bar. In his occupancy of the Supreme Court Bench, and later as Chief Justice of the

Supreme Court of Queensland, he displayed amazing talents and humanity, and certainly performed great service to this State and nation.

Since Parliament assembled we have seen the swearing in of the new hon. member for Roma. I take advantage of this occasion to welcome him and extend hearty congratulations. Suffice it to say that he probably will not be here very long and that many of his contributions will be like those of the benevolent magistrate who was a believer in very brief sentences. He will very soon find the Labour Party in occupancy of the Treasury benches, and he will either suffer a political demise or be a distinguished member of Her Majesty's Opposition.

I should like to pass one thought to him, although I am sure it must have crossed his mind since he took his seat in this Parliament. He has come here as a member with a rather profound knowledge of rural matters, of matters appertaining to land and agriculture. As a member of the Country Party he is obviously possessed of the fine ideals contained in his party's platform or constitution. I just wonder what must be passing through his mind as he sits here as a joint partner in a coalition with those with whom he has considerable ideological differences. On the one hand he has taken his seat among hon. members who, over the years, have allegedly professed a great interest in the man on the land, and on the other hand, he sees within the coalition oppositionists who exhibit considerable interest in matters pertaining to the rural sector of the community, but who believe in the policy or theory of laissez-faire and a great free enterprise and would quite willingly, at the fall of a hat, sacrifice anybody or anyone. In some ways I sympathise with him, as I would sympathise with any honest person in the Government parties who must suffer this uneasy peace through a burning desire to occupy the Government benches. They have to sit with people for whom they must sacrifice a considerable part of their political ideals and sentiments.

**Mr. Lickiss:** You have had a lot of experience yourself.

**Mr. HANSON:** In reply to that very rude interjection, I point out that we have never denied the fact that, in the past, and in recent years when this Government came to power, there have been considerable differences in the party. But we never hid them! We came out in the open like any decent Australian, like any person in this country who has the guts and fortitude to express his thoughts, and we showed the public just where we stood on particular issues. If we have a quarrel we tell the people that we are in a quarrelsome mood so that they may judge what is honest and what is desired of any administration. In that, at least, we have some form of integrity. Behind the walls of the Government parties today we

find some secret, snide business, with backstabbing going on, left, right and centre. For instance, an uneasy peace lies upon the crown of the Deputy Premier. He seems to be in somewhat of a jocosé mood tonight, but inwardly he must feel the beginning of the dying days of his tyrannical reign as Treasurer of this State.

In a study of these differences we have only to consider an industry which is of great import to members of the Country Party. Today the dairy industry in this State is in a sorry plight. In the first place a great basic wrong is being done to the small landholders in this State. In almost all districts we find aggregation after aggregation, and small landholder after small landholder is being swallowed by the great octopus created by the people who pretend that they have some humane thought for the small man on the land. During the four years I have been in this Parliament I have seen no evidence of that humane thought.

A simple illustration is the miserable \$26,000,000 Commonwealth subsidy granted to the industry today which is far below the subsidy granted in the last days of the Chifley agreement. He was one person who really did something for the dairy industry. Under that agreement the industry received \$35,000,000 in the last year compared with \$26,000,000 bundled out over the last 10 years by the Canberra counterparts of the present administration. Surely that is of considerable significance in deciding just who are the helpers of those in this industry.

I have said repeatedly in this House that there is no industry that has opened up greater tracts of land and been responsible for populating more areas than the dairy industry. No member of the community works harder or receives less per hour than the dairy farmer. Without the closer settlement for which the dairy industry was responsible I shudder to think who would be the occupants of those areas. Despite the wonderful natural advantages many of the towns have, they would be small indeed if it were not for the benefits they derive from milk and butter.

The only crime against this industry—unfortunately it is a political one because there is considerable variance in the coalition Government—is that it is incompatible with the real concepts of Liberalism. It has refused, and repeatedly refused, to allow big business to prey upon it. It believes in co-operatives. As a result the consumer of its products is not saddled with the bush-ranging tactics of unscrupulous middle-men. I know of no industry or enterprise that offers a higher standard of hygiene. The word "co-operative" rings the bell and certainly is a nasty word to many members of the Government parties, particularly the Liberal party.

Those who study the history of the Liberal Party in this State know that the present Liberal Party originated from the

old Queensland People's Party of which the Deputy Premier was a member. One of its founders, Mr. Pie, said in this House, "I hate co-operatives". I listened to the former Treasurer, Sir Thomas Hiley, give a dissertation on what he thought of co-operatives and his language was not very eulogistic at all.

Members of the Country Party have formed a coalition with these people, a political brotherhood, but at the same time in the coalition there are considerable ideological differences that must definitely go against their grain. What they will do, what they will perform, and what acrobatics they will attempt in order to obtain some political advantage! Shame on them!

