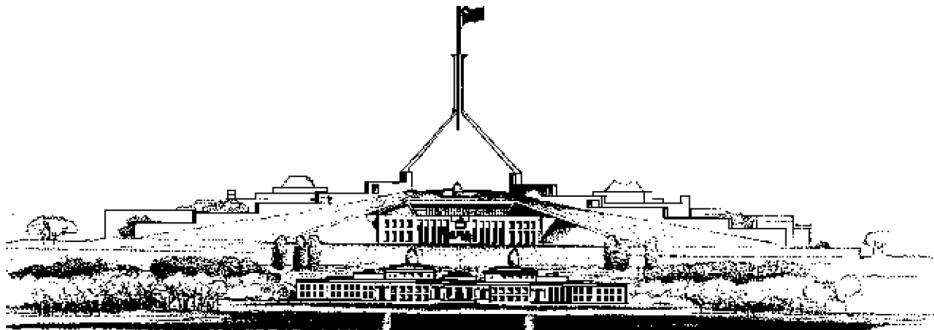




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 42, 1967
Wednesday, 18 October 1967

TWENTY-SIXTH PARLIAMENT
FIRST SESSION—SECOND PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH

TWENTY-SIXTH PARLIAMENT—FIRST SESSION: SECOND PERIOD

GOVERNOR-GENERAL

His Excellency the Right Honourable Richard Gardiner, Baron Casey, a Member of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Order of Companions of Honour, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, Knight of the Most Venerable Order of the Hospital of Saint John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia from 22 September 1965.

SECOND HOLT GOVERNMENT

(AS FROM 28 FEBRUARY 1967)

Prime Minister	The Right Honourable Harold Edward Holt, C.H.
Minister for Trade and Industry	The Right Honourable John McEwen
Treasurer	The Right Honourable William McMahon
Minister for External Affairs	The Right Honourable Paul Meernaa Caedwalla Hasluck
Minister for Defence	The Honourable Allen Fairhall
Minister for the Interior	The Honourable John Douglas Anthony
Minister for Supply	Senator the Honourable Norman Henry Denham Henry
Minister for Primary Industry	The Right Honourable Charles Frederick Adermann
Postmaster-General; and Vice-President of the Executive Council			The Honourable Alan Shallcross Hulme
Minister for National Development	The Honourable David Eric Fairbairn, D.F.C.
Minister for Education and Science	Senator the Honourable John Grey Gorton
Minister for Labour and National Service	The Honourable Leslie Harry Ernest Bury
(The above Ministers constitute the Cabinet)			
Minister for Shipping and Transport	The Honourable Gordon Freeth
Minister for Territories	The Honourable Charles Edward Barnes
Minister for Civil Aviation	The Honourable Reginald William Colin Swartz, M.B.E., E.D.
Minister for Immigration	The Honourable Billy Mackie Snedden, Q.C.
Minister for Health	The Honourable Alexander James Forbes, M.C.
Minister for Air; and Minister assisting the Treasurer			The Honourable Peter Howson
Minister for Customs and Excise	Senator the Honourable Kenneth McColl Anderson
Minister for Repatriation	Senator the Honourable Gerald Colin McKellar
Minister for Social Services; and Minister assisting the Minister for Trade and Industry			The Honourable Ian McCahon Sinclair
Minister for Housing	Senator the Honourable Dame Annabelle Jane Mary Rankin, D.B.E.
Minister for the Army	The Honourable John Malcolm Fraser
Minister for Works	The Honourable Charles Robert Kelly
Attorney-General	The Honourable Nigel Hubert Bowen, Q.C.
Minister for the Navy; and, under the Minister for Trade and Industry, Minister-in-Charge of Tourist Activities			The Honourable Donald Leslie Chipp

(AS FROM 16 OCTOBER 1967)

Prime Minister	The Right Honourable Harold Edward Holt, C.H.
Minister for Trade and Industry	The Right Honourable John McEwen
Treasurer	The Right Honourable William McMahon
Minister for External Affairs	The Right Honourable Paul Meernaa Caedwalla Hasluck
Minister for Defence	The Honourable Allen Fairhall
Minister for Primary Industry	The Honourable John Douglas Anthony
Minister for Education and Science	Senator the Honourable John Grey Gorton
Postmaster-General; and Vice-President of the Executive Council	The Honourable Alan Shallicross Hulme
Minister for National Development	The Honourable David Eric Fairbairn, D.F.C.
Minister for Supply	Senator the Honourable Norman Henry Denham Henty
Minister for Labour and National Service	The Honourable Leslie Harry Ernest Bury
Minister for Social Services; and Minister assisting the Minister for Trade and Industry	The Honourable Ian McCahon Sinclair

(The above Ministers constitute the Cabinet)

Minister for Shipping and Transport	The Honourable Gordon Freeth
Minister for Territories	The Honourable Charles Edward Barnes
Minister for Civil Aviation	The Honourable Reginald William Colin Swartz, M.B.E., E.D.
Minister for Immigration	The Honourable Billy Mackie Snedden, Q.C.
Minister for Health	The Honourable Alexander James Forbes, M.C.
Minister for Air; and Minister assisting the Treasurer	The Honourable Peter Howson
Minister for Customs and Excise	Senator the Honourable Kenneth McColl Anderson
Minister for Repatriation	Senator the Honourable Gerald Colin McKellar
Minister for Housing	Senator the Honourable Dame Annabelle Jane Mary Rankin, D.B.E.
Minister for the Army	The Honourable John Malcolm Fraser
Minister for Works	The Honourable Charles Robert Kelly
Attorney-General	The Honourable Nigel Hubert Bowen, Q.C.
Minister for the Navy; and, under the Minister for Trade and Industry, Minister-in-Charge of Tourist Activities	The Honourable Donald Leslie Chipp
Minister for the Interior	The Honourable Peter James Nixon

MEMBERS OF THE HOUSE OF REPRESENTATIVES

TWENTY-SIXTH PARLIAMENT—FIRST SESSION: SECOND PERIOD

Speaker—The Honourable William John Aston

Leader of the House—The Honourable Billy Mackie Snedden, Q.C.

Chairman of Committees—Philip Ernest Lucock

Deputy Chairmen of Committees—Leonard Lewis Bosman, Joseph James Clark, James Francis Cope, Dominic Eric Costa, Edward Nigel Drury, Laurence John Failes, Edmund Maxwell Cameron Fox, John Mead Hallett, Hon. William Crawford Haworth and Francis Eugene Stewart.

Leader of the Opposition—Edward Gough Whitlam, Q.C.

Deputy Leader of the Opposition—Lance Herbert Barnard

Leader of the Australian Country Party—The Right Honourable John McEwen

Deputy Leader of the Australian Country Party—The Honourable John Douglas Anthony

Adermann, Rt. Hon. Charles Frederick	Fisher (Qld)
Allan, Archibald Ian	Gwydir (N.S.W.)
Anthony, Hon. John Douglas	Richmond (N.S.W.)
Armstrong, Adam Alexander, M.C.	Riverina (N.S.W.)
Arthur, William Tevlin	Barton (N.S.W.)
Aston, Hon. William John	Phillip (N.S.W.)
Barnard, Lance Herbert	Bass (Tas.)
Barnes, Hon. Charles Edward	McPherson (Qld)
Bate, Henry Jefferson	Macarthur (N.S.W.)
Beaton, Noel Lawrence	Bendigo (Vic.)
Beazley, Kim Edward	Fremantle (W.A.)
Benson, Samuel James, R.D.	Batman (Vic.)
Birrell, Frederick Ronald	Port Adelaide (S.A.)
Bonnell, Robert Noel	Herbert (Qld)
Bosman, Leonard Lewis	St. George (N.S.W.)
Bowen, Hon. Nigel Hubert, Q.C.	Parramatta (N.S.W.)
Bridges-Maxwell, Crawford William	Robertson (N.S.W.)
Brownbill, Miss Kay Cathrine Millin	Kingston (S.A.)
Bryant, Gordon Munro	Wills (Vic.)
Buchanan, Alexander Andrew	McMillan (Vic.)
Bury, Hon. Leslie Harry Ernest	Wentworth (N.S.W.)
Cairns, James Ford	Yarra (Vic.)
Cairns, Kevin Michael Kiernan	Lilley (Qld)
Calder, Stephen Edward, D.F.C.	(N.T.)
Calwell, Rt. Hon. Arthur Augustus	Melbourne (Vic.)
Cameron, Clyde Robert	Hindmarsh (S.A.)
Cameron, Donald Milner	Griffith (Qld)
Chaney, Hon. Frederick Charles, A.F.C.	Perth (W.A.)
Chipp, Hon. Donald Leslie	Higinbotham (Vic.)
Clark, Joseph James	Darling (N.S.W.)
Cleaver, Richard	Swan (W.A.)
Collard, Frederick Walter	Kalgoorlie (W.A.)
Connor, Reginald Francis Xavier	Cunningham (N.S.W.)
Cope, James Francis	Watson (N.S.W.)
Corbett, James	Maranoa (Qld)
Costa, Dominic Eric	Banks (N.S.W.)
Courtney, Frank	Darebin (Vic.)
Cramer, Hon. Sir John Oscar	Bennelong (N.S.W.)
Crean, Frank	Melbourne Ports (Vic.)
Cross, Manfred Douglas	Brisbane (Qld)
Curtin, Daniel James	Kingsford-Smith (N.S.W.)
Daly, Frederick Michael	Grayndler (N.S.W.)
Davies, Ronald	Braddon (Tas.)
Devine, Leonard Thomas	East Sydney (N.S.W.)
Dobie, James Donald Mathieson	Hughes (N.S.W.)
Drury, Edward Nigel	Ryan (Qld)
Duthie, Gilbert William Arthur	Wilmot (Tas.)
England, John Armstrong, E.D.	Calare (N.S.W.)
Erwin, George Dudley	Ballaarat (Vic.)
(3)Everingham, Douglas Nixon	Capricornia (Qld)
Failes, Laurence John	Lawson (N.S.W.)
Fairbairn, Hon. David Eric, D.F.C.	Farrer (N.S.W.)
Fairhall, Hon. Allen	Paterson (N.S.W.)
Forbes, Hon. Alexander James, M.C.	Barker (S.A.)
Fox, Edmund Maxwell Cameron	Henty (Vic.)

Fraser, James Reay	(A.C.T.)
Fraser, Hon. John Malcolm	Wannon (Vic.)
Freeth, Hon. Gordon	Forrest (W.A.)
Fulton, William John	Leichhardt (Qld)
Gibbs, Wylie Talbot	Bowman (Qld)
Gibson, Adrian	Denison (Tas.)
Giles, Geoffrey O'Halloran	Angas (S.A.)
Graham, Bruce William	North Sydney (N.S.W.)
(1) Gray, George Henry	Capricornia (Qld)
Griffiths, Charles Edward	Shortland (N.S.W.)
Hallett, John Mead	Canning (W.A.)
Hansen, Brendan Percival	Wide Bay (Qld)
Harrison, Eli James	Blaxland (N.S.W.)
Hasluck, Rt. Hon. Paul Meernaa Caedwalla	Curtin (W.A.)
Haworth, Hon. William Crawford	Isaacs (Vic.)
Hayden, William George	Oxley (Qld)
Holt, Rt. Hon. Harold Edward, C.H.	Higgins (Vic.)
Holton, Rendle McNeilage	Indi (Vic.)
Howson, Hon. Peter	Fawkner (Vic.)
Hughes, Thomas Eyre Forrest, Q.C.	Parkes (N.S.W.)
Hulme, Hon. Alan Shallcross	Petrie (Qld)
Irwin, Leslie Herbert, M.B.E.	Mitchell (N.S.W.)
James, Albert William	Hunter (N.S.W.)
Jarman, Alan William	Deakin (Vic.)
Jess, John David	La Trobe (Vic.)
Jessop, Donald Scott	Grey (S.A.)
Jones, Andrew Thomas	Adelaide (S.A.)
Jones, Charles Keith	Newcastle (N.S.W.)
Katter, Robert Cummin	Kennedy (Qld)
Kelly, Hon. Charles Robert	Wakefield (S.A.)
Kent Hughes, Hon. Sir Wilfrid Selwyn, K.B.E., M.V.O., M.C., E.D.	Chisholm (Vic.)
Killen, Denis James	Moreton (Qld)
King, Robert Shannon	Wimmera (Vic.)
Lee, Mervyn William	Lalor (Vic.)
Luchetti, Anthony Sylvester	Macquarie (N.S.W.)
Lucock, Philip Ernest	Lyne (N.S.W.)
Lynch, Phillip Reginald	Flinders (Vic.)
Mackay, Malcolm George	Evans (N.S.W.)
Maisey, Donald William	Moore (W.A.)
McEwen, Rt. Hon. John	Murray (Vic.)
McIvor, Hector James	Gellibrand (Vic.)
McLeay, John Elden	Boothby (S.A.)
McMahon, Rt. Hon. William	Lowe (N.S.W.)
Minogue, Daniel	West Sydney (N.S.W.)
Munro, Dugald Ranald Ross	Eden-Monaro (N.S.W.)
Nicholls, Martin Henry	Bonython (S.A.)
Nixon, Hon. Peter James	Gippsland (Vic.)
O'Connor, William Paul	Dalley (N.S.W.)
Patterson, Rex Alan	Dawson (Qld)
Peacock, Andrew Sharp	Koooyong (Vic.)
Pearson, Thomas Gordon	Franklin (Tas.)
Peters, Edward William	Scullin (Vic.)
Pettitt, John Alexander	Hume (N.S.W.)
Robinson, Ian Louis	Cowper (N.S.W.)
(2) Scholes, Gordon Glen Denton	Corio (Vic.)
Sinclair, Hon. Ian McCahon	New England (N.S.W.)
Sneddon, Hon. Billy Mackie, Q.C.	Bruce (Vic.)
Stewart, Francis Eugene	Lang (N.S.W.)
St. John, Edward Henry, Q.C.	Warringah (N.S.W.)
Stokes, Philip William Clifford, E.D.	Maribyrnong (Vic.)
Street, Anthony Austin	Corangamite (Vic.)
Swartz, Hon. Reginald William Colin, M.B.E., E.D.	Darling Downs (Qld)
Turnbull, Winton George	Mallee (Vic.)
Turner, Henry Basil	Bradfield (N.S.W.)
Uren, Thomas	Reid (N.S.W.)
Webb, Charles Harry	Stirling (W.A.)
Wentworth, William Charles	Mackellar (N.S.W.)
Whitlam, Edward Gough, Q.C.	Werriwa (N.S.W.)
Whitton, Raymond Harold	Balaclava (Vic.)
Wilson, Ian Bonython Cameron	Sturt (S.A.)

(1) Death reported, 15 August 1967.

(2) Elected, 22 July 1967.

(3) Elected, 30 September 1967.

THE COMMITTEES OF THE SESSION

(SECOND PERIOD)

STANDING COMMITTEES

HOUSE: Mr Speaker, Mr Failes, Mr J. R. Fraser, Mr Graham, Mr Hansen, Mr McIvor, Mr Stokes.

LIBRARY: Mr Speaker, Mr Ian Allan, Mr Bryant, Mr Cross, Mr O'Connor, Mr Turner, Mr Wentworth.

PRINTING: Mr Graham (*Chairman*), Miss Brownbill, Mr Bryant, Mr Corbett, Mr J. R. Fraser, Mr Lynch, Mr Stewart.

PRIVILEGES: Mr Clark, Mr Crean, Mr Drury, Mr J. R. Fraser, Mr James, Mr Killen, Mr Peacock, Mr St. John, Mr Turnbull.

STANDING ORDERS: Mr Speaker, the Prime Minister, the Chairman of Committees, the Leader of the House, the Deputy Leader of the Opposition, Mr Bryant, Mr Clark, Mr Drury, Mr Duthie, Mr Fulton, Mr McEwen.

JOINT STATUTORY COMMITTEES

BROADCASTING OF PARLIAMENTARY PROCEEDINGS: Mr Speaker (*Chairman*), Mr President, Senator McClelland, Senator Sim, Mr Arthur, Miss Brownbill, Mr Costa, Mr Luchetti, and Mr Turnbull.

