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THE CASE FOR THE STATE OF NORTH QUEENSLAND.

Address by Ulrich Ellis, Director of the Office of Rural Research, Canberra, at the Convention of the North Queensland New State Movement, Mareeba, August 6, 1955.

The prime objective of the New States Movement is the extension of local self-government to communities remote from existing capitals in accordance with the provisions of Chapter Six of the Federal Constitution.

These provisions authorise the creation of New States by the subdivision of existing States or the grant of self-government to Federal Territories.

The terms of the Constitution empower the Commonwealth Parliament to take all necessary steps in regard to its own territories, and therefore, the Northern Territory could be given Statehood by the Federal legislature tomorrow.

The procedure for the subdivision of existing States is also simple. The State Parliament is authorised to subdivide its own territory and erect the structure and form of a New State or States therefrom. When these steps have been taken the Commonwealth Parliament is authorised to admit the New State so created into the Federal partnership.

The Constitution does not specify how the form and structure of a New State shall be brought about. This is left within the discretion of the original State. It is clear, however, that before a New State can be admitted to the Federation, boundaries must be determined, assets and liabilities allocated between the old State and the New, and a State Constitution adopted by the people who comprise the New State. None of these requirements is unduly complex.

High legal authorities contend that a referendum is not constitutionally necessary but it would be within the prerogative of a State legislature to require a vote of the people.

If the will to grant self-government existed, a resolution carried by a majority vote of members of the Legislative Assembly could initiate immediate action. The disinclination of the Parliament to act is the only obstacle to Northern Statehood.

HISTORICAL BACKGROUND.

Failure to extend self-government to the American colonies led to the secession of the United States from the British Empire. Australia was settled coincident with the establishment of the new nation. Thereafter it was a principle of British policy to extend self-government to communities willing and able to assume responsibility for the conduct of their own affairs.

Originally the whole of Queensland, Victoria and Tasmania were governed from Sydney as part of New South Wales. The British government recognised that such a centralised system was too cumbersome for effective government and development of a large continent. Consequently Tasmania was granted a separate jurisdiction in 1826 and legislative provision was made for the further subdivision of N.S.W. into separate colonies as settlement advanced.

Port Phillip and Moreton Bay settlers also found remote control of their affairs intolerable and agitated for removal from Sydney control. Consequently Victoria was granted self-government in 1850 and Queensland in 1859. Since then agitations for further subdivision have been continuous, the main centres being the Riverina and New England districts of N.S.W. and the North and Centre of Queensland.

When Federation was discussed the chief protagonists foresaw the need for a revival of the process of subdivision as a means of decentralising government and development. Sir Henry Parkes declared that "as a matter of reason and logical forecast it could not be doubted that if the Union were inaugurated with double the number of States the growth and prosperity of all would be assured". He prophesied that the creation of New Federal States would be the next great constitutional reform.

In this he was supported by other early Statesmen, including John Murtagh Macrossan, a great advocate for Northern separation who represented Queensland at the first Federal Convention, during the currency of which he died. As a result the principle of New States was incorporated in the Federal Constitution. Despite this recognition for the need to extend local self-government the New States Chapter has never been invoked by any Parliament. Self-government has never been granted to Australians by Australians.

#### THE FEDERAL SYSTEM.

The Federal system was deliberately adopted as a device for the decentralisation of government. The proposal that Australia should be governed by a single parliament received scant support and was rejected out of hand by all States. The Federal Constitution was never, at any stage, regarded as a preliminary to centralised government. It was accepted as the only reasonable alternative to centralisation on the one hand and a series of independent and competing States on the other.

Federation is a means for the division of the tasks of government, administration and development in a huge continent of diverse conditions and scattered communities. It is based on the theory of co-operation and partnership between governmental groups, each responsible for a defined set of responsibilities.

Simply stated the Federal system provides a national government to manage affairs of common concern to all the people of Australia. These matters include such topics as defence and international affairs.

The State partners are responsible for the conduct of local affairs within their own territories on the principle that such matters can best be managed through the application of the local knowledge and experience of the local people. Thus State governments are constitutionally responsible for land administration, mining laws, production, roads and other matters likely to have a special local significance.