In discussing this industry, I think it is also pertinent to state that the dairying industry produced in 1965-66 exports valued at \$104,300,000 compared with \$116,700,000 in 1964-65 and \$99,300,000 in 1963-64. For the first nine months of 1966-67 dairy produce exports were valued at \$90,500,000 compared with \$78,500,000 in the comparable period in 1965-66. The industry is endeavouring to make giant strides to get back on its feet, and it is certainly not being helped politically by the State Government or its counterpart in Canberra.

It is interesting to read the very significant remarks in the Press this evening of Mr. R. B. Robinson, President of the Australian Chamber of Commerce Export Council. When commenting on the words of the Minister for Trade, Mr. McEwen, he said—

"The Minister for Trade, Mr. McEwen, had said that on his calculations, if we were to maintain an annual growth rate of about 5 per cent. we would need exports running at the rate of \$5,000-million by the mid 1970's to pay for our commitments.

"Our achievements in reaching earlier export targets makes us confident of attaining this level of export income without the necessity for extreme economic policies that are likely in the long term to impede our growth," Mr. Robinson said.

"Nevertheless, let us not be too complacent about what is required," he said.

"Rural industries are the stone upon which our export success is built . . ."

Let the hon. member for Mt. Coot-tha eat those words. The Press report continues—

" . . . and we cannot afford to have the foundation undermined."

Yet every day of the week in this House we see subtle intrusions in the speeches by the "Rump Parliament" on the rear Government benches. Insidiously and subtly they are eroding, instead of giving their full support to, rural industries, and promoting the cause of industrial enterprises at all costs.

The Press report continues—

"I, therefore, must join with those expressing concern at the cost squeeze some of our rural industries are facing. These costs have in the past been largely offset by tremendous rises in productivity in the rural sector."

"He asked how long this process could continue."

I suggest that all Government members take cognisance of those words of an industry leader who obviously is not of my political persuasion. It would be most refreshing and very interesting if they tried to digest what he said.

In speaking of industrial development and secondary industries, there are some very pertinent facts that come to mind. In a recent publication of the Bureau of Census and Statistics, Brisbane, one finds some very illuminating words. For the record, I am referring to Bulletin No. 54 of 1967. (I will not be applying for a koala licence!) It reveals that there were 2,551 factories in the Brisbane Statistical Division in 1965-66, which was 43 per cent. of the total number of such establishments in Queensland. They employed 61 per cent. of the total factory workers in Queensland, and were responsible for 60 per cent. of the total value of factory production. North Queensland factories produced 21 per cent. of the total value of production, and factories in Central Queensland produced 4 per cent. That is the position after 10 years of what we are told has been a glorious march forward in this State, and after a reign of nearly 17 years by the Liberal-Country Party hierarchy in Canberra. In spite of that, Central Queensland has only a bare 4 per cent. Surely that is not because of the wrongdoings of the Australian Labour Party, which has been blamed for everything other than the Gatton murder. It is a clear indication that the Government parties in both the Federal and State Parliaments have failed sadly to plan for the development of Central Queensland.

I ask hon. members to reflect for a moment on the words of Mr. Robinson in the first part of the newspaper article to which I referred earlier. He made the very pertinent point relative to industrial development that some Australian minerals should be converted into manufactured articles before being exported. I wholeheartedly agree with that. The article continued—

"He told the Council's annual conference:

"To populate we must have industries and surely it would be better housekeeping if we were to convert these minerals to the manufactured article, even if only part of the way."

"Success in the long run depended much on the degree to which mining deposits could be exploited.



"It is essential to maintain our birth-right and that of future generations for as long as we can."

I am sure that every hon. member will agree with what Mr. Robinson said.

Simple analysis makes it obvious that Queensland has an enormous potential in the mining of bauxite at Weipa, and at Gladstone there is the largest plant in the world for converting bauxite into alumina. Unfortunately, because of the laxity of the Government, there is no refinery in Queensland for the third stage of production, the conversion of alumina to aluminium. The administration has not the guts or the ability to set to work and find out how it can bring cheap power to Gladstone so that the refined product can be produced in this State.

**Government Members** interjected.

**Mr. SPEAKER:** Order!

**Mr. HANSON:** Leaders of industry say that, although they made approaches to the Government, they received a snub and no promises or encouragement whatever. Unfortunately, they had to go to New South Wales. The alumina powder is now being taken to Bell Bay in Tasmania and to other parts of the world to be made into metal. It is the birthright of Queenslanders to have an aluminium industry in this State to the tertiary stage of production. It is unfortunate that the Government parties lack the desire to have such an industry here. Back-bench members of the Government have made some very good, illuminating speeches relative to change. They have spoken of the challenge of change. Has the administration accepted the challenge in this instance? I say, "No."