PUBLIC ACCOUNTS: Mr Cleaver (*Chairman*), Senator Fitzgerald, Senator Webster, Senator Dame Ivy Wedgwood, and Mr Collard, Mr Cope, Mr Dobie, Mr Fox, Mr Peters, Mr Robinson.

PUBLIC WORKS: Mr Chaney (*Chairman*), Senator Branson, Senator Dittmer, Senator Prowse, and Mr Bosman, Mr Fulton, Mr Holten, Mr James, Mr O'Connor.

JOINT COMMITTEES

AUSTRALIAN CAPITAL TERRITORY: Senator Wood (*Chairman*), Senator Devitt, Senator Morris, Senator Toohey, and Mr Daly, Mr England, Mr Fox, Mr J. R. Fraser.

FOREIGN AFFAIRS: Senator Cormack (*Chairman*), Senator Bull, Senator Drury, Senator Laught, Senator Mattner, Senator McManus, Senator Mulvihill, Senator Willessee, and Mr Armstrong, Mr Barnard, Mr Beazley, Mr Costa, Mr Cross, Mr Davies, Mr Giles, Mr Hughes, Mr Jess, Mr Killen, Mr Nixon, Mr Peacock, Mr Turner.

NEW AND PERMANENT PARLIAMENT HOUSE: Mr President (*Chairman*), Mr Speaker (*Deputy Chairman*), the Prime Minister (in absence, the Treasurer), the Leader of the Country Party in the House of Representatives, the Leader of the Opposition in the House of Representatives, Senator Devitt, Senator Drake-Brockman, Senator McClelland, Senator Dame Ivy Wedgwood, and Mr Barnard, Mr Birrell, Mr Bryant, Mr Duthie, Mr Drury, Mr Erwin, Mr Giles, Mr Luchetti, Mr Nixon.

PARLIAMENTARY DEPARTMENTS

SENATE

Clerk—J. R. Odgers

Deputy Clerk—R. E. Bullock

Clerk-Assistant—K. O. Bradshaw

Principal Parliamentary Officer—A. R. Cumming Thom

Usher of the Black Rod—H. C. Nicholls

HOUSE OF REPRESENTATIVES

Clerk—A. G. Turner, C.B.E.

Deputy Clerk—N. J. Parkes, O.B.E.

Clerk-Assistant—J. A. Pettifer

Principal Parliamentary Officer—D. M. Blake

Serjeant-at-Arms—A. R. Browning

PARLIAMENTARY REPORTING STAFF

Principal Parliamentary Reporter—A. K. Healy

Second Reporter—W. J. Bridgman

Third Reporter—K. R. Ingram

LIBRARY

Librarian—H. L. White, C.B.E.

Assistant Librarian—L. C. Key

JOINT HOUSE

Chief Executive Officer—R. W. Hillyer

THE ACTS OF THE SESSION

(SECOND PERIOD)

Aged Persons Homes Act 1967 (Act No. 83 of 1967)—

An Act to amend the *Aged Persons Homes Act 1954–1957*.

Air Navigation (Charges) Act 1967 (Act No. 79 of 1967)—

An Act relating to Charges in respect of Commonwealth Air Navigation Facilities and Services.

Appropriation Act (No. 1) 1967–68 (Act No. 66 of 1967)—

An Act to appropriate a sum out of the Consolidated Revenue Fund for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-eight.

Appropriation Act (No. 2) 1967–68 (Act No. 67 of 1967)—

An Act to appropriate a sum out of the Consolidated Revenue Fund for certain expenditure in respect of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-eight.

Australian National University Act 1967 (Act No. 65 of 1967)—

An Act to amend the *Australian National University Act 1946–1966* to provide for Exemption from the Payment of Fees in certain cases.

Banking Act 1967 (Act No. 84 of 1967)—

An Act relating to the Papua and New Guinea Development Bank and to the Australian Resources Development Bank Limited.

Bankruptcy (Validation) Act 1967 (Act No. 75 of 1967)—

An Act relating to the Validation of certain Sequestration Orders.

Canberra College of Advanced Education Act 1967 (Act No. 104 of 1967)—

An Act to establish a College of Advanced Education in the Australian Capital Territory.

Commonwealth Employees' Compensation Act 1967 (Act No. 96 of 1967)—

An Act to increase certain amounts of Compensation payable to Employees of the Commonwealth and to amend the *Commonwealth Employees' Compensation Act 1930–1964* in relation to Decimal Currency.

Commonwealth Employees' Furlough Act 1967 (Act No. 114 of 1967)—

An Act to amend the *Commonwealth Employees' Furlough Act 1943–1959*.

Commonwealth Prisoners Act 1967 (Act No. 58 of 1967)—

An Act relating to Sentences of Imprisonment imposed on, and the Release on Parole of, certain persons convicted of Offences against Laws of the Commonwealth.

Conciliation and Arbitration Act 1967 (Act No. 101 of 1967)—

An Act to amend the *Conciliation and Arbitration Act 1904–1966* in relation to Industrial Matters affecting Flight Crew Officers, and to alter the Title of that Act.

Customs Tariff (No. 3) 1967 (Act No. 68 of 1967)—

An Act relating to Duties of Customs.

Customs Tariff (No. 4) 1967 (Act No. 69 of 1967)—

An Act relating to Duties of Customs.

Customs Tariff (No. 5) 1967 (Act No. 70 of 1967)—

An Act relating to Duties of Customs.

Customs Tariff Validation Act (No. 2) 1967 (Act No. 99 of 1967)—

An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.

Defence Force Protection Act 1967 (Act No. 57 of 1967)—

An Act for the Protection of the Defence Force in respect of its Operations in or near Viet-Nam.

Defence Forces Retirement Benefits (Pension Increases) Act 1967 (Act No. 91 of 1967)—

An Act to provide for Increases in certain Defence Forces Retirement Pensions.

Defence (Re-establishment) Act 1967 (Act No. 89 of 1967)—

An Act to amend the *Defence (Re-establishment) Act 1965–1966* in relation to Re-establishment Loans.

Designs Act 1967 (Act No. 108 of 1967)—

An Act to amend the *Designs Act 1906–1966* in relation to Infringement of Copyright in Designs.

Excise Tariff (No. 2) 1967 (Act No. 82 of 1967)—

An Act to vary the Rates of Excise Duty on Canned Fruit.

Fisheries Act 1967 (Act No. 116 of 1967)—

An Act to amend the *Fisheries Act 1952–1966*.

Income Tax Assessment Act (No. 3) 1967 (Act No. 76 of 1967)—

An Act to amend the law relating to Income Tax.

Income Tax Assessment Act (No. 4) 1967 (Act No. 85 of 1967)—

An Act to amend the Law relating to Income Tax.

Income Tax Act 1967 (Act No. 77 of 1967)—

An Act to impose a Tax upon Incomes.

- Income Tax (International Agreements) Act (No. 2) 1967 (Act No. 86 of 1967)—
An Act to amend the *Income Tax (International Agreements) Act 1953–1966*, as amended by the *Income Tax (International Agreements) Act 1967*, in relation to Withholding Tax.
- Income Tax (Non-resident Dividends and Interest) Act 1967 (Act No. 87 of 1967)—
An Act to impose Income Tax upon certain Dividends and Interest derived by Non-residents.
- Income Tax (Partnerships and Trusts) Act 1967 (Act No. 78 of 1967)—
An Act to impose a Tax upon certain Income derived from Partnerships and Trusts.
- International Grains Arrangement Act 1967 (Act No. 93 of 1967)—
An Act to approve the Signature and Acceptance by Australia of the International Grains Arrangement, 1967.
- International Wheat Agreement (Extension) Act 1967 (Act No. 94 of 1967)—
An Act to approve the Signature and Acceptance by Australia of the 1967 Protocol to the International Wheat Agreement, 1962.
- Loan (Airlines Equipment) Act 1967 (Act No. 113 of 1967)—
An Act to approve the raising by way of Loan of Moneys in the Currency of Canada to be lent to the Australian National Airlines Commission, and for purposes connected therewith.
- Loan Act 1967 (Act No. 72 of 1967)—
An Act to Authorize the Raising and Expending of Moneys for Defence Purposes.
- Loan (Housing) Act 1967 (Act No. 81 of 1967)—
An Act to Authorize the Raising and Expending of Moneys for the purposes of Housing.
- Loan (Qantas Airways Limited) Act 1967 (Act No. 112 of 1967)—
An Act to approve the raising by way of Loan of Moneys in the Currency of the United States of America to be lent to Qantas Airways Limited, and for purposes connected therewith.
- National Health Act (No. 2) 1967 (Act No. 100 of 1967)—
An Act to amend the *National Health Act 1953–1966*, as amended by the *National Health Act 1967*, in relation to Medical Services in respect of which Commonwealth Benefits are Payable and in relation to the Provision of Hearing Aids.
- Natural Gas Pipeline (South Australia) Agreement Act 1967 (Act No. 56 of 1967)—
An Act relating to an Agreement between the Commonwealth and the State of South Australia with respect to a Natural Gas Pipeline from Gidgealpa to Adelaide.
- Nauru Independence Act 1967 (Act No. 103 of 1967)—
An Act relating to Nauru.
- Navigation Act 1967 (Act No. 60 of 1967)—
An Act to amend the *Navigation Act 1912–1966*.
- Parliamentary Retiring Allowances (Increases) Act 1967 (Act No. 92 of 1967)—
An Act to provide for Increases in certain Parliamentary Retiring Allowances.
- Pay-roll Tax Assessment Act (No. 2) 1967 (Act No. 88 of 1967)—
An Act to Exempt from Pay-roll Tax wages paid by the Australian-American Educational Foundation.
- Petroleum (Ashmore and Cartier Islands) Act 1967 (Act No. 124 of 1967)—
An Act relating to the Exploration for, and the Exploitation of, the Petroleum Resources of the Territory of Ashmore and Cartier Islands.
- Petroleum (Submerged Lands) Act 1967 (Act No. 118 of 1967)—
An Act relating to the Exploration for, and the Exploitation of, the Petroleum Resources, and certain other Resources, of the Continental Shelf of Australia and of certain Territories of the Commonwealth and of certain other Submerged Land.
- Petroleum (Submerged Lands) (Exploration Permit Fees) Act 1967 (Act No. 120 of 1967)—
An Act to provide for the payment of Fees in respect of Permits to prospect for Petroleum in Submerged Lands adjacent to the Australian Coast and to the Coasts of certain Territories of the Commonwealth.
- Petroleum (Submerged Lands) (Pipeline Licence Fees) Act 1967 (Act No. 122 of 1967)—
An Act to provide for the payment of Fees in respect of Licences to construct, maintain and operate Pipelines over or under Submerged Lands adjacent to the Australian Coast and to the Coasts of certain Territories of the Commonwealth.
- Petroleum (Submerged Lands) (Production Licence Fees) Act 1967 (Act No. 121 of 1967)—
An Act to provide for the payment of Fees in respect of Licences to recover Petroleum from Submerged Lands adjacent to the Australian Coast and to the Coasts of certain Territories of the Commonwealth.
- Petroleum (Submerged Lands) (Registration Fees) Act 1967 (Act No. 123 of 1967)—
An Act to provide for the payment of Fees in respect of the Registration of certain Instruments under the *Petroleum (Submerged Lands) Act 1967*.
- Petroleum (Submerged Lands) (Royalty) Act 1967 (Act No. 119 of 1967)—
An Act to impose a Royalty upon Petroleum recovered from Submerged Lands adjacent to the Australian Coast or to the Coasts of certain Territories of the Commonwealth.

- Post and Telegraph Rates Act 1967 (Act No. 62 of 1967)—
An Act relating to Postal and Telegraphic Charges.
- Post and Telegraph Regulations Act 1967 (Act No. 63 of 1967)—
An Act to amend certain Regulations under the *Post and Telegraph Act* 1901–1966.
- Public Service Act (No. 2) 1967 (Act No. 115 of 1967)—
An Act to amend the Law relating to the Public Service with respect to certain Leave.
- Repatriation Act 1967 (Act No. 64 of 1967)—
An Act to amend the *Repatriation Act* 1920–1966 so as to increase the Rates of Pensions payable to Children in the case of death of a Member of the Forces, and to appropriate the Consolidated Revenue Fund for the purpose of certain additional Payments resulting from the Increase.
- Sales Tax (Exemptions and Classifications) Act (No. 3) 1967 (Act No. 80 of 1967)—
An Act relating to Sales Tax Exemptions and Classifications.
- Seamen's Compensation Act 1967 (Act No. 97 of 1967)—
An Act to increase certain amounts of Compensation payable to Seamen and to amend the *Seamen's Compensation Act* 1911–1964 in relation to Decimal Currency.
- Seamen's War Pensions and Allowances Act 1967 (Act No. 102 of 1967)—
An Act to amend the *Seamen's War Pensions and Allowances Act* 1940–1966.
- Social Services Act (No. 2) 1967 (Act No. 61 of 1967)—
An Act relating to Child Endowment.
- States Grants (Advanced Education) Act (No. 3) 1967 (Act No. 105 of 1967)—
An Act to amend the *States Grants (Advanced Education) Act* 1967.
- States Grants Act (No. 2) 1967 (Act No. 71 of 1967)—
An Act relating to the Grant of Financial Assistance to the States.
- States Grants (Mental Health Institutions) Act 1967 (Act No. 74 of 1967)—
An Act to amend sections 5, 6 and 8 of the *States Grants (Mental Health Institutions) Act* 1964.
- States Grants (Special Assistance) Act 1967 (Act No. 98 of 1967)—
An Act to Grant Financial Assistance to the States of Western Australia and Tasmania.
- States Grants (Water Resources Measurement) Act 1967 (Act No. 73 of 1967)—
An Act to grant Financial Assistant to the States in connexion with the Measurement and Investigation of their Water Resources.
- Stevedoring Industry Charge Assessment Act 1967 (Act No. 111 of 1967)—
An Act to amend the *Stevedoring Industry Charge Assessment Act* 1947–1966.
- Stevedoring Industry Charge Act (No. 2) 1967 (Act No. 110 of 1967)—
An Act to amend the *Stevedoring Industry Charge Act* 1947–1966, as amended by the *Stevedoring Industry Charge Act* 1967.
- Stevedoring Industry (Temporary Provisions) Act 1967 (Act No. 109 of 1967)—
An Act relating to the Stevedoring Industry.
- Sugar Agreement Act 1967 (Act No. 95 of 1967)—
An Act to approve an Agreement relating to Sugar and certain Sugar Products made between the Commonwealth and the State of Queensland.
- Sugar Industry Assistance Act 1967 (Act No. 117 of 1967)—
An Act relating to an Agreement between the Commonwealth and the State of Queensland in respect of Assistance to the Sugar Industry.
- Superannuation (Pension Increases) Act 1967 (Act No. 90 of 1967)—
An Act to provide for Increases in certain Superannuation Pensions.
- Universities (Financial Assistance) Act 1967 (Act No. 106 of 1967)—
An Act relating to Financial Assistance to States in connexion with Universities.
- Universities (Financial Assistance) Act (No. 2) 1967 (Act No. 107 of 1967)—
An Act to amend the Universities (Financial Assistance) Act 1966 with respect to Approved Rates of Remuneration for Academic Staff of Universities and to the Amounts of Grants to the States in connexion with the Recurrent Expenditure of Universities.
- Wireless Telegraphy Act 1967 (Act No. 59 of 1967)—
An Act to amend the Wireless Telegraphy Act 1905–1966 in relation to Broadcasts from Ships in Waters adjacent to Australia.

THE BILLS OF THE SESSION

(SECOND PERIOD)

Aged Persons Homes Bill 1967—

Initiated in the House of Representatives.

Amended by the Senate. Returned to the House of Representatives.

Copyright Bill 1967—

Initiated in the House of Representatives.

Second reading.

Evidence Bill 1967—

Initiated in the House of Representatives.

Second reading.

Naval Defence Bill 1967—

Initiated in the House of Representatives.

Second reading.

New South Wales Grant (Flood Mitigation) Bill 1967—

Initiated in the House of Representatives.

Second reading.