#### CENTRALISATION AS AN ALTERNATIVE.

There is a school of thought which maintains that all State Parliaments should be abolished and supreme legislative power be established in a single legislature at Canberra.

More than half the population of Australia is located in the six State Capitals. A third of the population resides in the two cities of Sydney and Melbourne. In these circumstances it is certain that a supreme

central legislature would be dominated by the votes and interests of the metropolitan areas and that the people of Sydney and Melbourne alone would exert a major influence on decisions affecting both the national and local interests of all other areas.

While North Queenslanders might feel that the dominance of Brisbane prevents a sympathetic approach to their local problems, the abolition of the Queensland legislature and the transfer of its powers to Canberra would aggravate the situation.

A centralised government at Canberra would continue to deal with those national problems allocated to the Commonwealth under the existing Constitution. To these would be added all the problems now handled by the six States and local governing authorities. In these circumstances Canberra would become a vast bottleneck for all the affairs of all the people in all parts of Australia.

#### NEW STATE PRINCIPLES APPLIED.

A serious lack of balance is apparent in Australian development. Industries, population, services and amenities rapidly expand in the vicinity of the Capital. Development lags in regions beyond regardless of the wealth, resources or the spirit of the people.

The New States Movement maintains that this situation is due to the failure to invoke the decentralising machinery provided by the Constitution. Through that machinery it would be possible to marshal local knowledge and experience for the solution of local problems by local people. Distant legislatures dominated by the residents of other areas whose interests lie elsewhere are doomed to fail.

At present North Queensland (with an area of 271,900 square miles) has 16 representatives in a Legislative Assembly of 75. Among the remaining 59 who live outside the area are 24 representatives of Brisbane residing in an area of 385 square miles. Therefore, in the final analysis, every decision of the parliament affecting North Queensland is made by representatives of people with no direct interest in the affairs and progress of the regions north of Mackay.

If the people of the North, Centre and South were given full responsibility for control of their own local affairs, they could concentrate more effectively on the problems they know and understand the best. They would be relieved from devoting time and energy to the affairs which their neighbors are better fitted to handle.

Local self-government has been defined as the willingness of local people to manage their own affairs; and an equal willingness to admit the right of other communities to do likewise. This summarises the philosophy of the New States Movement.

#### FINANCIAL EFFECTS OF NEW STATES.

Apart from the benefits to be derived from the release of local forces a New State would achieve financial decentralisation on a major scale. Each New State would be entitled, as a strict right, to a just share in Commonwealth Tax reimbursements and a specific share of the money allocated by the Loan Council. It would be entitled to a specific share of all Federal grants such as the Federal Aid Roads contribution and the Housing allocation. It would have the same right as other States to receive special Federal Grants similar to those received annually by the States of South Australia, Western Australia and Tasmania on the recommendation of the Commonwealth Grants Commission to maintain the balance of Federation.

In addition it would have the right to levy any forms of State taxation within its constitutional province.

At present North Queensland receives no direct allocation from national sources and it is even doubtful whether the whole of the State taxation derived from the North is spent therein.

All State taxation and all national contributions are received into the Treasury in Brisbane. The Brisbane Government and the Brisbane Government alone is responsible for deciding how much of the total fund - if any - will be spent in Northern areas.

The important point to note is that the financial resources of the State of North Queensland - whether derived from State taxation or national allocations - would be deposited in the North Queensland Treasury. It would be allocated and expended by a Government composed entirely of North Queenslanders exclusively for North Queensland purposes within the State of the North.

Thus the people of North Queensland would have a bank account and a cheque book of their own and would no longer suffer the humiliating experience of seeking dolos from a distant and unsympathetic government. They would possess the money in their own right and allocate it according to their own judgment without direction or interference from a remote legislature.

Thus there would be an immediate re-direction of governmental finance. The decentralisation of private finance would follow naturally.