The Government has certainly failed to take up the challenge in other spheres of mineral activity, too. For example, on the Moura field there are 4,000,000,000 tons of hard-coking coal proved—a commodity that is very scarce in the world today. The field has a great potential—thousands of millions more tons—and I believe that if considerable encouragement was given to certain mining companies and inducements were held out in the right quarters, it would not be very long before large bodies of iron ore were found not far away. The country surrounding the area in which the coal lies is ore-bearing and there seems little doubt that, with the right sort of encouragement, the two minerals could be combined.

We do not want mere holes in the ground, as we have at the present time, with the great resources of this State finding their way, unfortunately, to overseas markets. I do not deplore 100 per cent. the fact that these exports are taking place. There is plenty to go around, but we should be looking after the people of this State. After all, for whom do we legislate? For some company overseas, or a shipping line or the

Railway Department so that they can expeditiously get some coal to the coast? We have a concise responsibility which is to the inheritors of the earth, the people we are responsible to, and the sooner the administration takes cognisance of the fact that there is only one thing to consider—that is, the people of this State—the sooner we will have some sort of wise, judicious legislation coming from the Ministerial benches.

The rapid industrialisation and rising standards of living are responsible for striking growth within the field of electricity generation. I have had some figures taken out in this regard which will support the remarks I made a few moments ago relative to laxity on the part of this Government in not seeing that a particular industry came to this State, by providing electric power at a competitive price. Unfortunately, we find in Australia today that New South Wales supplies 39 per cent. of electricity generation, Victoria 28 per cent., Queensland 11 per cent., the little state of Tasmania 10 per cent., South Australia 8 per cent. and Western Australia 4 per cent. That is certainly not very encouraging for Queensland.

Last year, in speaking on the Estimates, I made the point, from certain information in my possession relative to the building of the Liddell Power Station in New South Wales, that it was proved conclusively that the larger the power-station the greater the saving in construction and maintenance costs. Are not ideas like this to be encouraged? Should not the responsible Minister at least take some notice of people who are leaders in the field and, as I told a former Minister for Industrial Development, Sir Alan Munro, see that we do not get power-stations which on electricity generated are in the toy class compared with the huge power-stations built at Liddell, Valles Point and Lake Munmorah in New South Wales. As I said initially, it is a challenge.

I mentioned some years ago the great enterprise this Government has been engaged upon, the building of the Gladstone to Moura railway line. What a great fanfare of trumpets surrounded the bringing in of this particular undertaking! What a number of statements were made in ministerial quarters subsequently about the wonderful undertaking it would be! In the course of my remarks I suggested that when the Government sometimes attempts to do something spectacular its members are inclined to be unconsciously tyrannical in their attitude to the little man—in this case the little landholder.

Despite assurances that were given by the former Minister for Transport, and despite assurances given subsequently by the present incumbent of the position, we find today that a number of these small landholders are being taken into the Land Court. That is where I told them they would go in the first place, because the Government did not appear to me to be sincere, and I knew it

would run true to form in the long run. The Government is engaging expensive counsel and is surrounding itself with a considerable number of officers and everyone else who goes to make up a Land Court. It is incurring an enormous amount of expenditure so that it can drain the last cent out of the poor fellow who is having his property resumed. What a disgraceful performance! What an about-face to the assurance given when the legislation was being piloted through the House.

That is not all. What of the planning that is so necessary and about which we heard so much? Railwaymen at Mt. Morgan are told that their depot is going to be closed. Two or three years ago the Government knew the depot was going to be closed, but it has done very little about it in the meantime. Railway employees have built their homes and educated their children in this town. They have enjoyed a good living at Mt. Morgan, but what is the position now? Real estate values are not very high and many of these people are faced with ruin. Does the department really care? By its actions it certainly does not. I suggest that at least the Government should have some humanity and see to it that some compensation is paid to these people for the inconvenience they are suffering and will continue to suffer.

I previously expounded the theory that people are very necessary in these great spheres of development. There was a most glowing report covering departmental promises about the termination of the line. Although the development that is taking place in Gladstone figures very much in the news today, there is another story about the railways which is not so well known. We hear all about the major undertakings which will allow the Japanese steel interests to obtain ample supplies of coking coal. The Minister for Transport explained the expenditure of \$400,000 to provide diesel servicing facilities at South Gladstone.