Patents Bill 1967—

Initiated in the House of Representatives.

Second reading.

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Wednesday, 18 October 1967

Mr SPEAKER (Hon. W. J. Aston) took the chair at 2.30 p.m., and read prayers.

DISTINGUISHED VISITORS

Mr SPEAKER—I desire to inform the House that a delegation from the Parliament of the United Kingdom led by the Right Honourable Lord Stow Hill, Queen's Counsel, is at present in the gallery of the House. On behalf of honourable members I extend a warm welcome to members of the delegation.

PETITIONS

Cigarette Advertising

Mr GRIFFITHS presented a petition from certain electors of the Commonwealth requesting the Government to prohibit the advertising of cigarettes on broadcasting and television stations and to require that a suitable warning of the health hazard of cigarette smoking be displayed on cigarette packets and wherever cigarettes are advertised.

Petition received and read.

Social Services

Mr CREAN presented a petition from certain electors of the Commonwealth praying that the well-being of the aged, the infirm, the widowed, the deserted wives and dependent children, and the service pensioner be improved to parity with the national general living standard of the Australian people.

Petition received.

VIETNAM

Mr UREN—Has the Prime Minister noted the statement by the United States Chief of Staff, General John T. Wheeler, that so far this year American battle dead are more than double those suffered by Vietnamese regulars, who have become increasingly less active on the battlefield? The gap appears to be growing. Can the Prime Minister say whether this is an accurate statement of the diminishing part played by the South Vietnamese Government forces in the war and is it one of the reasons why more Australian forces have been sent to South Vietnam?

Mr HAROLD HOLT—The account given by the honourable gentleman of what General Wheeler has said is an account which I have not myself seen—certainly not in any detail and I imagine it was in much more detail than what has been given to us in the House today. This account does not accord with the authoritative information that reaches this Government from our own observers and from those of other countries. I believe that when account is taken of the fact that the South Vietnamese people have been embattled for the past 25 years and have been actively engaged in warfare in their own country for more than 10 years, the dogged persistence and courage which they have shown is an example that many other countries might well adopt. I think the honourable member makes a most regrettable reference to the fact that the increase in our own forces is due to some lack of application, drive or courage on the part of the forces of South Vietnam. Not only have those forces behaved bravely and well, but also the administration there has already announced, as I reminded the House yesterday, that it will be adding 60,000 additional men to the strength of its services. What Australia can contribute is small by comparison, but we are glad to make a contribution, with other allies, that will enable these people who over the centuries have had such a long history of invasion and aggression to establish themselves in a democratic society and go ahead with their own development as free and independent people.

Sir JOHN CRAMER—Has the Prime Minister noticed that the Leader of the Opposition has expressed himself in the Press this morning as being opposed to the sending of further troops to Vietnam, as announced in the House yesterday? Has the Leader of the Opposition stated on many occasions as his view that all important decisions should first be announced in Parliament and that members should be given an opportunity to debate them? Did the Prime Minister, when making his statement on Vietnam yesterday, give the Opposition an opportunity to debate it? In the event of the Leader of the Opposition having been caught unaware of the importance of his statement, or being unable to make up his mind then, will the Prime Minister make a further opportunity available for a debate to proceed so that we

will be fully aware of the Opposition's view of the matter?

Mr HAROLD HOLT—Yesterday I saw to it that a copy of the text of what I was to state to the House at the end of question time was in the hands of the Leader of the Opposition before or at the time question—

Mr Whitlam—You gave it to me during question time.

Mr HAROLD HOLT—It was as question time began. Anyhow the honourable gentleman had had it for at least three-quarters of an hour before I spoke.

Mr Barnard—How can he look at it during question time?

Mr HAROLD HOLT—I know how sensitive the Opposition is on this matter. If they give me time, I will deal with it. I certainly did not expect the Leader of the Opposition to rise to his feet immediately and comment on a statement of such importance or attempt to present the policies or the views of his Party on such a matter. It may be difficult for him to ascertain them. But at least I thought he would have risen and taken the adjournment of the debate on a motion which was deliberately moved in order to enable this Parliament to debate a statement of great significance to the nation—a statement about which I think it is tremendously important that the Australian people should have an opportunity to know clearly where all sections of this Parliament stand. I confess that I was surprised and indeed rather puzzled when the honourable gentleman did not take the opportunity to move the adjournment of the debate, and therefore the motion that the House take note of the paper was carried without discussion.

Mr Whitlam—We could not get an assurance when it would come up for debate.

Mr HAROLD HOLT—The honourable gentleman did not to the best of my knowledge in the course of question time yesterday, or through his Deputy, seek any assurance from the Leader of the House as to when this debate would be resumed. I make it quite clear that on a matter of this gravity the Government would have met every reasonable request from the Opposition as to the timing of any such

discussion. Far from making a comment then, and apparently without going through the process of consulting his full Party at its normal meeting on Wednesday morning, the honourable gentleman made a statement to the Press outside this House. I pass by the fact that he has often chided Ministers for giving information which was not first released in this chamber, but that is a matter of detail. The substance of his statement was important and should have been in the possession of this House for discussion. I saw the full text of that statement today. Almost every line of it falsifies the position of this Government and of others outside this Government. I give one illustration—the part that says my statement was made at this time in order to create an issue for a forthcoming Senate election. I say to the Leader of the Opposition that that statement is offensive in its implication, which is that I and my colleagues would wilfully hazard young Australian lives for some political advantage, and is cowardly in its application because it was not said to me in this place where it ought to have been said. I believe so firmly that this statement falsely presents the views and attitudes of this Government that at the end of question time I shall seek leave to deal with it sentence by sentence. I hope the House will give me that leave.

PORT OF GLADSTONE

Dr EVERINGHAM—My question is addressed to the Minister for Labour and National Service. Is the Minister aware of the unsatisfactory status of the port of Gladstone where, although attendance money has been paid for some years, the waterside workers pension scheme does not apply? Has the Minister been informed that the chairman of the Gladstone Harbour Board believes that this immediately threatens the continuance of Gladstone's valuable export trade? Will the Minister urgently request or advise the Australian Stevedoring Industry Authority to support an application by the Waterside Workers Federation for A class status for Gladstone, which is now anomalously classified A seasonal?

Mr BURY—I assume that in part the honourable member is referring to the forthcoming arrangements for permanent employment. Is that so?

Dr Everingham—Yes.

Mr BURY—These, of course, still have to be approved by this House; they cannot come into effect until the Parliament has passed the necessary enabling legislation. In the initial stages some time ago it was announced that certain ports would be permanent. The circumstances at other ports differ quite widely and arrangements for them will have to be made and brought into being according to these circumstances, which could well change. A port's classification will continue to depend largely on the volume and regularity of traffic it handles and arrangements will vary accordingly. We shall look carefully at the port of Gladstone, as we shall at other ports.

All these arrangements are necessarily in a state of flux and are likely to remain in this state for some considerable time after the new scheme is brought into operation. The Government will introduce enabling legislation, I hope before the House rises, to bring these proposals into effect on a 2-year trial basis. We will not scrap but only suspend existing arrangements until the trial proves that the scheme is workable. The new scheme itself will have to be adapted, even no doubt, from month to month, according to practical experience gained in its operation. But the honourable member can rest assured that we will make appropriate arrangements and take account of any expansion of trade and changes that take place in the port of Gladstone.

AUSTRALIAN ARMY THIRD BATTALION

Mr JESS—Is the Minister for the Army aware of a statement made in the 'Australian' of today's date that the 3rd Battalion, Royal Australian Regiment, would not be ready for combat duty until March next year? Can he advise me whether this statement is correct?

Mr MALCOLM FRASER—The statement is not correct. No battalion would be sent to an overseas theatre of war unless its training had brought it to the proper standard of preparedness. I can understand the reference to the month of March only because of the fact that this battalion had expected to relieve the 7th Battalion, which would be due for relief in March next year. It has been the policy to keep

battalions in Australia at as high a state of preparedness as possible, and after the 8th Battalion, which has recently gone to Malaysia to relieve the 4th Battalion, the 3rd Battalion is the next most prepared battalion in Australia. It has gone through the full programme of training customary for battalions before they go overseas. The advanced cadres went to Canungra on 19th May this year, and training ended there on about 16th August. Since then there has been a battalion exercise at Shoalwater Bay between 12th and 30th September, and at the moment the battalion is training at Cultana in South Australia. The Australian Army has a reputation for maintaining the highest possible standards of training. This is widely recognised. These standards will be maintained.

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

Mr J. R. FRASER—I ask the Minister for the Interior: Will he take the earliest opportunity to consider the statement of duties of the Joint Committee on the Australian Capital Territory established by resolutions of both Houses of the Parliament? Does he recognise that apart from examining and reporting on proposed variations of the approved plan of the city of Canberra the Committee may examine and report on only such other matters relating to the Australian Capital Territory as may be referred to the Committee by the Minister for the Interior? Will the Minister recognise that the Committee, which could be a valuable watchdog over the development of Canberra, is being maintained as a tame cat, not permitted to forage for itself but required to subsist on such scraps as are thrown to it by the Minister? Will the Minister consider seeking statutory backing for the Committee, placing it on all fours with other statutory committees of the Parliament? Will the Minister accept my assurance that members of the Committee from all parties are thoroughly frustrated with the limitations placed on their activities and that, in the vernacular, they are jack of the whole situation?

Mr NIXON—I am aware of the activities of the Committee. As I understand it, the previous Minister for the Interior was in the

habit of passing to the Committee certain matters for investigation by it. One matter which he recently asked the Committee to investigate was the control of freehold lands, which I would think is a very wide and important subject. Having regard to the sort of topic which occupies the attention of the Committee—and this is the only one I know about at present—I would consider that the Committee has a proper function and fairly wide-ranging powers. However, I will take heed of what the honourable member has said and will have a closer look at the situation.

HMAS 'PERTH'

Dr MACKAY—Has the Minister for the Navy received a report that HMAS 'Perth' has been hit by gunfire off the coast of Vietnam? Can he make some statement to the country with regard to any casualties that there may have been on board the vessel?

Mr CHIPP—Two or three minutes before question time I received a signal from the captain of 'Perth' to the effect that it had been hit by gunfire off Vietnam. The signal contained a request that I make a public announcement as soon as possible. The signal was in these terms:

Request public announcement be made that all are fine in 'Perth'. The four casualties were not serious, and normal reporting action has been taken. I am proud to report that my ship's company were magnificent under heavy and accurate hostile fire.

FOOTBALL

Mr BEATON—My question to the Attorney-General involves the subject of football. When I speak of football I refer to the national game as played in Victoria and some other States. I do not raise the matter frivolously. I refer to the decision by the Victorian Football League to divide Victoria and some parts of South Australia and New South Wales into zones which would in future be the sole preserves of individual Victorian Football League clubs for the recruitment of players. I ask the Attorney-General: Is he aware that the individual freedom of young men throughout these zones and the States that I have mentioned is being threatened? Will he examine the position to determine whether, as this matter involves persons in three States, the

Commonwealth can give protection to individuals concerned and so ensure that they may engage in what is a profession for many—and certainly is our national game—wherever and whenever they so desire?

Mr BOWEN—Mr Speaker, from what the honourable member has said, the only concern in my mind is whether I should refer the matter to the Commissioner of Trade Practices. The doubt that I have in that regard is that the Trade Practices Act refers only to the protection of goods and services. Having been familiar with a different game of football, I entertain very strong doubts indeed as to whether the game to which the honourable member refers can be described as one in which any services whatever are performed.

ROADS

Mr ENGLAND—My question is directed to the Minister for Shipping and Transport. Is the Minister aware that the road needs survey arranged by the Commonwealth Bureau of Roads in conjunction with the National Association of Australian State Road Authorities is causing real concern to local government bodies in New South Wales? Is this concern apparent in other States? Has the Minister been advised that numerous councils consider that unrealistic, tolerable standards of engineering and road speeds laid down for this survey give a seriously misleading view of road needs in country areas and tend to exaggerate road needs in city areas?

Mr FREETH—I have not been made aware of any concern by any local authorities on this matter. The Commonwealth Bureau of Roads has had a very large task to undertake since its formation in advising the Commonwealth Government of road needs throughout Australia in time for the next Commonwealth Aid Roads Agreement. We have had no report from the Bureau on this matter as yet. I suggest to the honourable member that we should all possess our souls in patience and see what the report of the Bureau contains.

NEW YORK SUB-TREASURY

Mr BARNARD—My question is directed to the Acting Treasurer. I refer the honourable gentleman to criticism by a

senior Treasury official before the Parliamentary Public Accounts Committee yesterday. A First Assistant Secretary of the Treasury criticised the New York sub-Treasury for accounting inefficiency and poor quality of clerical staff. Do these criticisms reinforce critical comment on the conduct of the sub-Treasury in recent reports from the Auditor-General? What is the Treasury doing to improve the efficiency of its operation in New York? In particular, what is being done to find competent staff for the New York office?

Mr BURY—Owing to an overwhelming rush of business, I have not yet had time to read what was put before the Public Accounts Committee yesterday. However, I have obtained copies of all the material. I will not guarantee to take these copies out of the top of the pile in a day or so but I will look at the matter. Having looked at it, I will confer with the Treasurer on his return.

I would like to add, in case there is any doubt on this score, that the highest efficiency, ability, and traditions of the Public Service are to be found in the Department of the Treasury, although my own Department happens to have within it a large number of graduates. I do not know whether the honourable member is aware of this, but it is much more difficult to run in New York an office of this kind. Even in the best regulated offices, mistakes will occur. Unfortunately, or perhaps fortunately, all human beings, even the best officials, are not infallible. This matter will certainly be put right, particularly as it has been drawn to the attention of the House and, through the Press, of the public generally.

TARIFF POLICY AND FOREIGN EXCHANGE

Mr IRWIN—My question is directed to the Minister representing the Treasurer. Has his attention been directed to the statement of Dr Coombs, Governor of the Reserve Bank, and the report of the Tariff Board in which suggestions were made that customs and tariff policies should be reviewed? Will he consider the advisability of calling a conference of bankers and other expert officials to consider whether we should have a more flexible policy in rela-

tion to foreign exchange rates? Is he aware that the London-Australia exchange rate has not been altered since 1930?

Mr BURY—I did see a Press reference to an address by Dr Coombs to a body in Victoria. I have not read the statement. Interested though I am in this subject, it is one of the documents I will probably not have time to read. It must be understood that at the time of his address Dr Coombs would be expressing his personal views to a body of people interested in these matters. I saw another Press report which revealed that many of these people did not agree with him. However, the Government's policies are well known. They are enunciated through the Minister for Trade and Industry. I have not read the report of the Tariff Board. That will be reading set aside for a long time ahead. So I cannot refer to it.

The honourable member asked about exchange rates. In the first place the stability of exchange rates has been at the very kernel of the economic policies of successive Australian governments of all colours. This is one of the linchpins of stability. Moreover, apart from our own interest in this subject, which would take a long time to expound, we have an obligation to other countries through the International Monetary Fund not to vary our exchange rates without the agreement of the Fund. This requires a condition of fundamental disequilibrium, which it would be impossible to argue was the position in Australia today. If we did vary our exchange rates, we certainly would be looked at askance by other countries. Generally, variations of exchange rates impose uncertainties on trade and investment, and these are vital to our economy. If this matter were to be discussed, I should think the last place in the world to do so would be at a conference. In the first place, there is between the banks, including the Reserve Bank, and the Treasury and all the people who are really competent to pronounce on these matters, a close, intimate, almost daily association. Calling a conference would mean, I presume, the issue of Press statements and public relations activities. The whole issue would become confused, as so many are, in clouds of publicity. This mode of procedure would not be suitable for a subject such as exchange rates.

TROOPS RETURNING FROM VIETNAM

Mr E. JAMES HARRISON—My question, which is addressed to the Minister for the Army, relates to leave and pay arrangements at Mascot for troops returning from Vietnam. The Minister will recall that he said some time ago that he was investigating the possibility of remedying the disability that now exists. Has he yet completed his investigations and is he able to provide for leave and pay arrangements for troops returning from Vietnam on draft to be finalised at Mascot and the present inconveniences avoided?