#### AN EXTRAORDINARY IMPASSE.

Since the Queensland Assembly in 1897 carried a resolution for the subdivision of the State it has been generally accepted that self government would be granted to the North and Centre. As the Federal Convention was in that year putting the finishing touches to the Commonwealth Constitution, the British authorities declined to act because the Constitution about to come into being contained provision for the creation of New States. Before Federation responsibility for subdivision of Australian colonies resided in the British Government. The Commonwealth Constitution transferred this power to the Federal Parliament. Therefore the British Government advised the North Queenslanders to invoke the provisions of the new Constitution.

A provision anticipating the creation of new Queensland States was inserted in the Constitution to permit the election of Senators in that State alone on a district basis. In 1900 the State Government gave further hope of action when the present administrative divisions (North, South and Centre) were enacted, but Brisbane interests studiously opposed the conversion of the divisions into self governing States.

Since Federation the Queensland Assembly has carried two resolutions affirming the New State principle. The first, in 1910, was moved by a future Labor Premier (T.J. Ryan) and specifically endorsed the creation of North and Central States. A more general motion moved by a future Labor Prime Minister (F.M. Forde) declared that it was desirable to subdivide Australia "into a greater number of self-governing States for more economical and effective government". Yet nothing was done.

This extraordinary hiatus between support for the principle and positive action has been intensified by recent events. Following the revival of the North Queensland agitation in 1948 the Governor's speech in the Legislative Assembly committed the Government "to recommend the establishment of additional States" when New State areas had a reasonable degree of financial and economic stability.

The principle was repeated in stronger terms by the then Premier (Mr. Hanlon) in his speech on the Electoral Bill on March 8, 1949.

"It will not be until there are three more States in northern Australia", he said, "that we shall get a properly balanced outlook in Canberra. The major representation in the Federal Parliament is for the south east corner.

"This Government has told the people of North Queensland that as soon as they are in a financial position to carry the responsibility of a New State we shall be only too pleased to recommend it.

"The curse of this country has been that there have not been enough States and that we have not had any inland States. If Longreach had been the capital of an inland State created 30 years ago, we should have had a city of 70,000 to 80,000 people at Longreach today and a population in the surrounding country four or five times bigger than it is now."

There is further evidence that the New State Movement has made a powerful impact on the Brisbane Parliament. The provision of New States has always been a plank on the Country Party's platform. At the 1950 elections the Liberal Party departed from its traditional attitude and, with the Country Party, issued a joint declaration that if returned to office New State boundaries would be fixed and a Constitutional Convention called as a preliminary to positive action. This undertaking has recently been reaffirmed.

#### THE KEY TO VICTORY.

Queensland has thus reached a stage never attained in the long course of the agitation in New South Wales. All three political parties have declared themselves in favor of the principles of self-government for the North. The members of those three parties in parliament assembled have full constitutional power to translate the principles into achievement and it is your personal problem to find a way to make them do so. You have only one weapon - the force of public opinion. No government can for long withstand the demands of an overwhelming majority of the Northern people in the determined pursuit of a just objective.

#### THE BARRIER RAISED.

When the settlers of Moreton Bay were fighting for Queensland's freedom from Sydney control they were met with an opposing battle cry - "The time is not yet ripe". That cry was again raised by the late Queensland Premier. He said New States were necessary to give adequate representation in the Federal Parliament. He claimed that the creation of a New State thirty years ago would have increased development fivefold. He declared that he could not act until the New State areas were proved capable of supporting stable government. Thereby he inferred that the policies of Brisbane Governments have so retarded the progress of northern districts that even after a century of settlement they have not advanced sufficiently to govern themselves!

In declining to establish a New State on the grounds of insufficient capacity the Government was rejecting the considered advice of its own economic adviser. This economic adviser was Colin Clark, an economist of world wide reputation.

"I suggest," wrote Clark, "that whenever an area reaches a population of around 150,000 to 200,000 a New State could be created and a further subdivision made when the population reaches substantially beyond 250,000." He named Tasmania (Australia's smallest State) as one of the most enterprising. With a population little more than a quarter of a million, he said, Tasmanians had provided social services which in many respects surpassed those of the larger States.