The requirements of overseas interests have been met by Government expenditure, but the welfare of railway employees who are obliged to handle these huge tonnages has certainly been overlooked. In the establishment of the new station adjoining the \$400,000 diesel shed, the conveniences for the staff and the men are virtually nil. The South Gladstone station, near the termination of the line, is a 10 ft. x 10 ft. bondwood hut. In the arrangements for housing, the vital train staff equipment is stored in what is a portable lavatory. The equipment rests upon the "throne". Alongside it there is a real toilet for use by the staff working in the vicinity. It is distinguished from the other by the fact that there is a telephone wiring system connected to it. I suppose a person sitting on the "throne" might be able to ring up a bet to his bookie or the T.A.B.

The shunting and examining staff at Gladstone were directed to work in the new station yard area. That was a fortnight ago. A meeting of examiners was held to discuss

the absence of amenities. They decided that as there were no amenities there would be no work. The department subsequently and very expeditiously arranged some form of amenity for the examiners. The shunters also have very few facilities available to them. The Gladstone guards are asked to come from the main station area which is over a mile away. I suppose the walk would take something like 25 minutes. They are supplied with departmental equipment including a regulation box weighing between 30 and 40 lb. In addition they have to carry their tucker-box, a canvas bag of drinking water and a two-way radio. As a matter of fact, they are weighed down more than the Chinamen were weighed down years ago when they used to walk down to Rising Sun, along Charters Towers Road, Townsville.

This is not strange. Anyone who studies the history of the initial coal undertaking will see that Mr. Justice Gallagher had some very pertinent comments to make when people on the Moura field had to go behind the nearest gum tree to relieve themselves. He gave a shocking dissertation on the employer. The matter was raised in this House, and Government members, particularly the Deputy Premier, running true to form, laughed very loudly on that occasion also.

Accommodation for railway employees at Gladstone has been a hot number for some time. When the Treasurer was Minister for Transport I directed his attention to what was being endured by many members of his department. The department recently allotted five houses to fitters and electricians, but a considerable number of people have been transferred to Gladstone and at least 50 or 60 are living in bondwood huts, under conditions that are not at all hygienic or sanitary. It is a disgrace for the Railway Department and this Government to allow such a shocking state of affairs to exist.

The establishment of a new railway station at Byellee, which is close to the Calliope River bridge, is very desirable, as the present station building is in fact a very rough bondwood hut.

Finally, I draw the attention of the Minister for Health to the very unsatisfactory state of affairs in the Gladstone District Hospital. I have not much time at my disposal and, whilst I do not wish to refer to too many parochial matters, this debate affords us an opportunity to ventilate matters of electoral concern. For many weeks past a considerable number of statements have appeared in the local Press about this institution. It is indeed regrettable that there is considerable indifference on the Minister's part to this once very fine institution. Last year there was considerable argument and discussion about the treatment provided at the Gladstone Hospital. The complaints reached such serious proportions that, following representations by me and as the result of large meetings held in the town and other quarters, the Minister sent two

departmental officials to report on the hospital. I am sure the Minister studied the report very closely, but very little action has been taken by him or by his department to rectify many of the shortcomings. The comments in the local Press are serious in that they refer to the hospital as purely a first-aid post.

Unfortunately, the hospital has been without a continuous medical superintendent for over a year. The medical superintendent who was there during the huge influx of industrial workers often expressed quite openly the opinion that he received very little co-operation from the department and from other officials. That is to be deeply regretted. Long before the temporary explosion during the construction period I told the Minister what would occur and asked him to try to find a solution that would provide the necessary facilities at this institution. Apparently my words fell upon deaf ears, because it was only in the heat and at the height of the construction period that there was any departmental alertness and that two departmental officials arrived.

The second phase has now commenced, and within a few months a very large number of workmen from outside will again be engaged in activities in the town, and the hospital certainly needs far more departmental attention than it receives at present.

I realise that there is great difficulty in obtaining medical staff. When we were the Government we instituted a system of medical fellowships to induce people to enter the medical faculty and, on graduation, to enter Government service. That system has not been extended in the spirit that was intended, and unfortunately many hospitals in the State have suffered as a result.

It is a grave injustice to Gladstone that there has been considerable argument surrounding this hospital. It is terrible when people lose confidence in the medical institution that is there to afford them some degree of protection. In all sincerity, I ask that the Minister look into this matter and see if he can improve the existing facilities and come up with a reasonable answer. During this period of construction we might not experience the mild winter that we had during the first period of construction. I hate to think what will happen if we suffer the cold, wintry conditions we have experienced in past years.

At his farewell last year the medical superintendent told me that there were times when he did not have a bed for some inmates or people desiring medical attention, so he put them onto a mattress on the floor rather than turn them away. He was a very devoted man, and his loss to the Public Service was a bad blow.

(Time expired.)

**Mr. SMITH (Windsor)** (9.3 p.m.): At the outset, I reaffirm my loyalty to the Crown and in so doing echo the sentiments of my constituents.