Mr MALCOLM FRASER—I thank the honourable member for reminding me of this matter. As I recall, the Department of the Army was negotiating with the Department of Civil Aviation for space at Mascot in which it would be able to accommodate staff to deal with these things adequately. I will immediately chase the matter up to see what the current situation is and advise the honourable member.

AIR ACCIDENT AT WINTON, QUEENSLAND

Mr GIBSON—I preface a question to the Minister for Civil Aviation by referring to the report of the Chairman of the Winton Board of Accident Inquiry, in which he observes that it is a matter of the greatest concern that neither the Canadian nor the British West Indian occurrences of fires in cabin blowers were known in Australia until after the Department of Civil Aviation investigation of the Winton crash. The Board recommended that conclusions as to all aircraft fires should be widely circulated and called for action on the international level. Can the Minister say what the existing organisation is at the international level and what steps the Government has taken to see whether the Board's recommendation can be implemented?

Mr SWARTZ—Very shortly we will be taking up through the International Civil Aviation Organisation what we believe to be the correct procedure. That is that there should be an interchange of information in relation to accidents and incidents by all countries who are members of ICAO. We did attend a meeting conducted by ICAO

on safety in the air a little over 12 months ago in Montreal. On that occasion we pressed very strongly for the interchange of information on accidents and incidents. I think we were then the only country to sponsor the proposal. Unfortunately our suggestion was not accepted. As a result, whilst countries concerned do supply information resulting from accidents, incident reports are not submitted. Therefore, we did not have the information in regard to the two particular incidents, which did not cause accidents, to which the honourable member referred.

Our air safety system in Australia is, perhaps, tighter and more extensive than in most other countries. It is obligatory on pilots and other air crew as well as other people associated with the aviation industry to see that every accident and incident is reported. Each week I have submitted to me a list of every accident and incident that occurs within Australia and our Territories. We later publish these in a publication known as the 'Aviation Safety Digest'. This is put out by my Department about every quarter and it contains a summary of most information gathered within the Department.

In addition, when matters arise such as the accident at Winton and we find, following an expert investigation, that a cause had shown up, we directly advise all the other countries throughout the world which are known to be operating the aircraft concerned. As a result of this action, I think that within 24 hours most countries would have received the information. We also send information to ICAO. No doubt, in regard to the Winton crash, other countries adopted modifications to Viscount aircraft similar to those which we made. However, following the report of the Board of Accident Inquiry, we will again take this matter up with ICAO to see whether the present system of accident reporting can be extended throughout the world to include the reporting of incidents.

AUSTRALIAN ARMY

Mr BIRRELL—My question is directed to the Minister for the Army. Is there any difference between conditions, such as rates of pay, hospital, medical and dental treatment, recreation leave, married accommodation and other like amenities applicable to

Regular Army personnel and those applicable to national servicemen of equal rank serving either in Australia or in a war zone? If so, what is the reason for any discrimination that does exist?

Mr MALCOLM FRASER—I think the only possible difference that might occur could be amongst some of the married national servicemen compared with regulars who are also married. There has been a shortage of married quarters available for Army officers in different areas throughout Australia and therefore a points system has been established which will give soldiers priority in accordance with the number of points they gain. Under this system priority depends on the length of time men have been in the Army, whether they have had overseas service and a number of other matters of this kind. A national serviceman with a 2-year term of service is obviously not going to be so well placed as a long term serviceman will be. Not a great number of national servicemen are married. I have not heard of any particular hardship as a result of a married national serviceman not being able to find quarters for his family. If the honourable member has any particular instance in mind I will examine it.

IMMIGRATION

Mr McLEAY—My question is directed to the Minister for Immigration. In view of the reported statements last Friday attributed to the Minister of Immigration in the South Australian State Government, will the Minister give some information to the House on the latest trends in the distribution of migrants between the States and on the factors which determine the numbers which go to any particular State on arrival in Australia?

Mr SNEDDEN—The Commonwealth has not a great deal of power to decide the destination of migrants. It has that power only in respect to about one-fifth of the migrants because they are Commonwealth sponsored. The remaining four-fifths go to the places to which they are attracted by their sponsors, whether the sponsor be a friend, a relative, an employer or a State nomination scheme. So in these cases the destination of migrants is largely deter-

mined by the people in the area concerned. So far as the destination of migrants overall is concerned, in four States the pattern has been very much the same. The two States where there is a difference are Western Australia and South Australia. In Western Australia there has been a marked increase and in South Australia there has been a marked decline in immigration. I hope that the situation in South Australia will improve so that South Australia can attract the number of migrants that it was able to attract in previous years. I think it is very important that I should say that the circumstances which exist in South Australia and which have resulted in the present situation are not factors operating throughout the whole of Australia.

ANNIVERSARY CELEBRATIONS

Mr CROSS—I preface a question to the Prime Minister by saying that the right honourable gentleman is well aware that 20th April 1970 is the 200th anniversary of the sighting of the Australian coast by Lieutenant James Cook, RN. In view of the great importance of that occasion to the British settlement of Australia will he advise the House whether his Government proposes to celebrate this important anniversary in an appropriate way? Will he indicate what the Government proposes to do? If the Government has no proposal at present will he give consideration to a celebration of this important occasion?

Mr HAROLD HOLT—I agree with the honourable gentleman that this was a notable historic event in the life of this country and it should certainly be suitably commemorated by the Government and the people. Some time ago the Government did indicate a willingness to give financial support to a proposal to construct a replica of the 'Endeavour' and have it sailed to Australia in a way which would help to celebrate that notable voyage almost two centuries ago. I cannot say with any precision at what stage the governmental consideration stands at the present time, but I do know that officers in my Department have been looking at this matter and considering ideas which have been submitted to us. I can assure the honourable gentleman that I share his desire to see the occasion suitably commemorated, and we will be looking for ways and means to achieve this.

CONTAINERISATION

Mr CORBETT—My question is addressed to the Minister for Trade and Industry. Recently considerable prominence was given in the Queensland Press to the fact that shipping lines were interested in using Brisbane as a main container port. In view of this, can the Minister advise the House of likely developments in relation to Brisbane becoming a direct port of call for overseas container cargoes?

Mr McEWEN—The essential principle of getting maximum economical use out of overseas container cargo vessels is that the ship carrying the containers must make the quickest possible turnaround and spend the maximum time at sea. For this purpose, one of the requirements is that a ship shall call at a minimum number of ports. The two great consortia of shipping lines which propose to operate out of Great Britain to Australia will operate only into Fremantle, Melbourne and Sydney. Precisely the same service will be provided to other capital cities as though the ships went to those ports. Other capitals will have the same frequency and the same freight rates. These services will be provided by feeder lines operating along the Australian coast. They will pick up freight at Brisbane, for example, and no doubt will make deliveries in Sydney. Therefore, the same amount of cargo will be handled in containers, at the same freight rate and with the same frequency. Brisbane will have all of the advantages and none of the disadvantages so far as the container services to operate to Great Britain are concerned.

On the other hand, there is an American shipping line, the Farrell Line, which has announced that by 1970 it will be operating 4 or 5 container ships across the Pacific to the United States of America and other adjacent areas. I understand that the Farrell Line has decided that it will use Brisbane as one of its principal ports. Brisbane will be a principal port for the Pacific container service.

There will be container services operating also between Australia and Japan. I understand that Japanese interests are actively engaged in studying ports at which their container ships will turn round. According to advice I have received they have not yet reached a decision. However, neither

Brisbane, Adelaide nor Hobart will be at any disadvantage because of containerisation. They will have all the advantages of containerisation, as if they were principal turnaround ports.

ROYAL AUSTRALIAN AIR FORCE RECRUITING

Mr HANSEN—I ask the Minister for Air: Are recruiting officers in the capital cities kept up to date with requirements for the various musterings in the Royal Australian Air Force? Will the Minister inquire into the number of applicants for specific musterings who were told that there were no vacancies in those particular musterings and were offered alternative positions such as stewards, etc., although extensive advertising is continuing in the Press, and on radio and television for the musterings concerned?

Mr HOWSON—Generally, as honourable members know, the Minister for Defence is responsible for recruiting. I know that at the moment there are a number of Royal Australian Air Force musterings that are filled and we cannot take more recruits for them for the time being. But there are other musterings which are well under strength and for which we are seeking recruits. If there are particular matters of which the honourable member has knowledge, and if he will let me have the details, I will investigate them.

PUBLIC ACCOUNTS COMMITTEE

Mr DOBIE—My question is addressed to you, Mr Speaker. I refer to the question asked by the Deputy Leader of the Opposition regarding the public inquiry being held at this time by the Parliamentary Public Accounts Committee. Is it the usual practice of the House to allow discussion of or questioning about evidence being given to joint parliamentary committees in anticipation of reports that will come forward after due consideration by the committees? Would you agree that such habits are likely to prejudice the successful and essential work of the joint parliamentary committees?

Mr SPEAKER—The question was quite in order. The Public Accounts Committee is conducting a public inquiry and the evidence before it is being heard in public.

COPYRIGHT LEGISLATION

Mr SCHOLES—Can the Attorney-General inform the House whether it is the Government's intention to bring forward the Copyright Bill during this session of the Parliament?

Mr BOWEN—It has been the Government's intention to bring this Bill forward. The House will recall that the second reading speech was delivered on 18th May and the Bill has been available since then. However, in the meantime a great many representations have been made to the Government by various interested organisations and people, including university professors. These have been under consideration and as a result the Government has agreed to the inclusion in the Bill of a number of useful amendments. Upwards of 100 amendments so far have been considered. Representations are still being received and deputations interviewed. I saw a deputation last night and have an appointment with another deputation this evening. The difficulty is the question of time. It is becoming doubtful whether it will be possible to debate, before this session ends, the Bill and the amendments which the Government thinks should be incorporated in it. I should have some definite information by the end of this week about whether or not it will be practicable to debate the Bill this session.

VIETNAM Ministerial Statement

Mr HAROLD HOLT (Higgins—Prime Minister)—by leave—I wish to make a statement on the Press statement issued by the Leader of the Opposition (Mr Whitlam) following the statement that the House gave me leave to make yesterday in relation to the dispatch of additional Australian forces to Vietnam. As I said earlier at question time, the Leader of the Opposition, not having chosen to take the opportunity of debate in this chamber either yesterday or at another time by securing the adjournment of the debate on the motion that the House take note of my statement about the Government's decision to dispatch additional forces to Vietnam, subsequently made a statement to the Press. The text of that statement did not come into my possession until a few minutes before I came into the House today. It is not a long state-

ment and in order that I may deal with it appropriately I think the House should have before it the full text. The Leader of the Opposition issued it as a Press statement, and I do not imagine that he will challenge it. The statement, which is dated 17th October, is as follows:

It is wrong for the Government to intensify a war to which it does not see an end and to which it will not help to put an end. The Prime Minister has emphasised the open-ended nature of Australia's commitment in the open-ended war in Vietnam. He expresses no confidence that Australia's further contribution will induce Hanoi to cease infiltration or the Vietcong to lay down their arms. He refuses to take any initiative to bring about a cessation of the bombing of North Vietnam or to secure the armistice, amnesty and asylum required in South Vietnam.

The Australian Government has ignored, in fact rebuffed, the great majority of the world's Foreign Ministers who in their addresses to the United Nations General Assembly in the last month have urged a stop to the bombing. The Australian Government has denied its support to Mr McNamara and other Administration witnesses who have testified before U.S. Senate Committees against escalation of the war. On the contrary, in the context of statements made by the Minister for External Affairs and the Treasurer in the United States, it is plain that the influence of the Australian Government will continue to be used and urged in support of policies which have proved diplomatically futile and militarily negligible.

The Prime Minister has at last abandoned the fiction so sedulously adhered to by his predecessor that all requests for increased aid must originate with the South Vietnamese Government. He adheres to the other well established practice of announcing important defence decisions on the eve of national elections.

Many honourable members will already have formed an impression that the statement was too clever by half. I propose to demonstrate that it is not even true by half. I intend to deal with it sentence by sentence, because every proposition put forward either falsifies the position of this Government or of other people who are not inside this Government but have come within the scope of the statement. Let us take the first proposition: 'It is wrong for the Government to intensify a war to which it does not see an end and to which it will not help to put an end'. This Government does see an end. It sees an end to the war from one of two causes—either as a result of military victory by the allied forces in support of South Vietnam or by a political negotiation. We shall continue our efforts to bring about an end to this

war until one or the other of those goals has been attained.

We do not rate ourselves as a great power in these matters and our contribution is limited and small by comparison with that of the South Vietnamese and the United States of America, but in our own way we are helping to put an end to the war by either of the two means I have mentioned—either by insisting on procuring a military result that will determine the issue, or by joining with our allies in consultation and in decision directed to a political solution of the war. The Leader of the Opposition's next proposition was: 'The Prime Minister has emphasised the open-ended nature of Australia's commitment in the open ended war in Vietnam.' Both propositions are false. Our commitment is not an open-ended commitment. Yesterday, using the words quite deliberately, I said that this was a 'measured contribution', as indeed every contribution that we have made so far has been a measured contribution—measured against our resources, against the commitments that we have in other directions and against the obligations we have as an Australian Government in relation to the other great national policies that we are trying to pursue. So it is not an open-ended commitment. It is certainly not an open-ended war. We, with the United States, have made it clear that our goal is limited. Our goal is resistance to aggression. We have no wish to destroy North Vietnam's economy or its people or its structure of government. So in that very realistic sense it is not an open-ended war. The objectives have been clearly stated.

The Leader of the Opposition's statement continues:

He expresses no confidence that Australia's further contribution will induce Hanoi to cease infiltration or the Vietcong to lay down their arms.

I have expressed confidence that the contribution which we and our allies together will make will lead to an improvement in the military field and will encourage a negotiation in the political field. That is where I stand confident at this time. The Leader of the Opposition's statement continues:

He refuses to take any initiative to bring about a cessation of the bombing of North Vietnam or to secure the armistice, amnesty and asylum required in South Vietnam.

Again, I have made the position of the Australian Government entirely clear. As we said at the Manila Conference, we join with our allies in proposals directed to negotiation. We have indicated, as I did again yesterday, that we are flexible. The United States Government, in a statement in which we concur, says: 'We do not lay down prior conditions for these discussions'. So we for our part, realising that in the eyes of Hanoi we do not have the significance that many of the other countries have—and there have been more than forty-four attempts, as I understand it, to enter into negotiations directly with Hanoi—do not delude ourselves that Australia would have success where forty-four other attempts have failed, but we will join with others, as we have always been willing to do, in any effort to secure a peaceful negotiation.

Mr Devine—What have you done?

Mr HAROLD HOLT—I have tried to tell you, but I am sorry that on this and other occasions the message has not got through. Again I quote the Leader of the Opposition:

The Australian Government has ignored, in fact rebuffed, the great majority of the world's Foreign Ministers, who in their addresses to the United Nations General Assembly in the last month have urged a stop to the bombing.

If by that it is meant that we have made perfectly plain where we stand in relation to the bombing, I have made that clear. I have made it clear that we would not urge on the United States a cessation of the bombing unless there was an answering response from Hanoi, unless there was a cessation of their military activity as the bombing pause proceeded. When the Leader of the Opposition talks about our rebuffing the world's Foreign Ministers, does he include all the Foreign Ministers of the free countries of Asia, the countries with which the welfare and future of this country are so intimately bound up? I do not know a Foreign Minister of one of the free countries of South East Asia and the Pacific region who is urging a cessation of the bombing by the United States. They fully support it. I know the attitude of honourable members opposite. The Leader of the Opposition summed it up in the phrase 'Australia is America's only respectable ally'. That is the view he takes of the free countries of Asia and the Foreign

Ministers of those countries. Our position on that matter is clear. We stand with those who have to fulfil their destiny and build their future and maintain their security in that area of the world.

The honourable gentleman says:

The Australian Government has denied its support—

I ask the House particularly to note this passage, because it is consistent with some of these other loose allegations which have come from the honourable gentleman in recent times—

to Mr McNamara and other Administration witnesses who have testified before United States Senate committees against escalation of the war.