Clark's assertion is substantiated by the latest figures. Last year Tasmania's social service expenditure was the highest of any State-£17.15.11 per head of population. The social service expenditure of the great, unweildy, unmanageable State of Queensland was second last with £15.7.3. Tasmania's expenditure on education alone (£8.18.5) also topped the list while Queensland came a bad last with £6.1.4, a figure well below the Australian average.

Thus small, compact States are not incapable of providing their citizens with adequate services.

#### POPULATION CAPACITY.

North Queensland, with a population of 235,253 at the 1954 Census, meets the population test applied by the Queensland Government's economic adviser. When Queensland gained self government its population was only 25,000 and Victoria was established with 75,000. Tasmania became a Federal State with 173,000 and Western Australia with 184,000.

Had a North Queensland New State been created thirty years ago the present population - on the assumption of the late Premier of Queensland - would probably be a million.

But the existing policies of the Brisbane Government retard the progress of the North. The results of the 1954 Census show that since 1933, 202,605 people have been added to the population of Brisbane (385 square miles). In the same period the North (272,000 square miles, richly endowed with productive resources) has gained a mere 52,097. Thus in the short period of 22 years Brisbane has gained more people than the total number settled in North Queensland since the dawn of settlement nearly a century ago.

#### THE SIGNIFICANCE OF AREA.

Surely it cannot be argued that North Queensland would be too large a State in area for efficient government? Or too small an area? Queensland, with its present 670,500 square miles, comprises a fifth of the Australian continent. North Queensland would embrace an area of 272,000 sq. miles leaving the remainder of Queensland with 398,600. It would be much larger than Tasmania (26,215) and Victoria (87,884) and smaller than N.S.W. (309,433) and South Australia (380,000). The standard is - resources first, area last. The smallest State of U.S.A. (Rhode Island) comprises only 1,067 sq. miles and is one of the most highly developed areas, both industrially and agriculturally, in the United States.

#### THE PRODUCTION INCOME TEST.

The claims of North Queensland cannot be disqualified either on the score of population or area. An examination of the income derived by North Queensland from local production confirms the capacity of the North to support stable government.

In 1951-52 the value of North Queensland production was £65,256,000. This was greater than the production of the existing State of Tasmania in the same year (£64,504,000).

If Tasmania is able to function as a State with less income than North Queensland then it stands to reason that North Queensland also has the economic capacity for self government.

Tasmania has been an independent governmental entity for 130 years and a Federal State since 1901. As indicated earlier it has led Australia in many fields of governmental finance. Doubtless North Queensland could do the same if a local legislature had full power to expend local income on local purposes.

Don't let it be forgotten that Queensland herself was born a bankrupt State with sevenpence ha'penny in the Treasury - which was stolen overnight by an enterprising citizen with more concern for his own pocket than the financial stability of the New State!

Today the State which started life with less than a shilling in its pocket now boasts a revenue exceeding fifty million pounds a year. North Queensland, given the opportunity, could match this figure in a few short years.

#### QUEENSLAND'S RICHEST PROVINCE.

If further support is necessary for North Queensland's economic capacity it can be produced after an analysis of the figures of production per head of population.

The Southern Division has a per capita production worth ~~£72~~<sup>£118</sup> and the Centre £293. But the production per head in North Queensland is £301 for every man, woman and child in the area, marking the North as Queensland's richest province. In fact the North's per capita production is the highest in Australia comparing more than favorably with N.S.W. (£270) and Victoria (£257).

These figures may be challenged but they cannot be refuted.

#### NORTHERN WEALTH EXPORTED.

To what purposes is Queensland's £65,000,000 income devoted? What happens to the £301 of production contributed by the Northerners? Is it devoted to increasing the amenities and services of the North? Has the North improved transportation and better harbor facilities? Are more secondary industries being established in the North to process the raw materials of the North? No. None of these things ~~has been~~ done. But Brisbane continues its abnormal growth.

Southern Queensland, with a per capita production ~~£72~~<sup>178</sup> has increased its population, its industries, its amenities and services. But not among the country districts. They will be found in the city of Brisbane - the unproductive city of Brisbane - for the bulk of the basic production of the Southern Division is derived from those extensive and fertile areas to the north and west of the capital.