I congratulate the new member for Roma, who has taken the seat in this House formerly occupied by our old friend Bill Ewan, and point out to him that he follows in the wake of someone who was ever vigilant on behalf of his constituents and who made many sincere contributions to the debates in this House. I wish the hon. member well.

I acknowledge the Premier's ready acceptance of the circumstances which led earlier this year to my serving for three months with the Royal Australian Air Force and going to Vietnam as a member of that Force. While there I had an opportunity to study the plight of these people, and I say without hesitation that anyone who is prepared to tolerate the invasion of that country by the forces of insurrection and insurgency is one of our worst traitors. Australia can be proud of its sons and daughters who are there. Many of them came from the electorates that we represent. It was indeed a great honour to be associated with them.

I now use this opportunity in a part-parochial, part-remedial way. At the outset, I want to pass some remarks about legal aid in this State. The House has heard me on this subject on many occasions since 1957, and I think it quite proper to put on record recognition of the work of those who have given of their time and efforts to make the scheme the success that it is today.

**Mr. Bennett:** It is bogged down at the moment. There are no funds left.

**Mr. SMITH:** Despite the lack of monetary assistance, those men went ahead and put the scheme on a sound footing. Possibly hon. members would be interested to know the volume of work handled by that office.

**Mr. Bromley:** We know that. That's how we know it's broke.

**Mr. SMITH:** Of course it is, but I remind the House that when I first suggested such a scheme it was on the basis of the English scheme, which calls for funding by the Government. There is no doubt that at the moment the scheme is short of funds, but it is in that position because the demands made upon it are considerable. The need for legal assistance in this State is great.

What we have witnessed in the first 12 months or so has been a flood of applications, most of them unfortunately relating to the unhappy marital circumstances of the parties concerned. If it has not been deserted wives, it has been custody of children, broken homes or divorce.

**Mr. Bromley:** What about koala bears? They can't even get attention.

**Mr. SMITH:** It is quite simple, of course, for members on the other side of the House to laugh about these matters, but it is not simple or amusing to those unfortunate people who have to go to the Legal Assistance Committee for aid.

**Mr. Bennett:** They can't raise the deposit.

**Mr. SMITH:** No deposit is required. A fee of \$1 is paid when a person first consults the committee and that is refunded.

**Mr. Bennett:** What about the \$80 for a divorce action?

**Mr. SMITH:** That, too, is not demanded where the applicant has no means.

**Mr. Bromley:** It still has to be guaranteed.

**Mr. SMITH:** No, that is quite wrong. It is not guaranteed at all. If, in the opinion of the committee, a person seeking a divorce is destitute, the committee has the power to waive, and in fact does waive, the deposit of \$80.

This brings me to the important point. When I was advocating this scheme, I used the English scheme as the pattern, and a very good one it is. It utilises as its main-spring a certificate, and any would-be litigant who approaches the committee and obtains a certificate is thereby absolved from the payment of any filing fees in court. The House will remember that the other day I asked the Minister for Justice a question concerning summonses by deserted wives. I asked why the summonses could not be issued free in the first instance. Those words "free in the first instance" are not new; I have been aware of them ever since I have been in practice, because that practice was of long standing. However, it became a practice that was cut short, and indeed maintenance summonses have not at any time recently been issued free in the first instance. Any person who sought to do so was referred to the Legal Assistance Committee, and on their returning that person's claim to court a fee was charged.

In his answer, the Minister told the House that applications for free-in-first-instance summonses could be made to the Legal Assistance Committee; but in the days following that answer applications made for issues of such summonses did attract a fee. I have since been assured by the Minister that he has rectified that situation, and I am happy to be able to announce to the House that in the case of deserted wives who are destitute, the summonses will in future be issued free in the first instance.

**Mr. Bromley:** Is that a ministerial statement, or your own?

**Mr. SMITH:** No, it is not a ministerial statement. If the hon. member is so silly that he cannot work that out—

**Mr. Bromley:** You said you were announcing it to the House.

**Mr. SMITH:** That could be closer to the truth.

Although this may be effective in the matter of summonses for maintenance, it is effective only to the extent of \$2.50. I should like to see an extension of the

scheme in Queensland to parallel the English scheme, so that the holder of a certificate can be absolved from paying any court filing fees. After all, this is not a loss to the State. It is a loss of income, but it does not mean that the State has to give away anything. The documents can be tendered to the court, stamped and put on the file, and the litigants can proceed; but the money is thereby saved. Every \$10 that the Legal Assistance Committee saves is \$10 towards assisting another litigant. This is the point that I make, and I press it very strongly; every \$1 that can be saved—we have now saved \$2.50 in respect of summonses—is \$1 that can be put to assisting other people in necessitous circumstances.