I cannot talk of the other Administration witnesses because here again the honourable gentleman throws a smokescreen of anonymity around them, but when he invokes Mr McNamara as someone who is opposed to the escalation which has recently occurred, in the sense that bombing has been intensified and that 45,000 additional American troops are to be supplied, then he not only states falsely the position of Mr McNamara but he also does him a great disservice in respect of the American Administration which he has served so loyally and devotedly.

Then the Leader of the Opposition goes on to say:

In the context of statements by the Minister for External Affairs and the Treasurer, in the United States it is plain that the influence of the Australian Government will continue to be used and urged in support of policies which have proved diplomatically futile and militarily negligible.

Mr Bryant—How true.

Mr HAROLD HOLT—I would expect the honourable member to agree with him, at least on that point. But we do not believe that our policies have been diplomatically futile. Certainly a course of action which ties up hundreds of thousands of the North Vietnamese work force, destroys a great deal of that country's war material and inhibits the movement of troops and equipment which would otherwise be brought into effect against allied forces, South Vietnamese forces and Australian forces, is not an action which is militarily negligible.

The honourable gentleman goes on to say:

The Prime Minister has at last abandoned the fiction so sedulously adhered to by his predecessor

that all requests for increased aid must originate with the South Vietnamese Government.

The plain fact of this matter is that we have received a general request from the South Vietnamese Government. We know that the South Vietnamese Government will welcome whatever additional support we can give either in the military field or in the field of civilian aid. Before our decisions were formally communicated to the public we had been in touch with the Administration of South Vietnam, saying what we were willing to do and ensuring that this would accord with the wishes of the Government of South Vietnam—as of course it did.

Then there is the honourable gentleman's final proposition. He says:

He adheres to the other well-established practice—

A categorical statement, defamatory in its implication—

of announcing important defence decisions on the eve of national elections.

This brings me back to what I said at question time today. This carries an implication so offensive that one would not have expected it to come from any political leader in this country. It is an implication that the elected representatives of the Australian people in this national Parliament would wilfully sacrifice young Australian lives for some political advantage of their own. As I said before, it is offensive in its implication. But it is also noteworthy that it was not said to my face in this chamber. Having deserted the chamber of the House of Representatives for the more comfortable seclusion of his office in this building, the honourable gentleman gave out the statement there, and so when I said that it was cowardly in its application I meant every word of that comment. But it is not even accurate. I do not suppose we expect accuracy or reliability from the honourable gentleman. At the outset I said that these statements would be demonstrated to be not even half true. Well, this is the nearest he gets to even a half truth. The first announcement made during my own period of office about an increase in Australian forces was not made on the eve of an election. It was made on 8th March 1966. The second statement made by me was not made on the eve of an election but about a month after the election, on

22nd December 1966, and in making that statement I said:

As I indicated in statements before the elections it is the policy of the Government to review from time to time the Australian contribution to the security of Vietnam. I have already said on behalf of the Government on several occasions that Australia is determined to make, with others, a fitting and responsible contribution in the light of our capacity and other commitments to the winning of peace and stability in Vietnam.

That brings me to this third statement. Neither of the other two was made on the eve of an election, and therefore where the well-established practice comes in we have yet to be shown. This third statement was made on 17th October, some weeks, certainly, before an announced Senate election campaign. It is very well known around this House that the Government has had under review for some considerable time—quite apart from the periodic review that I said we make of our contribution in this area—the action taken and publicly declared by the United States of increasing its forces in South Vietnam by 45,000, and also the announcement by South Vietnam of its intention to increase its forces by some 60,000. We know that the other allies of the Manila Conference group are considering what contributions they can make. What were we to do, having reached a point where we felt able to make a contribution? Indeed, in respect of some defence elements we had strong and pressing requests from our military people in the area for additional support, particularly the tank squadron support, so as to ensure greater security for our own forces there. Were we to hold our decision over until after the Senate election? The honourable gentleman might then have said—no doubt he would have—that the Government had hoodwinked the Australian people by not being honest with them and telling them in advance what it was going to do.

I may say that the question of the provision of a third battalion has been before this Government for a considerable part of this year, but there were military considerations earlier in the year which seemed to us to make it inappropriate that the forces should then be sent. When we were able to send the troops and the other elements we made an announcement of our intention as soon as we were in a position to do so, after having had our consulta-

tions with New Zealand, with the governments of other countries and finally with the Government of South Vietnam itself.

That is the simple history of the matter. I think that in the light of those facts honourable members will be able to assess for themselves how much validity there is in the Press statement that was made outside this chamber by the Leader of the Opposition. I have now made my statement on what he said. The opportunity exists for him, if he wishes to take it, to make his own comment in the place in which it should be made, in the chamber of the House of Representatives.

Mr. WHITLAM (Werriwa—Leader of the Opposition)—by leave—**Mr Speaker**, once again the honourable member for Bennelong (Sir John Cramer), the retired Minister for the Army, has stepped on to the national stage with a well prepared question for the Prime Minister (Mr Harold Holt) who has a well prepared reply to it. On the previous occasion when he performed this function he raised a question about Labor clubs in the universities. The Prime Minister then deigned to allege that these were associated with the Australian Labor Party although he would have known, had he ever interested himself in universities in the last 30 years, that they are not and never have been.

The Prime Minister takes umbrage at my allegation about the timing of this announcement. It is certainly not my allegation alone. Let me quote from the chief political correspondent of the 'Age' who today reported:

Even before the Prime Minister had finished speaking, politicians of all parties were describing the coming poll as a khaki election.

Under the heading 'Towards a Khaki Election', the 'Australian Financial Review' today states:

The timing of Mr Holt's announcement of a further increase in the Australian military commitment to Vietnam ensures that the Senate poll scheduled for November 25th will be a khaki election.

Again, I quote from the 'Australian' of today's date which under the heading 'Towards the status of a satellite', states that the Prime Minister's announcement:

... varied in only two significant points from that delivered 2½ years ago by Sir Robert Menzies, when Australia entered the war as a

combatant. Sir Robert stressed that the commitment was the result of a specific request from the Government of South Vietnam and he viewed the war 'as part of a thrust by communist China between the Indian and Pacific oceans'. For other obvious reasons, these were missing from yesterday's speech.

The editorial proceeds:

Something that has not changed, however, since Sir Robert's days is the extraordinary frequency with which critical defence decisions coincide with national election campaigns.

Mr Speaker, this supposedly offensive allegation about timing is very widespread. The Prime Minister protests too much. I have not said that defence decisions are only made at election times. I do say, and I shall demonstrate, that defence decisions are always made at election times.

I go back to the 1963 House of Representatives election. The parliamentary session ended on 30th October of that year. On the very day that the House was dissolved, the then Minister for Defence came back from the United States of America where he had negotiated a deal for the TFX aircraft, now known as the F111A. Two days before the return of the Minister for Defence, the Prime Minister stated in answer to a question on this very deal:

I am not at the moment at liberty to give a precise figure of the cost although I will discuss it with my colleague when he returns here on Wednesday afternoon.

Mr Harold Holt—That was the then Prime Minister?

Mr WHITLAM—Yes. Sir Robert Menzies, speaking two days before the House rose for the 1963 House of Representatives election. The then Prime Minister went on to say:

All I can say is that if any honourable member on either side of this House had put before him a proposition, arising from the mass production techniques in the United States, so immeasurably favourable to the taxpayers in terms of pounds, shillings and pence, he could not have rejected it. That is where we stand.

Two days later, the House rose for the House of Representatives election.

Then, in 1964, on the last day on which this House sat before the Senate election, we accelerated through all stages the National Service Bill introducing conscription for overseas service for war in New Guinea against Indonesia. There was no suggestion of conscription for service in Viet-

nam or in any part of South East Asia. It was to protect Australia against Indonesia just as the F111 aircraft was required to protect Australia against Indonesia. In 1966, before the House of Representatives rose for the House of Representatives election, the last two days of the session were taken up with debating the communique of the Manila Conference which was held just before the United States Congressional election and just before the Australian—

Mr SPEAKER—Order! I remind all honourable members that interjections are out of order. I ask honourable members to restrain themselves.

Mr WHITLAM—I was pointing out that the last 2 days before the House of Representatives was dissolved for the 1966 election were spent debating the communique of the Manila Conference which was held just before the United States House of Representatives election which, as it happened, was about the same time as the Australian House of Representatives election.

The dogs have been barking for the last week that the Prime Minister would announce this week another battalion for Vietnam and that the debate would be postponed until the closing week of this session. I recapitulate that in the last week before the 1963 election for the House of Representatives election, the very last day on which the House of Representatives sat before the Senate election in 1964, and the last 2 days on which the House of Representatives sat before the 1966 House of Representatives election, debate turned on major defence policies. This is not a mere coincidence. It is part of a technique. The Government believes that by appealing to people's patriotism and by making very proper tributes to the gallantry of Australian soldiers in Vietnam, it can obscure all other issues in the forthcoming Senate election. The Government is hoping to have a khaki election, as so many people in this House and outside it have pointed.

During question time the Prime Minister mentioned that he had given me his text some three-quarters of an hour before he spoke yesterday. He did. His script is by his

own signwriter. It is typewritten in magnified print. I received this copy during question time. The practice which the right honourable gentleman has usually followed and which the Minister for External Affairs has followed is to give me a copy of important speeches about 2 hours beforehand and sometimes considerably earlier than that.

Mr Harold Holt—That is when the Leader of the Opposition intends to speak.

Mr WHITLAM—It is done to give me the option of speaking. I have sometimes exercised that option. I have done so since I have been Leader of the Opposition in respect of speeches by both the Minister for External Affairs and the Prime Minister himself. I welcome a debate with the Prime Minister on any media in this country and in any place but I believe that I am entitled to reasonable notice of it.

Mr Harold Holt—The Leader of the Opposition had it.

Mr WHITLAM—The Prime Minister says that he has been studying for hours this Press release that I made at 6.30 last night.

Mr Harold Holt—I said that I received it as I came into the House. Now, why not tell the truth for once?

Mr WHITLAM—The trouble is that the right honourable gentleman falls victim to the propaganda of papers like the Sydney 'Daily Telegraph' which did not print my statement although most papers did. I issued this statement at 6.30 last night. It was reported on many radio stations and in most newspapers. If the Prime Minister had sought a copy of it, he would certainly have been given it just as I am given copies of his statements when I ask for them. On this occasion it could hardly be expected that I could follow the Prime Minister immediately after question time yesterday—after he concluded his speech. Furthermore, it is well known—it was being bruited in all quarters—that this debate would not be revived until the last week of this current session.

I reiterate: I welcome a debate with the Prime Minister on any forum in Australia. Let me recall that it is well known that he and his senior colleagues will not appear on

Australian Broadcasting Commission television programmes in confrontation with front bench members of my Party. It is always with people who are outside the Ministry. The Prime Minister, despite many invitations from commercial stations as well as from the Australian Broadcasting Commission, has not appeared on a television programme with me since 1961. He has been asked to appear himself or to nominate other colleagues to appear in other forums. At Monash University a couple of weeks ago there was a teach-in attended by several thousand persons. He nominated one of the most junior Ministers to take part in the debate on behalf of the Government against me.

My colleagues and I, I repeat, are happy to have a debate in any forum with the Prime Minister or any of his colleagues. They avoid these debates. We do not. Anybody who chooses to inquire from the Australian Broadcasting Commission or the commercial television stations or any of the universities, for instance, or the various church bodies that have sought to promote debates know how silent and how 'Trappist' the Prime Minister and his colleagues are. I will speak on Vietnam, Australia's responsibility for the escalation of the war there, and the intensification and the brutalisation of that war, in any appropriate forum.

Let me return to some of the comments in the statement itself. My overriding theme, the theme with which I began my statement was:

It is wrong for the Government to intensify a war to which it does not see an end and to which it will not help put an end.

Can anybody who reads or hears the Prime Minister's statement or his speech this afternoon have any confidence that the end of the war is in sight? Can anybody have any confidence about what will happen when at last the war ends? The Prime Minister is pursuing a policy which can lead to a greater war but which will not lead to an end of the war in South Vietnam, to democracy being promoted in South Vietnam or to an end of hostilities between North Vietnam and South Vietnam. The simple fact is that the Prime Minister has been loyal to his predecessor in taking the attitude that if he is the last Prime Minister in the world left to denounce negotiations,

then he will be the last. Neither the Prime Minister or the Minister for External Affairs has ever taken an initiative in this matter. When the United States has remained silent on some suggested peace initiative, Australia has spoken in condemnation of it. When the United States has spoken on some peace initiative, Australia has remained silent. We have not supported the Commonwealth countries or any of the countries with which we have diplomatic relations or even with those with which we have trading relations but not diplomatic relations. We have not helped to bring the parties together.

The simple fact is that continuation of the bombing of North Vietnam will not bring about negotiations between the North and the South. Cessation of bombing may bring about negotiations. We cannot be certain that cessation of the bombing will bring about negotiations, but we can be certain that negotiations will not begin if the bombing is continued. This is the testimony of every person of authority who has spoken on this subject. The Prime Minister said—I do not know what his authority is; he practises anonymity here—that leaders of the free world in South East Asia, a rather limited number of countries in South East Asia, one would think, are in favour of the bombing. In fact I know of no statesman in South East Asia who has spoken publicly in support of the bombing, except from Thailand. There are no other persons in all South East Asia who have spoken in favour of it.

Diplomatically, the bombing is not succeeding; it will not succeed. Has it succeeded militarily? I recall to honourable gentlemen the evidence given by Secretary McNamara last February before the Joint session of the Senate Armed Services and the Defense Appropriations Sub-Committee. He said:

I don't believe that the bombing up to the present has significantly reduced, nor any bombing that I could contemplate in the future would significantly reduce, the actual flow of men and materials to the South.

Mr Gibson—What is the source of that?

Mr WHITLAM—It is from the 'Canberra Times'. This in fact repeats the view expressed about 13 months ago by Mr Bruce White, the Secretary of the Australian Department of the Army. Coming more up to date I quote from the weekly

international edition of the 'New York Times', which reported in August:

Just a few days ago General Cao Van Vien, Saigon's Chief of Staff dismissed as impractical the idea that enemy infiltration could ever be halted through bombing of the North.

Again I quote from the international edition of the 'New York Times', which reported in September that Secretary McNamara before the United States Senate Preparedness Sub-Committee had said that intensified bombing will not materially shorten the war.

What further evidence does one need from the senior Australian, American and South Vietnamese administrators in the military sphere? They all accept and quite openly propound that bombing of the North will not hasten an end to the war or stop the infiltration in any material sense. This surely must be borne in upon every reader or listener in Australia. It certainly has come home to every reader and listener in our part of the world and in all parts of the world where countries are closely associated with Australia. We know quite well that throughout Western Europe there is great concern that America's escalation of this war has alienated her European allies and that they cannot agree with the policy she is pursuing. They say with concern and distress that it will weaken the ties which they want to preserve with the United States. There is not one European ally of the United States which will support the intensification, the escalation, of this war. We know this perfectly well from people who have visited Australia in recent weeks as well as from people we meet overseas.

The simple fact is that this method of waging the war has alienated the world's public opinion, has decimated the civilian population of North and South Vietnam and is not bringing an end to the war between the North and the South or to the infiltration into the South. Even if North Vietnam were to cease infiltration into the South, there would still be armed insurrection or subversion in South Vietnam. The Vietcong and the National Liberation Front do not depend wholly or even mainly on the weapons coming through North Vietnam from China, from the Soviet Union or from other sources. It is

clear that our own experts together with American and South Vietnamese experts have said that it will not succeed. They have said that it will not stop the infiltration or bring about negotiations.

The more I look at the statement I made the more it stands in the light of the facts and proper principles. The Australian Government does not care how long this war goes on. It does not care how this war is fought. It does not care what the consequences will be to other people in the area or to Australians themselves. We seem to have accepted the fact that conscription is proper in the present circumstances. If there were any public support in Australia for this war would there be any need for conscription? In World War I, which was fought much further from Australia than the Vietnam war, one in every eleven Australians enlisted for service overseas. World War II saw one in every ten Australians enlist for service overseas. The Korean conflict saw as many Australians volunteer for the duration as there are at present in service in Vietnam, despite our larger population today. As large a percentage of the Australian population volunteered for service in Korea as will be conscripted or allowed to volunteer for service in Vietnam at present.