It is obvious that the fruits of the labors of the active producers and the workers of the North and being skimmed away, exported to Brisbane and there converted into the means of creating a new atomic target which can be eradicated overnight.

Only by gaining complete control of affairs through a New State can this tremendous drain on the income from the North be prevented and the wealth of the North be conserved for Northern development. Only through a New State can the North attain its vital status as the true bastion of national defence security. Only by this means can the prosperity and progress of Southern Queensland be enhanced for every ounce of additional production in the North pays greater dividends to the Australian people as a whole.

#### THE HOLLOW ARGUMENT.

The argument that North Queensland does not possess the capacity to support self government rings hollow. It is produced for the express purpose of throttling the New State movement at birth. Even if the income from the North were astronomical the opponents of decentralised government would still declare that it was not capable of self government.

#### NEW ENGLAND COMPARISON.

This is supported by the experience of New England where an

intense agitation for self government has proceeded as long as the Queensland movements have been in existence. Today New England has an annual production of £230,000,000 and if it were a State it would rank fourth among all the Federal partners. Its production exceeds the income of three existing States, Western Australia, South Australia and Tasmania. Yet the same cry is raised in N.S.W. - that New England is incapable of finding the means to finance its own government; that the time is not yet ripe!

#### ESTABLISHMENT PROBLEMS.

Although no serious constitutional obstacles stand in the path of Statehood certain practical problems must be faced. Three main tasks must be carried out before a New State can be admitted as a Federal partner - (1) boundaries must be fixed; (2) a State Constitution drafted and approved and (3) assets and liabilities divided between the old State and the new.

The determination of boundaries for North Queensland would be comparatively simple especially if public opinion exhibited its preference for the existing border of the Northern Division. In some respects such a line might require local adjustments but an efficient Boundaries Commission could do this very quickly.

An elected Convention of North Queensland delegates would draft the State Constitution after which the people of the New State would be asked for their approval by referendum. The formulation of a State Constitution requires some legal guidance and much common sense and would present no difficulties to the Northern people. Since the war much more complex constitutions have been written and adopted by the people of India, Pakistan, Burma, the Central African Federation and other countries and it is ridiculous to believe that North Queenslanders would be incapable of doing the same.

#### ASSETS AND LIABILITIES.

The one problem which presents any complexity is the allocation of the assets and liabilities of Queensland between the old State and the new. The State may be regarded as a partnership. The assets of the State belong to the people of the State - not to the Government in Brisbane. The people of the State as a whole share a joint responsibility in regard to State debts and property.

If the partnership between the North and the remainder of the State is dissolved then there must be a reckoning to determine a just division between the two partners.

The Queensland University is an asset commonly owned by all the Queensland people. But its buildings and equipment cannot be carved into two portions - one to remain in Brisbane and the other transferred to the North. North Queensland must obtain an appropriate credit for any part of its property (such as the University) which is left in Brisbane. There must be a division of railways assets as well as railways debt. Moveable assets (such as locomotives) must receive special treatment.

When a private partnership is dissolved it is common practice to appoint an arbitrator acceptable to both partners. In the case of a New State the Commonwealth might be regarded as the most appropriate authority. As well as being independent of local issues the Commonwealth, under the Financial Agreement, is the trustee of national credit. It is inconceivable that an independent tribunal appointed by the Commonwealth would sanction a division of assets and liabilities which would weaken one or the other partner and therefore affect the stability of the nation.

Although the dissolution of private partnerships are regularly undertaken and numerous national partnerships have been dissolved since the



war, opponents of self government greedily grasp the complexities of dividing assets and liabilities as one more reason for inaction. Yet the complexities involved are comparatively simple and no one but a pigmy politician would be daunted by the prospect.

Queensland has a population of little more than a million people in an area of 670,500 square miles. British India, in 1947, had a population of 400,000,000 in an area of 1,700,000 square miles.

The assets and liabilities of British India were vast and complicated. Yet they were divided between Pakistan and the Federation of India when the partnership was dissolved in a period of 72 days. The difficulties of division were aggravated by intense racial and religious conflicts which necessitated the transfer of millions of people from one new nation to the other; and while the nations were being established armed clashes between rival groups caused the death of thousands. Such circumstances just do not apply in the division of Queensland into two sister States of the same Federation.