Let hon. members not be mistaken. There are many people in necessitous circumstances; there are many people in need of legal aid. To give the House some idea, I point out that from 1 July, 1966, to 30 June, 1967, 3,389 people were interviewed at the office of the Legal Assistance Committee.

**Mr. Bennett:** How many of them were rejected? Tell us that.

**Mr. SMITH:** 570. Of those 3,389, maintenance actions accounted for 713 applicants, divorces for 408, and custody actions for 101. Is it any wonder that I sought to secure for deserted wives summonses free in the first instance? I am very happy indeed that my efforts have been successful.

**Mr. Hughes:** Is it true that some of the legal aid funds going to divorce proceedings are being utilised by men and women who otherwise could have paid because they are de factos?

**Mr. Sherrington:** Is this a private conversation, or can anyone join in?

**Mr. SPEAKER:** Order!

**Mr. SMITH:** Let me assure the House that the Legal Assistance Committee has made the most strenuous efforts to see that the moneys that have been spent were spent in the best possible channels.

**Mr. Bromley:** Wisely and well.

**Mr. SMITH:** Certainly. In any scheme of assistance, one will get people who impose upon it. We cannot change human nature, and perhaps my colleague from Kurilpa is quite right when he says that some people who do not deserve it have received assistance; but that does not rob the scheme of its main virtue.

**Mr. Bennett:** Some of them get counsel that they do not deserve.

**Mr. SMITH:** I do not know whom the hon. member has appeared for lately.

The scheme is an extremely valuable one in this State. If it becomes bogged down because of a lack of funds, then it behaves

the Government to see that it gets assistance in that direction. As the standard of living and the cost of living rise in Queensland, so will the cost of administering the scheme rise. As I said earlier, I have nothing but the highest admiration for the men who, from the inception of the scheme, have given their time and effort voluntarily. It is not fair that they should be asked to make all the sacrifices that they are now making, and I suggest that a small amount of monetary assistance could well be made available to them—I should like to see it grow—for the administrative costs of the office. That is not too much to ask because, after all, this is the administration of justice. It is something that today is of paramount importance throughout the legal systems of the world. I could have brought with me two large volumes, each about 4 inches thick, which set out in detail the Legal Assistance Committees that are available to people throughout the world.

I pass from that topic to the question of third party insurance and the premiums relating thereto. I have often spoken in this House about the anomalies that exist in insurance law. I have indicated, for instance, the anomalous situation that a man can be driving with his de facto wife and, if he is injured, he can sue her and recover damages, but if he is driving with his lawful wife he is not covered in this regard.

**Mr. Bromley:** What moral can we draw from that?

**Mr. SMITH:** I am not talking about the morals of the matter; I am talking about the economics for a person who is driving with someone other than his wife—I have brought the relationship as close as a de facto wife to show that there is a hairline which separates the legal from the illogical. I do not think there is any need to dwell upon this situation—it will be obvious to all—but what does concern me is that we are now faced with an increase in premiums in respect of these policies but we are not getting any increase in cover.

There appeared in the newspaper on Tuesday, 29 August, a statement attributed to the Insurance Commissioner in which he forecast an increase in motor vehicle insurance premiums and he blamed this on high awards for damages. If the height of these awards is the factor that is going to run us up into extremely high premiums, then I think we might consider limiting the awards. That is not novel; it is done in other States.

**Mr. Hanlon:** Don't you think something more constructive could have come out of the information gleaned by the special committee that went into this matter?

**Mr. SMITH:** I am not going to give the hon. member my personal views in this matter—it would not be proper to do so—but in so far as premiums are concerned, they must be tied to awards. I concede

that. After all, that is the way insurance assessors and actuaries work, and if the awards get too high—and they are getting high, anyone can see that—then it is time that we limited the amount per vehicle or the amount per person.

Only recently the Treasurer very kindly brought in a provision which covered bus travellers—after representations that I made to him.

**Mr. Bennett:** There should be no contest on liability. Anyone damaged on the road is entitled to be reimbursed.

**Mr. SMITH:** With respect, that could end up in a rather ridiculous situation. As soon as someone is running short of money he runs into a tree and gets an award of damages.

**Mr. Bennett:** That is what the former Treasurer said, but it never works that way.

**Mr. SMITH:** The Nominal Defendant Fund was brought in after I had overcome that objection of the then Treasurer. In this regard we must look at the position of a wife vis-a-vis a husband and wife driving a motor-car. Another important anomaly is that if a husband and wife agree to incorporate their affairs and become a limited company they can own a motor-car as a company and, by driving it as individuals, they can sue the company. You can therefore have the situation of a husband and wife being shareholders in a company and one being injured by the other and being able to sue and recover damages; but with a husband and wife who are not a company, if one of them is injured in similar circumstances he or she cannot sue. I think it is time we gave protection to people in these circumstances.