The Government has never given Australians the opportunity to volunteer for the duration in Vietnam. If there were real public support for the war, there would be as many as are being sent to Vietnam who would volunteer if that opportunity was given to them. But it has not been given. I reiterate that there is still no excuse or justification for Australians to be conscripted for this war. I do not believe that the majority of Australians at the coming Senate election or any future election will support a policy of escalating and intensifying this war irrespective of how long or by what methods it is waged or will support the methods used to send troops there now. It is wrong for us to continue to feed a war to which we can see no end and to which we will not help to put an end. It is wrong that we do not use the influence which our commitment entitles us to use on the United States to bring about the armistice, amnesty and asylum required in South Vietnam.

The statement I made yesterday on the first opportunity there was for me to make a deliberate statement on this matter stands. I am glad that the Prime Minister has given us the opportunity to debate this matter and to re-emphasise the cynicism and the callousness of his Government's conduct. Internally and externally, the Government's conduct has been cynical and callous.

Mr HAROLD HOLT (Higgins—Prime Minister)—For the information of honourable members I present the following paper:

Vietnam—Press Statement by the Leader of the Opposition—Ministerial Statement, 18 October 1967.

Motion (by Mr Snedden) agreed to:
That the House take note of the paper.

PERSONAL EXPLANATIONS

Dr MACKAY—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Order! Does the honourable member claim to have been misrepresented?

Dr MACKAY—I have been most grievously misrepresented. On Thursday last—

Mr SPEAKER—Order! Is this in relation to the present debate in which the honourable member has not spoken?

Dr MACKAY—No. On Thursday last the Leader of the Opposition (Mr Whitlam) made the following remarks which are recorded on page 1757 of Hansard. Referring to the Prime Minister (Mr Harold Holt) he said:

What responsibility does the right honourable gentleman accept for the statement of the honourable member for Evans, the honourable member for Mackellar or the Minister for the Army (Mr Malcolm Fraser)? Does he repudiate the first—

He is referring to me—

who, with good Christian euphemism, advocates the denuclearisation of China; or the second who, not being in orders. . . .

The Leader of the Opposition continues to sneer in that fashion. I want to draw attention to the actual statement I made which I claim to have been deliberately misrepresented. In the debate on the Budget which took place on 24th August I referred

to the position of Communist China and said, as recorded at page 482 of Hansard:

It seems to me that there are two and only two real choices ahead of us. One policy—one possibility—lies in the immediate tackling of the capacity that every month sees put into the hands of the fanatical Chinese leadership, that is, the threat of nuclear aggression.

I continued to describe this first possibility which was:

That the West should act either directly or through intermediaries to decimate China's massive war potential before it is too late—that at least the elimination of her nuclear development centres should not be delayed.

The Leader of the Opposition left it at that. He did not go on as I did.

Mr SPEAKER—Order! The honourable member cannot proceed to debate the discussion.

Dr MACKAY—I am making it clear how I have been misrepresented. I went on to say in the next sentence:

There is . . . another and, I believe, more acceptable method of approaching the situation.

I accentuated this. I said that there was a 'second or alternative possibility which I propose and which is my view. . . .'

Mr SPEAKER—Order! The honourable member will explain where there has been misrepresentation. He cannot go on debating the question.

Dr MACKAY—The Leader of the Opposition has implied that I, as a Christian Minister, have adopted an attitude that China should be bombed in order to denuclearise that country. My statement was that there were indeed those who held this view. I did not. I stated that there was an alternative way and this was two-pronged. It consisted of saying No to China's military adventures such as Vietnam and in doing what we could to discredit the Maoist doctrinaire approach of China I expressly repudiate the view that he has ascribed to me.

Mr BEATON—I desire to make a personal explanation.

Mr SPEAKER—Order! Does the honourable member claim to have been misrepresented?

Mr BEATON—Yes. It has been brought to my notice that a statement I made during

the debate on the Appropriation Bill recently may have been offensive to my friend, the honourable member for Mallee (Mr Turnbull). In answer to an interjection—and I quote from page 1196 of Hansard of 21st September—I said:

The honourable gentleman is in no position to argue. In his electorate all he can talk about is decentralisation, but he does nothing about it.

I have no doubt that there are many other things he does talk about in his electorate. At the time I was dealing with his party's attitude to this subject. I cannot recall personally using the exact terms. If I did and if they were offensive I certainly did not mean them to be and I offer my apologies to the honourable member.

SUSPENSION OF STANDING ORDERS

Motion (by Mr Snedden) agreed to:

That so much of the Standing Orders be suspended as would prevent the introduction, in turn, of seven Bills relating to offshore oil and would prevent the Minister, when moving the second reading of the first Bill, including in his speech the subject matter of the other Bills to be introduced subsequently.

PETROLEUM (SUBMERGED LANDS) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Mr FAIRBAIRN (Farrer—Minister for National Development) [4.10]—I move:

That the Bill be now read a second time.

The purpose of this group of seven Bills is to provide a legislative framework to govern the exploration for, and the exploitation of, the petroleum resources of submerged lands adjacent to Australia and certain of the Territories of the Commonwealth. The Bill is an historic piece of legislation. It is one in which the Commonwealth Government and the several State Governments have joined together in a co-operative effort for the purpose of ensuring the legal effectiveness of titles authorising the search for or production of petroleum in and from our offshore areas. In this co-operative effort the States and the Commonwealth have pooled not only their respective jurisdictional powers but also their administrative and technical resources to produce a legislative scheme which we believe is unique in the world and which is suitable to a federal system of government.

When in November 1965 I made my first statement to the House on this subject—contemporaneously with similar statements by the State Ministers for Mines in their own Parliaments—I said that interest in exploring the petroleum resources of the seabed had quickened considerably in recent times. I pointed out that apart from Territory ordinances the Commonwealth had no legislation covering this sort of activity. Moreover, all States, as well as the Northern Territory and the Territory of Papua and New Guinea, had granted exploration permits under their existing legislation and the Commonwealth, under the petroleum search subsidy scheme, had subsidised exploration operations in some of these offshore areas.

In the intervening period of nearly 2 years there have been extensive negotiations between Ministers of the States and the Commonwealth. Novel, and sometimes difficult, political and legal problems have been encountered. That these problems have been overcome is highly gratifying to me and to my colleagues, the Attorney-General (Mr Bowen) and his predecessor, who have been constantly in partnership with me throughout the negotiations with the State Ministers for Mines and the State Attorneys-General. I am sure that this gratification will be shared by this House, especially when it is remembered that the governments of the States and the Commonwealth include governments drawn from both of the major political groupings in this country and that changes in government occurred in two States in the course of the negotiations. Throughout the discussions all concerned have addressed themselves with single mindedness of purpose to the task of bringing into being a legislative scheme which will provide certainty of title without protracted litigation of the type that has occurred, and is still occurring, in other countries. Further, we have sought to do this in a way that is compatible with the national interest in these important resources.

In 1965 I expressed the hope that further exploration would bring fresh discoveries of both oil and natural gas. This hope has been well justified. There have been further discoveries of petroleum; and it is especially gratifying that the companies engaged in offshore operations have demon-

strated their confidence in the successful outcome of these inter-governmental negotiations by engaging in a steadily expanding programme of offshore exploration in advance of the passage through the several Parliaments of the legislation which is now being presented both to this House and to the Parliaments of the States.

It will be of interest to the House to know that since early 1964 when a meeting of State and Commonwealth Ministers—presided over by my predecessor, the late Sir William Spooner—agreed that a national solution for the problems of offshore oil exploration and exploitation was necessary, the companies engaged in offshore operations have spent of the order of \$50m on offshore work. They have taken us on trust, relying on Australia's reputation for stability and good faith.

By early next year we expect that seven offshore drilling rigs will be probing our continental shelf in the quest for petroleum. Six of these rigs, which can cost anything up to \$8m each to build, have been or are being brought to this country from overseas while one of the largest, the 'Ocean Digger', has been built in the Broken Hill Pty Co. Ltd shipyards at Whyalla and is now engaged in drilling the first well offshore from South Australia. In just under 3 years no less than eighteen wells have been drilled or are being drilled in Australia's offshore areas and at least three more are programmed before the end of this year.

At the best of times searching for petroleum is a task which calls for great skill, technical resources, patience and one where the chances of failure are generally rather higher than those of success. In the offshore environment to all this must be added a whole range of additional technical problems due to water depths, tides and weather. Offshore exploration is still comparatively in its infancy but the technological advances that have been made in the last 10 to 15 years are dramatic in the extreme. For example, 20 years ago the first offshore well had still to be drilled and for some years drilling close inshore in water depths of 40 or 50 feet was a notable achievement. Today there have already been some overseas wells drilled in waters 500 feet or more in depth, and a world renowned authority on offshore work, Mr

Lewis G. Weeks, has foreshadowed that within 10 years, operations in waters of 3,000 feet depth will not be uncommon. Today drilling is taking place in our own country in depths of more than 200 feet while a well will be spudded in later this year in water over 300 feet in depth—which will be the greatest depth in which a well has so far been drilled on the Australian continental shelf.

World-wide there has been an explosive spread of interest in searching for petroleum offshore in the past 8 years. A few figures will give a perspective to the rate of expansion of offshore activity. Ten years ago one could count on the fingers of one hand the countries actively interested. Now there are 75; and 20 countries are producing or are about to produce offshore oil or gas. Free-world offshore oil reserves are currently estimated at about 20% of the world's total known reserves while current offshore production of about 5 million barrels per day is roughly 16% of the total daily free-world output of 32 million barrels per day.

I have dealt at a little length with some of the background to this new field of activity in order that the House might have a general appreciation of the setting in which this legislation has been prepared. I would now like to cover, in very broad terms, the legal background to this legislation. This will be dealt with in more detail by my colleague, the Attorney-General. I said earlier that the purpose of the legislative scheme was to provide certainty of title to companies who risk the very substantial capital involved in offshore exploration. The question which has been a source of difficulty and uncertainty in other countries where a federal system of government operates is whether the power to grant an effective title vests in a State government or in the central or Commonwealth Government.

In the United States of America the Federal Government was held by the Supreme Court to have full and paramount authority over both the outer continental shelf—by which I mean the continental shelf beyond territorial waters—and over the territorial seabed. In actual fact the United States Federal Government, acting under an express constitutional power to dispose of territory or property of the

United States, subsequently transferred to the several seaboard States its rights in the territorial seabed. The United States Federal Government continued, however, to exercise control over the outer continental shelf. Notwithstanding this, the American scene has been complicated by protracted litigation between some of the seaboard States and the Federal Government as to the delimitation of territorial limits.

Even now, 22 years after President Truman made his historic declaration as to the rights of the United States to explore and exploit the resources of the continental shelf, litigation is still in progress in the American courts and a sum of no less than \$800m is currently being held pending a determination by the courts. Even when this is settled a situation will still prevail where State laws and a State system of administration operate in territorial waters and a different administrative system and code administered by the United States Federal Government will operate in the outer continental shelf. In Canada legal argument is in progress between the Dominion Government and the Province of British Columbia. All the other Canadian Provinces have been given leave to supervene in this case and some have already done so.

In Australia the governments of the Commonwealth and the States believe that they have overcome these problems without recourse to litigation between governments. To achieve this result they have mutually agreed that without abating any of their constitutional claims—that without abandoning these claims—and that without derogating from their respective constitutional powers, they would enact uniform, and complementary, legislation providing for a common mining code to apply uniformly throughout offshore areas including both the territorial seabed and the outer continental shelf. The joint scheme will not apply to submerged land beneath internal waters. These are waters inside the base lines from which territorial seas are measured; for example, Sydney Harbour and Port Phillip Bay are internal waters.

Administration will be in the hands of the States, but with the Commonwealth interest being safeguarded at essential points through consultation and agreement by the States

that in appropriate areas of the Commonwealth's constitutional responsibility, effect will be given to any request or to any decisions by the Commonwealth.

The basic instrument underlying the whole of the joint legislative structure is an Agreement between the Commonwealth Government and the Governments of the six States. I am arranging for copies of this Agreement to be distributed to honourable members in the form of a small booklet. The booklet includes a series of maps, prepared by the Division of National Mapping of my Department which illustrate the areas over which the respective States and Territories will have administrative jurisdiction. The Commonwealth-State Agreement and the Annex thereto are at the very heart of the administrative arrangements entered into by the several Governments.

The Bills, when enacted, will provide the statutory framework and guidelines for the whole offshore scheme and the Agreement covers the intergovernmental arrangements as to just how the administration will be carried out. I think therefore that it will be more convenient to the House if I deal with the Bills and where appropriate draw attention to relevant clauses of the Agreement.

Just before doing so however there are one or two further general observations which I would like to make. Firstly, as I have already mentioned, offshore work is still in its comparative infancy and there is really no such thing as an international standard of offshore legislation. The legislative regimes in those countries where offshore operations are undertaken have been developed to meet the particular circumstances of the country concerned. In devising the Australian scheme the Governments of the States and of the Commonwealth have taken account of procedures in other countries, particularly in the United Kingdom and the United States. However, we have not felt bound to follow slavishly particular features in any overseas country. Rather our aim has been to devise a scheme suitable to Australian needs—a scheme that is forward looking and one which will place Governments in a position where they can ensure that the interests of the nation are secured while allowing those who face the commercial and financial risks a proper chance of legitimate gains from their enterprise.

Secondly, scientific and technological advances during the last two or three decades have made it possible to explore the continental shelf and to exploit the natural resources that may be found there. This is almost exclusively a post Second World War development stemming largely from President Truman's proclamation to which I referred earlier. International law was presented with a completely new problem of how to allocate the rights to explore and exploit these resources. At a United Nations Conference in Geneva in 1958 agreement was reached on a convention called 'The Convention on the Continental Shelf'. The Convention has since entered into force and Australia is a party to it.

This brings me to the opening sections of the Preamble to both the Bill and the Commonwealth-State Agreement which refer to Australia's rights to explore and exploit the resources of the continental shelf and to our membership of the Convention.

Although the terms of the Convention are set out in full in the First Schedule to the principal Bill, the opening provisions of the Convention are so important as to be worth referring to in detail. Article I defines the continental shelf as the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres or beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas.

Article II says that the coastal State—and State is here used in the international sense—exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources. The Article goes on to say that the rights referred to are exclusive in the sense that if the coastal State does not explore the continental shelf or exploit its natural resources no one else may undertake these activities, without the express consent of that coastal State.

It is important to make the point here that the rights conferred by the Convention are those of exploration and exploitation of the natural resources of the shelf. It is quite clear that coastal States are not given any new slice of territory. A later Article goes on to make clear that the rights of exploration and exploitation conferred by

the Convention do not affect the status of the superjacent waters or that of the air space above those waters.

The remaining paragraphs of the Preamble recite in very brief form the considerations which I described earlier which led the six State Governments and the Commonwealth Government to adopt this co-operative approach; namely, that exploration and exploitation of the petroleum resources of the continental shelf would be encouraged by the adoption of uniform legislation over the areas concerned; that the Governments, acting in the national interest and without raising questions concerning, or without derogating from, their respective constitutional powers, are co-operating for the purpose of ensuring the legal effectiveness of petroleum titles over offshore areas, and that accordingly the Governments have agreed to submit to their respective Parliaments legislation covering both the outer continental shelf and the seabed and subsoil beneath territorial waters.

There will be an adjacent area contiguous to each State or Territory. The boundaries of these adjacent areas are illustrated in the series of maps at the back of the booklet which I am making available to honourable members. The settling of these boundaries between States has in some cases presented delicate political problems but it is a matter of great satisfaction that in all cases a solution acceptable to all the parties concerned has been achieved.