The Indian division was undertaken by a Partition Council assisted by a number of expert committees. In those 72 days typewriters, motor cars, office furniture, army tanks and public institutions were itemised, valued and divided in the proportion of  $17\frac{1}{2}\%$  to Pakistan and the remainder to India. When an item could not be divided a cash credit was conceded. While India retained most of the unique institutions, museums, laboratories and research stations, Pakistan received financial compensation and a right to use them for five years. Pakistan also took over  $17\frac{1}{2}\%$  of the uncovered debt and a similar proportion of sterling balances in United Kingdom. Even the army had to be divided. But the whole vast process was completed in twelve weeks.

Certain Australian politicians pretend that the slight problem involved in the subdivision of Queensland would present insuperable difficulties!

#### THE STRATEGY OF VICTORY.

I have indicated to you the objectives, principles and aspirations of the New State Movement, and conclude with a few suggestions of local interest.

The first necessity is the establishment of an organisation to fight for the objective of self government. This will give you a united voice and a Council of War to pursue the steps to Statehood. The voice of North Queensland must be clear and strong and of sufficient strength to penetrate the stone walls of the Brisbane Parliament.

A picturesque New Stater of the past declared that by the time an account of a massacre of Christians in the Gulf reached Brisbane it would have receded to penny whistle proportions. A virile organisation backed by the energy and finance of North Queenslanders would ensure a healthy shout -- even though many of you are more than a thousand miles from the Capital.

Finance is particularly important because your organisation must conduct an intensive educational campaign inside and outside the New State area. Your prospects of success depend on your ability to prove that an overwhelming majority of the people intensely desire to undertake local control of local affairs. Therefore a demonstration of local enthusiasm and support is the first essential and this can be achieved only by education.

#### APPROACH TO PARLIAMENT.

How you proceed with your campaign is your own business and I have no doubt that you will act with initiative and force. Your immediate step, in my opinion, would be an approach to the three party leaders to urge that they declare their New State policies before the next State election so

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that you will know where you stand.

In New England we are giving consideration to the nomination of New State candidates against those of any existing party who declare opposition to Statehood, but it is well to remember that political contests require both money and enthusiasm and a defeat at this stage might have unfortunate effects on the future.

If a Government opposed to self-government is returned at the next election then the subsequent step is obviously to make a direct approach to the State Parliament by petition, asking either for a referendum or positive action to create a New State or both. If this request is ignored or fails, then you might consider it worthwhile to seek a New State poll conducted by the local governing authorities. Queensland local government law is much the same as that of N.S.W., yet twenty local government defied the Sydney Government and held the poll.

#### A WORD OF WARNING.

Finally I issue a word of warning concerning issues, despite their importance, which will be used by your enemies to split the Movement. If those opponents can induce you to participate in a jealous wrangle about the site of the capital for a non-existent State they will drive a wedge into your organisation. The site of the capital is surely incidental and should not be allowed to divert you from the major objective. If you wish you can insert in your Constitution a clause empowering your future legislature to determine the issue as was the case with the Federal Capital and is the case in the New England draft Constitution.

The second danger is that your opponents may try to destroy your unity on local development issues by urging one section of North Queensland to argue with another concerning the desirability of some public work or developmental scheme. It would be dangerous for a movement such as yours to fight exclusively for one section of North Queensland against another. The objective surely is general development for the North carried out by a North Queensland legislature composed of North Queenslanders and elected by North Queenslanders. Complete faith in your own legislature to act for the common good is the only policy.

New Staters in all parts of Australia wish you well. If you become the Seventh State as a result of your efforts they know full well that your example of success and progress will bring the old guard tottering to its knees. The establishment of the State of North Queensland will be the signal throughout Australia for the decentralisation of government, administration, finance and development.

Issued by Ulrich Ellis, Director of the Office of Rural Research, Canberra,  
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The Case for the State of  
North Queensland

by  
Ulrich Ellis