**Mr. Bennett** interjected.

**Mr. SMITH:** I do not want to go into the difficult circumstances; I want to take the simple ones that are easy of understanding and proceed with another proposition.

**Mr. Hughes:** You mean really that a husband passenger cannot sue his wife and a wife passenger cannot sue her husband?

**Mr. SMITH:** I am trying to point out the difficulties that hedge around the conduct of husband-and-wife actions. A husband or a wife can be sued in some respects, but when it comes to car accidents it is a different situation.

Car accidents today, as everyone knows, are assuming tremendous proportions in our daily lives. This leads me to a matter connected with car accidents. Possibly the punishments imposed could be varied in a way that would be far more salutary in achieving a remedy. In many instances car accidents follow from the driving of a vehicle by a young man going out at night

who perhaps feels that he has to drive fast or show off. At present, if he is involved in an accident he is brought before a magistrate and fined, or, alternatively, in lieu of the fine he can be sent to prison. In addition, his licence is forfeited for, say, three months. In most instances he pays the fine because usually the fines are well within the financial capacity of people who are prosecuted. It would be much better if the offender was brought before the court and told that he was being sent to gaol night after night for a month or two months.

**Mr. Bennett:** Don't use the gaol as a motel, though.

**Mr. SMITH:** You could use it as a motel, but do not give him too many of the comforts of the modern motel.

**Mr. Bromley:** Do you suggest that he get breakfast in bed?

**Mr. SMITH:** I am suggesting that by cutting off that young man's opportunity to go out at night and do the things he wants to do, we would get far more reaction from him than by fining him \$50 or \$100. Today if he is fined \$100 he pays it and is out the next night in his friend's car, no doubt sitting in the back seat. And so he carries on for three months until he gets into the front seat of his own car again. What I am suggesting is that we take him out of the social structure completely for a couple of months. I think such a system of punishment would achieve results and the roads would become a little safer.

**Mr. Bennett:** There is not enough accommodation at the gaol now. The prisoners are sleeping on the floor.

**Mr. SMITH:** I am not suggesting that these people require gaol accommodation at all. All they need is accommodation; they could be made to pay for it. They need not get accommodation at the gaol; they could be made to pay for it elsewhere. They would then be so happy to get out again at night that they would drive sensibly and safely.

Still dealing with accidents on the road, I point out that many traffic regulations are not observed. I think that increased police action in this respect would do much to cut down the mounting toll of the road. Speed, of course, is one obvious thing, but that is being challenged with radar traps, motor-cycle police and the inevitable limitation of the vehicle itself. It is with offences such as lane-changing and failure to give right-of-way that most of the troubles occur. If lane-changing in itself was obviated, quite a number of accidents would be prevented. If the council, or whatever authority it is that is charged with the responsibility of marking roads, persists in painting two lanes on a road, it should mark the two lanes in widths that will permit people to drive in them. It is pointless putting a double line down the centre of a road, with another line on each

side of the centre line, and saying to motorists, "There are four lanes," if the road cannot carry the two lanes in each direction in its width. On such roads there should be only one stream of traffic in either direction. It is only where lanes are marked that one vehicle can pass another on the left. It does not matter whether the road is three or four lanes wide, if it is not marked in lanes a driver cannot pass another vehicle on the left.

**An Opposition Member:** Do you think the Minister for Main Roads is taking this in?

**Mr. SMITH:** I hope he is, because it is a good suggestion and would prevent accidents.

**An Opposition Member:** What do you think of the road outside the Treasurer's home?

**Mr. SMITH:** I never get out there. My electorate is on the other side of town and I spend my time there.

Unless these markings are put on the road in such a way as to permit compliance with them, in themselves they can be dangerous. A double line, which should be observed, unfortunately can be crossed when a motorist who is driving in the outside lane is forced to cross it when a car on his left suddenly turns out to pass a parked vehicle. That happens day after day. Anyone who drives in Brisbane will have driven on an inside lane—that is the lane close to the double line—when the car ahead of him, to his left in the outside lane, pulls out around a parked vehicle. The drivers of such cars seem to assume that it is their right to do so, yet quite clearly it is not. Motorists are not entitled to change lanes unless it is safe to do so; but they do it, and to avoid a collision the driver on the inside has to pull out across the double line. If he is involved in an accident he is in a most invidious position.

**Mr. Bennett:** Sandgate Road, along the Clayfield tramline, is particularly bad.

**Mr. SMITH:** Anywhere from Abbotsford Road to the Valley is bad.

**An Opposition Member** interjected.

**Mr. SMITH:** That is in line with many of the suggestions I have heard the hon. member make. I thought that in the time I was away he might have improved, but apparently he has not.