While dealing with adjacent areas I should make brief mention of certain agreements which have been reached in relation to the adjacent areas of Queensland and Papua and to some small islands and their continental shelves in the Coral Sea. Prior to the commencement of these negotiations between the Commonwealth and the States, Queensland and Papua had issued adjoining exploration permits with boundaries conforming to the boundary between Queensland and Papua. These permits have been accepted by the companies in good faith and work has been going on in the areas concerned. When it became necessary to consider these boundaries from the point of view of this joint legislation it was found that the application as between Australia and Papua of the median

line principle would have resulted in part of one permit and something like half of another permit which has been issued by Papua being brought under the jurisdiction of Queensland, thus resulting in a reduction of the area of continental shelf under the authority of the Territory.

The Government considered that any transfer of part of these titles back to Australia—no matter how justifiable in terms of logic—might be misunderstood in Papua and New Guinea and in any case that such action would be inconsistent with the high sense of responsibility which Australia displays in working to bring this Territory towards self government.

I should also mention that at a later stage the Commonwealth proposes that this offshore legislation will be extended to islands in the Coral Sea west of 158 degrees east longitude and to their adjacent submerged lands. We have advised the Queensland Government that when this is done arrangements will be made for the administration of the offshore petroleum legislation in this area to be dealt with by Queensland and for Queensland to receive the same proportion of any revenues as the State would receive in respect of its own adjacent area.

The foregoing arrangement is, we think, a sensible one and as a result I am glad to say that both the Commonwealth and the Queensland Governments are agreed that the boundaries of the existing permits issued by Papua will be left undisturbed.

At this point, while discussing adjacent areas, I should refer to the Petroleum (Ashmore and Cartier Islands) Bill. The Territory of Ashmore and Cartier Islands consists of small uninhabited islands situated about 150 miles to the north west of Australia. They are deemed by the Ashmore and Cartier Islands Acceptance Act to form part of the Northern Territory so that laws which apply in the Northern Territory are applied in Ashmore and Cartier Islands. Under the offshore legislation the adjacent area belonging to the territory of Ashmore and Cartier Islands is separate from the Northern Territory adjacent area. It will be convenient for the administration of this petroleum legislation if these small reefs and islands themselves are deemed to be 'submerged land'.

This is the effect of the Petroleum (Ashmore and Cartier Islands) Bill.

I should make the point here that the areas outlined by the dotted lines on the illustrative maps are not all continental shelf. The approach which we have adopted has been to enclose comparatively large areas which are described in detail in the Second Schedule to the Bill. However, the Bill specifically applies only in relation to exploration for, and exploitation of, the petroleum resources of such submerged lands included in the areas described as have the character, either of seabed and subsoil beneath territorial waters or of continental shelf within the meaning of the International Convention. This scheme which we have adopted has a dual purpose. Firstly, it permits Australia to take advantage of the provisions of the Convention regarding exploitability. As technology advances, and exploitation in greater depths becomes possible the outer limits of the shelf for the purpose of this Bill are automatically adjusted.

Secondly, it is essential in these adjacent areas where petroleum operations are undertaken, to have applying a general body of law such as an appropriate criminal code, provision for workmen's compensation, for navigational safety, and the like. It will be noted that Part II of the Bill deals specifically with this question of application of laws. In brief, it provides that the provision of the laws in force in a State or Territory and as in force from time to time, apply in the adjacent area. This will cover, as appropriate, not only State laws and Territory Ordinances but also Commonwealth laws.

I come now to part III of the Bill dealing with mining for petroleum. This is the Common Mining Code referred to in the Commonwealth-State Agreement. It has been worked out by the States and the Commonwealth in conjunction. As I said earlier in the devising of the code we sought to be both realistic and forward-looking. We have been assisted by comments, criticisms and suggestions made by the offshore petroleum industry following the initial statement to all seven Parliaments in November 1965. One of the purposes of that initial statement was to make known to the companies concerned in off-

shore work what ground rules the Governments had in mind. Thus not only would there be no misunderstanding when the actual legislation was introduced, but also the industry had the opportunity of expressing its views. I say at once that the legislation has been improved as a result of the co-operation which we have received from the industry.

I now seek leave to incorporate in Hansard, as part of my second reading speech, a statement outlining the more important provisions of the Common Mining Code as set out in the seven Bills. The statement also makes appropriate cross references to relevant clauses in the Commonwealth-State Agreement.

Mr DEPUTY SPEAKER (Mr Lucock)—There being no objection, leave is granted.

Mr FAIRBAIRN—The administration of the Mining Code in respect of each adjacent area will, as provided by clause 9 of the Agreement, be in the hands of a designated authority. Provision is made in Division 1, clause 15, of the Mining Code for the appointment of designated authorities by arrangement between the Governor-General and the Governor of a State. In the case of States it is intended that the designated authority will be the Minister for Mines and indeed this Minister is so nominated in each of the State Bills. In the case of Territories of the Commonwealth, the designated authority will be my colleague, the Minister for Territories. I understand that it is my colleague's intention to execute an instrument of delegation so that the administration of the legislation in the Northern Territory and in Papua and New Guinea will be through the Territory Administrations.

The crux of the inter-relationship between the States and the Commonwealth is contained in clause 11 of the Agreement. In brief this clause provides that in the administration of the Common Mining Code the States will consult the Commonwealth on all aspects which may affect the Commonwealth's own special responsibilities under the Constitution. The arrangement covers matters such as defence, external affairs, trade and commerce with other countries, and among the States, immigration, customs, navigation and so on.

In these matters the States will give effect to Commonwealth decisions.

All the States and the Commonwealth are at one in wishing to see the continental shelf of Australia, which covers something very close to 1 million square miles, explored as effectively as possible in endeavours to locate petroleum deposits. I am sure that all members of this House would be at one with this proposition. However, it could be that in some particular area there are compelling reasons, perhaps for defence purposes, or perhaps because one of our international telephone cables traverses an area, where it may be necessary to place some restriction on exploration activity. In cases such as these the Commonwealth's interests are properly safeguarded by the terms of the Agreement.

For convenience of administration in the regulation of petroleum titles, the Governments have agreed to establish over our offshore areas a graticular system of block areas. The necessary provisions for this are set out in clause 17 of the Bill. The size of each graticular block is to be 5 minutes of arc of latitude by 5 minutes of arc of longitude. In the area of northern Australia this results in graticular blocks of about 30 square miles reducing as one moves south until south of Tasmania the blocks are just over 23 square miles in area. Reduction in size is, of course, brought about by the convergence of meridians of longitude between the Equator and the South Pole. For general convenience it is reasonable to think of a block as being about 25 square miles.

Until comparatively recently the general run of State and Territory petroleum legislation provided for a three-stage title system. A permit covered basic exploration, a licence over a much smaller area gave permission to carry out drilling operations, and a lease covered the production stage. In the case of the offshore legislation a two-stage system of titles has been adopted. Firstly, a permit which will cover all stages of exploration, including drilling operations. Secondly, a licence—broadly the equivalent of a lease on land—will cover production of petroleum.

Division 2 of the Mining Code deals with the permit stage. A permit will authorise the holder to explore for petroleum and to

carry on such operations and execute such works as are necessary for that purpose in the permit area. Save for certain special exceptions which I will deal with later this right to explore is exclusive to the holder of the permit. Clauses 20 to 27 set out in some detail the procedure which will govern the application for, and granting of, areas of permits. The maximum area of any permit will be 400 blocks, that is, about 10,000 square miles. This is somewhat smaller than many of the offshore titles currently in existence, but is regarded as a reasonable size and one which should give companies ample opportunity to explore efficiently. Moreover, there will be no statutory limitation placed on the number of permits which may be granted to any individual company. There will be a normal minimum size of a permit area of 16 blocks, that is, about 400 square miles, but the designated authority will have discretion to issue a permit over a lesser number of blocks in special circumstances.

As set out in clause 29, permits will be issued for an initial period of 6 years with rights of renewal for further successive periods of 5 years each. This right of renewal will be subject to the permittee having satisfactorily complied with the conditions of the permit and to the surrender of half of the effective permit area at the end of each period. This surrender arrangement is to encourage companies to concentrate their efforts on the most prospective areas which they discover but not at the same time hold large offshore areas which are not being effectively explored.

Taking a simplified case the reduction provisions would operate like this in respect of a 400 block permit:

At the end of the 6th year the permit area would be reduced to 200 blocks.

At the end of the 11th year to 100 blocks.

At the end of the 16th year to 50 blocks.

At the end of the 21st year to 25 blocks.

In determining the number of blocks to be relinquished at the end of each successive period of the permit, proper allowance will be made for blocks excised from the permit area by the taking up of production licences, and of blocks which have become the subject of a location. This is a term with which I will deal in more detail later.

The effect of this arrangement is that a company has a firm assurance of being able to retain selected areas of its permit for a considerable number of years. In addition the designated authority is given discretion in clause 31 to modify the requirement for compulsory reduction if this would result in a permit area being reduced below sixteen blocks—that is approximately 400 square miles. The need for such a discretion could perhaps arise where a company discovers petroleum in deep water. Techniques at the time of discovery might be such that commercial production at this point was either impracticable or uneconomic. It could therefore be reasonable to permit the company to retain this area under permit while awaiting further developments in technology or a change in economic circumstances which would justify commercial production. At that point the company would be able to take out a production licence.

The reduction in permit areas must be in terms of blocks conforming to the graticule system. At each successive renewal of a permit the area retained by the permittee shall comprise groups of at least sixteen blocks and so that each block has at least one side in common with another block within the group. This is to prevent undue fragmentation of a permit area. The designated authority will however have discretion to authorise the retention of areas of less than sixteen blocks in special circumstances.

The conditions under which permits will be granted will include provision for the carrying out by the permittee of an exploration programme approved by the designated authority. In view of the lengthy periods for which permits may extend, and such lengthy periods are indeed essential if companies are to have the opportunity of mounting a satisfactory and sustained exploration programme, it is not possible to define work obligations with precision in the legislation. A programme for each permit area will be considered on its merits and settled by the designated authority who will also have power to suspend or modify the work programme in special circumstances, for example, through the unavailability of a drilling rig or other essential equipment.

Applications for permits over areas which have not previously been the subject of permits, or over areas which have been relinquished from a permit, will be called initially by advertisement in the 'Gazette'. This is to ensure that all interested parties have the opportunity of lodging an application and having it considered. However, if no application acceptable to the designated authority is received he will be free to negotiate the grant of permits in respect of such areas over the counter.

In general there will be no provision for the payment of a cash premium in respect of blocks advertised as available for permit. An exception is made in the case of blocks which become available through the surrender or cancellation of a licence, or through the excision from a permit of blocks which were in a location. In such cases provision will be made as set out in clause 23 for applicants to specify an amount which they are prepared to pay if they are granted a permit in respect of an area for which they are applying.

A discovery of petroleum is to be notified immediately to the designated authority and, as provided in clause 35 the permittee may be required by the designated authority to take steps to evaluate the discovery. In the event of petroleum being discovered the permittee will have a preferential right to a licence for production. This is an important feature of the Australian offshore legislation in that offshore companies are given exclusive rights to search in specified areas and, in the event of discovery, have a preferred right to a production title or titles.

Clause 36 provides that following a discovery of petroleum a permittee may, or may be directed by the designated authority to, nominate a block to become the centre of a group of nine blocks which in the interests of simplicity is known as a location. Each side of the location will be three blocks in length, or put another way a location will consist of the nominated block and the eight blocks that immediately surround the nominated block. The block in which the discovery of petroleum is made must be included in the location but need not necessarily be the centre of the location.

In some circumstances a block nominated as the centre of a location may be so positioned that a full location of nine

blocks cannot be established because it would encroach on areas which are already included in other locations, or are in other permit or licence areas or are outside the scope of the offshore legislation, such as blocks on land above low water mark. In such circumstances the location in question will be limited to that number of blocks which are not encumbered in any of the ways I have described.

If the permittee fails to comply with a requirement to nominate a block as the centre of a location, the designated authority may himself nominate the block so that the procedure for the allocation of licence areas may commence. This latter provision is simply a safeguard to ensure that there is no question of a permittee who has made a discovery hanging back in the traces and delaying unnecessarily moving into the production stage.

I turn now to Division 3 of the Mining Code dealing with production licences. This, of course, is the stage which everybody concerned, both governments and operators, wishes to reach. Where a location has been declared under clause 37 of the Bill, the permittee, if he wishes to take out production licences, has several courses open to him. For the moment and for purposes of simplicity I will speak only of a location comprising the full nine blocks. The permittees first choice is to take as a production licence any five blocks—having a total area of roughly 125 square miles—out of a location of nine blocks and pay the standard royalty rate of 10% on production therefrom. The remaining four blocks would revert to the Crown.

Another choice available to the permittee is to take not only five blocks but as well one or more of the remaining four blocks from within the location so that the initial five blocks and the additional blocks taken are in two separate production licences. In this event the permittee will pay an additional override royalty on all production from both licence areas. This additional override royalty will be negotiated between the designated authority and the permittee between a floor of 1% and a ceiling of 2½%. In effect if the permittee avails himself of the opportunity to take blocks from within his location in excess of his initial entitlement of five blocks, the total royalty rate payable on all his production will be between 11% and 12½%.

The permittee will then be able to select for inclusion in his initial licence the number of blocks set out in clause 40 of the Bill. This provides in effect that the initial licence may consist of half the number of blocks in the location if the total number is even, with the odd block going to the permittee if the number is uneven. For example, from a location of seven blocks the permittee would be able to select four as his initial licence. The permittee will be able to take out his initial, or primary, licence in stages over a period of two years following the declaration of the location. This period may be extended for up to a further two years at the discretion of the designated authority.

Having selected his full entitlement under his primary licence the permittee during his application period may apply for a secondary licence. If he does, he must apply for either the full balance of the blocks left in the location, that is four blocks out of a nine block location or such number of the remaining blocks as he wants. The designated authority will then confer with the permittee as to the rate of override royalty which will apply to both the primary and secondary licences. The procedure for this is set out in clause 42.

There will be no statutory limitation on the number of licences which may be granted to any individual company. But, when a well results in the discovery of petroleum and is used as the basis for declaring a location then no other well in the same block as the original discovery well or in the eight blocks immediately surrounding that block, will qualify for a separate location unless the designated authority so approves in special circumstances. This is covered by sub-clause (5) of clause 36.

The purpose of this provision is to preclude assessment or step-out wells being used for the establishment of additional locations. There is, however, nothing against a permittee having adjoining locations if these are derived from genuine and wide spread discovery. Moreover two separate structures might be discovered quite close together so that the discovery wells in respect of each structure are in adjoining blocks. This is clearly a case where a designated authority would exercise his discretion and allow two

locations to be established leading to two series of production licences.

I would also make the point that no blanket restriction will apply which would result in companies being allowed only one location in respect of a geological structure no matter how big that structure might be. For instance, if a company were fortunate enough to discover a major structure say 25 miles long by 10 miles wide, it would be entitled, following an adequate drilling programme, to establish two adjoining locations.

Any graticular blocks not taken up by the permittee either as a primary licence or a secondary licence, will, at the conclusion of the application period, be automatically excised from the permit area and revert to the Crown. The designated authority is empowered under clause 47 to advertise such blocks as being available and he may call for bids on a cash basis for additional royalty bids, or for the payment of a cash reserve fixed by the designated authority plus additional royalty bids. The designated authority will have discretion as to when to offer such blocks and whether to offer them as permit or licence areas. The former permittee will be perfectly free to bid for these blocks should he so desire.

In order that companies may have an opportunity to evaluate these areas and submit realistic bids provision is made in clause 111 for the grant of short term special prospecting authorities. These special prospecting authorities would permit all exploration operations short of actual drilling and are designed to enable a potential operator to evaluate blocks that are on offer. If, as a result of calling in the 'Gazette' for applications for blocks, the designated authority does not receive an acceptable tender, he will be free to re-advertise the blocks either as permits or licences or to dispose of the blocks over the counter.

Clause 52 provides that a licence while it remains in force authorises the licensee to carry on operations for the recovery of petroleum in the licence area, to explore for petroleum in the licence area, and to carry on such operations and execute such works in the licence area as are necessary for these purposes. It is important to note that the second stage title, that is, the licence,

authorises both exploration and exploitation. A petroleum pool having been discovered, an operator will naturally be looking to recover that petroleum but, equally importantly, he will wish to explore the whole of his licence area thoroughly in the hope that other petroleum bearing structures may be discovered.