There are other matters connected with the administration of law which I think deserve consideration. In Queensland we have a District Court.

**An Opposition Member** interjected.

**Mr. SMITH:** Admittedly there is a paucity of judges, but District Court judges are required to adjudicate on actions arising from accidents and they have to decide on the quantum of damages to be received by minors. When a District Court judge makes an award of damages to a minor he can only recommend to the Public Curator. That is not so

in the Supreme Court. A Supreme Court judge can, in fact, fix an award, but the District Court judge is obliged to recommend to the Public Curator who, in fact, is the guardian of the minor. Those are anomalies that should be ironed out.

**Mr. Bromley:** I think we should have a law reform committee set up.

**Mr. SMITH:** That is true. I was recommending a law reform committee long before the hon. member came here. Law reform concerns all the States, and I know that it concerns Queensland.

Another matter relates to trustees and executors. Under the Real Property Act minors 18 years of age can hold land and buy, sell and mortgage land. However, if a minor is a beneficiary in an estate he cannot give a release to the executors until he is 21 years of age. These are anomalies which occur from time to time and which should be ironed out, particularly today, with the emancipation of youth and the manifestation of 18-year-olds becoming more and more adult than in former years, thus requiring early consideration of this point. It seems anomalous that the executor and trustee can transfer land to a beneficiary who is not of age, but that the beneficiary should be prevented from releasing the executor in connection with that land. The tying-up that is necessary is obvious, so I hope we can look forward to some alterations in respect of damages awarded to young people and the matter of their releasing executors of estates.

I shall now deal with the parochial matters. During the recent rains Kedron Brook, which bounds my electorate, suffered from heavy scouring. The brook is used by the Brisbane City Council, in part, as a basin for some sewerage works. But in the area towards Lutwyche Road, Kedron Brook suffered tremendous scouring. It has been examined by the Department of Irrigation and Water Supply. That department was quick to send out its representative to examine the properties in question.

There seems to be a misconception that this is the responsibility of the Government. There is a complete failure on the part of the people concerned to appreciate that the Brisbane City Council has responsibilities in this regard and that there are provisions in the River Improvement Trust Act which may be called in to aid in such matters. To prevent a repetition of this damage—and it could become considerable—I suggest that the council be asked to discuss the matter with the Government with a view to forming a trust for that part of Kedron Brook, or for the whole of the brook for that matter, because scouring was experienced in the upper reaches as well. People who own land on either side of the brook—my electorate takes in only one side; the other side is in Aspley—stand to lose a considerable portion of their property by erosion. The River Improvement Trust Act was passed to avoid erosion damage. Rather than have the council

blaming the Government and the Government blaming the council, as we are forced to do in the circumstances, I suggest that early and frank discussions be had between both sides to see what can be done to mitigate this problem.

My next subject touches on a matter of law, namely, the concept—a word mentioned this afternoon with some disdain—that no-one is above the law. As a practising lawyer, I subscribe wholeheartedly to that concept.

**Mr. Bennett:** Are you giving a lecture to the Deputy Premier now?

**Mr. SMITH:** To the whole House, I hope. Scott, over 150 years ago, in "Marmion," wrote—

"O, what a tangled web we weave,  
When first we practise to deceive!"

We have heard from many sides accounts of recent happenings in this State. We have had explanations given, and we have had words used which to me as a lawyer are terms of art and have certain definite meanings. On the one hand we have had obvious lack of consent mentioned, and on the other hand obvious consent has been mentioned. I am not attempting at this stage to take the side of any party at all.

**Mr. Bennett:** But you are saying they compounded a felony.

**Mr. SMITH:** I am not. I should like to correct the interjection of the hon. member for South Brisbane. Before a felony is compounded in this State a crime has to be committed. A felony is equated to a crime, and we have nothing here to suggest that a crime was committed; possibly a misdemeanour was. I have not the facts, nor do I seek them. What I have is a certain amount of concern, as a lawyer—

**Mr. Davies:** You are here as a parliamentarian, not as a lawyer.

**Mr. SMITH.** I am here as a lawyer. I do not leave my knowledge behind. Many hon. members seem to leave behind whatever knowledge they have when they come here. I am concerned at what I have heard. We have heard allegation and counter-allegation, and the suggestion that charges should have been laid. The matter had been made quite clear by the relevant speakers. This morning we heard of police action not being proceeded with.

**Mr. Bennett:** Mr. Dewar said he invited them to charge him, and they wouldn't.

**Mr. SMITH:** That may be so, but the point I make is that I think it behoves us to remember at all times that no-one is above the law, and if we can abide by that principle on future occasions there will be no such spectacle as we have been forced to witness here in the last few days.

Debate, on motion of Mr. Hodges, adjourned.

The House adjourned at 9.36 p.m.