Licensees will be allowed to transfer parts of their licence areas provided that the area transferred conforms with the graticular system and the licensee has already exercised all his rights for the selection of blocks as licence areas from within his location. The transfer will be effected under clause 51 by an application to the designated authority to exchange the original licence in return for the grant of two or more new licences. These new licences will carry the same rights and obligations and will extend only for the balance of the term of the original licence.

Licences will be issued for an initial period of 21 years. It will be seen from reading clauses 53, 54 and 55 in conjunction, that a licensee, provided he has complied with the conditions of his licence and, of course, with the Act and regulations, is entitled, as of right, to an extension for a second period of 21 years, making a total of 42 years in all. Further extensions beyond 42 years may be granted at the discretion of the designated authority.

I will deal with royalty rates in more detail when discussing the Bill imposing royalty but I should point out at this stage that the royalty for the first 21 years of a licence will be fixed by the law. With respect to renewals of licences after the first 21 years the Bill specifically contemplates the possibility that the rate of royalty may be varied by appropriate action by all the Parliaments. It will be seen that licences are granted following the discovery of petroleum and all the Governments are agreed that it is at this point that there should be energetic action to exploit that discovery. Accordingly a condition of a licence will be that the licensee will be required to carry out approved work within his licence area to the value of not less than \$100,000 per block per year. This does not mean that \$100,000 has to be spent on each block. In the case of a five block licence it will be in order in any

particular year for a licensee to concentrate his work in one block and spend the \$4m there.

In most cases in the period immediately following the grant of a licence, companies will probably spend substantially in excess of this amount. For instance, it is estimated that the development of the Barracouta and Marlin offshore fields will involve expenditure of the order of \$150m. However, the Governments do not want to have money spent just for the sake of spending money, and once a licence area is in production the rate of expenditure that may be wisely spent in a particular area may drop off considerably. To cover this situation provision is made in sub-clause (2) of clause 57 that the value of the petroleum produced in any year may be offset against the amount of the work obligation for the following year.

A further point to be noted here is that offshore operations involve the use of equipment of a highly sophisticated nature which cannot be obtained simply by going down the street and buying it off the shelf. It is quite possible that a company is making every effort to obtain the appropriate drilling rig or production platform but that these are not available in a particular year. In cases such as this, provision is made in sub-clause (4) of clause 57 for the designated authority, providing he is satisfied that special justification exists, to exempt the licensee from his work expenditure in any particular year. Any exemption will be subject to such conditions as the designated authority thinks fit.

Clause 58 of the Bill empowers the designated authority to issue directions regarding the recovery of petroleum. For instance, when petroleum is not being recovered from a licence area and the designated authority is satisfied that there is recoverable petroleum in that area, the licensee may be directed to take all necessary and practicable steps to recover that petroleum. In a case where petroleum is being recovered, the licensee may be directed to increase or reduce the rate of recovery to a certain specified level.

This latter contingency of directing a reduction in the rate of recovery is looking some little distance into the future but in some areas of the world it is a very real

problem. For instance, in the Gulf of Mexico, production from oil fields is restricted to specific percentages of the estimated potential production in order to regulate the total volume of petroleum produced and so avoid over-production. This is not a problem which we expect to have to face in the immediate future, but I am sure that every member of this House would agree that it would be a cause for considerable satisfaction if our discoveries of petroleum continue to the point where such action is necessary.

Unit development of a petroleum pool means the co-ordination of operations for the recovery of petroleum from a pool which is partly situated in one licence area and partly in one or more other licence areas. This is a very important aspect of good oil field practice and is designed to ensure that the most effective recovery of petroleum is made in the most economic manner possible. Further, unless there was some provision enabling the recovery of petroleum to be co-ordinated, severe injustices might be caused to one licensee by the actions of another licensee who could recover petroleum from the pool unfairly. To deal with these situations all the licensees who hold different parts of the same geological structure may be required to co-ordinate their operations. Clause 59 deals with this matter and should be read in conjunction with clause 16 of the Commonwealth-State Agreement.

It will be seen that the governments have covered the situation not only where the adjoining licence areas are in the same adjacent area but also where the petroleum pool extends from one adjacent area into another, or from an adjacent area into a land area of a State or Territory. It will be noted that the Agreement provides that where the petroleum pool extends beyond a single adjacent area, the designated authority and the other appropriate Minister will confer concerning the exploitation of the petroleum pool and will not give directions to a licensee until an appropriate scheme has been agreed upon.

Licences will be granted subject to such conditions as the designated authority thinks fit and specifies in the licence. It will be noted from clause 14 of the Commonwealth-State Agreement, that a condition may be included in a licence to the effect that the

licensee shall comply with any requirement of the designated authority that petroleum produced from the licence area in liquid form be refined within the adjacent State, or, in the case of natural gas, disposed of within that State. The Agreement also provides that a requirement along these lines shall not be made unless there has been consultation between the appropriate Ministers of the State and the Commonwealth and both Ministers are in agreement that the requirement should be made.

I turn now to deal with pipelines and pipeline licences. At the outset I think I should make it clear to the House that for the purposes of this Bill a special meaning is attached to the term 'pipeline'. It will be readily appreciated that associated with the production of petroleum either on land or in offshore areas, there is inevitably an intricate maze of pipes both large and small for conveying petroleum and for conveying water used in petroleum recovery operations. At first sight it would be natural to assume that all of these are pipelines. However, for the purpose of this Bill, it has been found convenient to restrict the use of the term 'pipeline' to, as it were, a main trunk line conveying petroleum from a field to the shore.

The lines which will be shortly constructed from the Barracouta and Marlin fields to the Gippsland coast will be pipelines in this sense. Other pipes will be used for conveying petroleum from a well to a gathering or terminal station or for conveying oil or gas for use in connection with petroleum recovery operations. These, as will be seen from the definitions in clause 5 of the Bill, will be known as secondary lines, while a pipe used for conveying water in connection with petroleum operations is called a water line. A pipeline licence will be required for the construction and operation of a pipeline and the construction of a pipeline other than in pursuance of a pipeline licence is prohibited by clause 60. Secondary lines, which are known in the industry by the general term of gathering lines or flow lines, and water lines may be constructed and operated with the consent of the designated authority.

The laying of a main trunk line or pipeline in offshore areas is a highly skilled operation requiring specialised and expensive equipment and considerable experience.

The line will operate at high pressures and must be protected from the ravages of movement by tide. If the sea bottom is suitable, pipelines are normally buried some few feet, but if the sea bottom is smooth rock, it is necessary to fix the line at regular intervals by fastening it to the sea floor. A production licensee will have a preferential right to a pipeline licence for the purpose of bringing his product ashore by an appropriate route. It is of course of the essence of pipeline operations that before the very heavy expenditure involved in constructing a pipeline is incurred, the intending operator of a pipeline would have concluded arrangements for the carriage of the petroleum and for its disposal. The position of a production licensee is appropriately protected by provisions in clause 64.

Clause 67 covers the term of a pipeline licence. Normally this will be for a period of 21 years, but under the clause the designated authority is given discretion to adjust the period to conform to the dates of expiration of the production licence which will be served by the pipeline licence. A pipeline licence may be issued subject to such conditions as the designated authority thinks fit and specifies in the licence, including a condition that the construction of the pipeline shall be completed within a specified period.

A pipeline licensee will be able to apply for a variation of his pipeline licence in respect of such things as its route, size, capacity and so on. Moreover, under clause 72, the designated authority will be empowered to vary a pipeline licence, for example, as to its re-routing should this be necessary in order to facilitate some other activity such as the construction of a wharf or other port facilities which are in the public interest. In such circumstances the pipeline licensee will be free to apply to the courts for compensation from those responsible for requiring the re-routing or other variation of the pipeline. In normal circumstances of course it would be expected that amicable and sensible arrangements would be worked out to the mutual satisfaction of the parties concerned without recourse to the courts.

The pipeline licensee will, of course, be free to enter into contracts and arrangements for the conveyance of petroleum belonging to other parties, and this will

probably be the normal procedure in the event of a pipeline having the capacity to carry petroleum from more than one licence area. There is, however, in clause 73 provision for the designated authority to direct a pipeline licensee to be a common carrier of petroleum in respect of his pipeline.

Before leaving pipelines I should refer to clause 17 of the Commonwealth-State Agreement. This deals with the situation where a licensee wants to run his pipeline from one adjacent area through a neighbouring adjacent area. Under clause 17 it is provided that the relevant designated authority will accord all appropriate and reasonable treatment to an application to continue the pipeline across the adjoining adjacent area.

Division 5 of the Mining Code deals with the registration of instruments, that is titles such permits, licences and pipeline licences and dealings affecting these titles. In essence, each designated authority will keep a register of all titles setting out the name of the particular permittee, licensee, etc., and certain relevant particulars. The register will also record any dealing or action affecting the title.

Transfers of titles are of no force and effect until they have been approved by the designated authority and registered as provided in Division 5. In this regard I again remind honourable members that in clause 11 of the Commonwealth-State Agreement the States will consult the Commonwealth before approving of any transfers. Registration of transfers is subject to the payment of appropriate fees provided under the Registration Fees Bill. These registration fees are broadly equivalent to, and in lieu of, State stamp duty.

In brief, the reason for adopting this special system of registration fees in lieu of State stamp duty is that titles, transfers and the like under this joint Commonwealth and State legislation will be registered in a register constituted under both Commonwealth and State Acts. It is clear that instruments regulated under Commonwealth legislation which makes provision for their effective registration, transfer and assignment could not be made dutiable by State law. There was also the point that the rates of stamp duty in the States varied considerably. Hence the system of uniform

registration fees has been adopted and is included in both the Commonwealth and the State legislation. Under clause 152—and in similar provisions in the State Bills—companies will be liable to pay registration fees under one law only. I will deal with the circumstances under which registration fees are payable in more detail when discussing the Registration Fees Bill. But for the moment I would draw attention to clause 91 which authorises the designated authority to determine the amount of the fee payable under the Registration Fees Bill and also provides for an appeal to the court by any party dissatisfied with a determination of the designated authority.

Division 6 deals with several general matters affecting the administration of the Common Mining Code. Clause 94 provides for notification in the 'Gazette' of the grant, and the grant of a renewal of titles, of the variation of titles, their surrender or cancellation. This is so that all interested parties may be aware of the action taken.

Clause 96 deals with the commencement of works in a title area. Normally it is expected that a person to whom a title is granted will commence his operations within 6 months from the grant of his title. However, for reasons similar to those which I mentioned earlier regarding work obligations, there may well be circumstances in which it would be only sensible to grant relief from this specific requirement. The designated authority is given discretion to exempt a title holder under such conditions as he thinks fit and specifies in writing.

As I mentioned earlier, offshore petroleum operations require considerable skill and experience both at the exploratory and exploitation stages. In the interests both of the safety and welfare of people engaged in these operations and in the efficient recovery of petroleum from the seabed, it is important that all operations be carried out in a proper and workmanlike manner and in accordance with good oil field practice. Clause 97 covers this. I would, however, make the point that the record in Australia of those companies engaged in offshore operations has been excellent. They have displayed competence and efficiency as well as a very real sense of responsibility. We have every confidence that the same attitude will prevail among future operators in our offshore areas.

Being a party to the Convention on the Continental Shelf not only gives Australia certain rights under international law, but also imposes on us certain responsibilities. For instance offshore petroleum operations require the construction of platforms and other installations and this is authorised by the Convention in Article 5. But the same Article goes on to say that installations which are abandoned or disused must be entirely removed. Clause 98 is relevant to this matter in that it not only requires a title holder to keep all his equipment in good condition and repair but also to remove from his title area structures and equipment which are no longer required.

I should also draw attention to clause 12 of the Commonwealth-State Agreement where each State government undertakes in the administration of the Common Mining Code to take all reasonable steps to secure compliance with Australia's obligations under the Convention.

I would now like to deal jointly with clauses 101 and 103 dealing with directions and exemptions. Reaching agreement between the several States and the Commonwealth on the policies desirable in a basic code of mining operations and translating these policies into words acceptable to the Parliamentary Draftsmen of the Commonwealth and of the six States, has been a major task. Although the Bills now presented are long they do not do more than cover the general outline of administrative practices which we wish to follow, consistent with laying down in sufficient detail the ground rules within which the offshore industry will have to work. The industry not unreasonably wished to have these ground rules set out clearly. The expenditures which the companies concerned will undertake if they enter offshore operations are very considerable and their anxiety to know the conditions under which they will operate are both reasonable and understandable.

However the art and technology of offshore exploration and exploitation is one which is still comparatively new and which is developing with quite astonishing rapidity. In due course the governments intend to promulgate detailed operating and safety regulations and considerable work on these has already been done. However, the draft regulations are by no means com-

plete and in any case the governments wish to give industry as the operating parties, the opportunity to discuss the proposed regulations in detail. Many of the companies have had considerable experience in offshore work in other countries, if not already in Australia.

As I said just now, the record of responsibility by offshore operators to date has been impeccable and the governments have therefore felt it preferable to bring down the legislation dealing with the administration and policy side of offshore work in advance of the promulgation of detailed operating regulations. In the meantime provision is made for the designated authority to give directions to title holders on any matters with respect to which regulations may be made. Notwithstanding that every care will be taken in framing the conditions under which titles will be granted, it would be idle to suppose that in this new and difficult environment, every contingency can be foreseen, and hence provision is also made for discretion by the designated authority to vary, suspend or exempt a title holder from any of the conditions of his title.

Here I should draw attention to clause 18 of the Commonwealth-State Agreement which provides that directions inconsistent with regulations shall not be given, and exemptions from compliance with conditions of a title shall not be granted, by a designated authority unless there has been consultation between the Commonwealth Minister and the appropriate State Minister. At first sight the powers granted by these two clauses may appear somewhat wide but the Ministers of the States and my colleague, the Attorney-General (Mr Bowen) and I, when we discussed this matter in considerable detail, concluded that there was no other practicable course to pursue at this comparatively early stage in offshore operations in Australia.

Clauses 104 and 107 deal with the surrender or cancellation of titles. These are formal provision and again, having regard to the responsible attitude displayed by the offshore operators in this country, we would expect that the cancellation provisions would be invoked rarely if indeed at all. However, they are included as a necessary part of the administrative procedure under the Bill.

I mentioned earlier that under the Convention, structures and equipment no longer used have to be removed. It could so happen that a title holder abandons his title leaving equipment or property in the area. Clause 108 covers such a contingency. It authorises the designated authority to take appropriate action, and under clause 113, having taken the action, the designated authority may dispose of that property by public auction and deduct from the proceeds the cost he has incurred.

Earlier, when dealing with blocks from locations which revert to the Crown not having been taken up by a permittee, I mentioned a temporary prospecting title called a Special Prospecting Authority. Details of this are set out in clause 111. Clause 112 deals with another temporary title, namely, an Access Authority. The basic propositions of this Bill are that nobody shall explore for petroleum other than in pursuance of an exploration permit, a production licence or a special prospecting authority. The first two titles are exclusive in that they give the holder sole and specific rights to operate within his title areas. However there could well be circumstances in which it is desirable that operators be able to gain limited access to nearby areas which are outside their own title area. For instance, an operator may need to be able to tie his own geophysical work into some known control. This may involve access over another title holder's area or access over a part of the continental shelf over which there is no title extant. Clause 112 provides for the grant of access authorities in such circumstances for short periods. Without this provision a title holder going outside his own title area could be in breach of the law.

Clause 124 is another example of the way in which the Bill ensures that Australia's obligations under the Convention are properly observed. Article 5 of the Convention requires that operations on the continental shelf must not result in any unjustifiable interference with navigation, fishing or the conservation of the living resources of the sea. Australia's responsibility in this regard is covered by clause 124.

The States and the Commonwealth are anxious that there should be a systematic build-up of general knowledge of the

geology and mineral resources of the continental shelf of Australia. This knowledge will be useful not only in the search for petroleum but also in the discovery of other minerals which it is confidently expected will be found in the seabed. Under the Commonwealth's Petroleum Search Subsidy Act, information obtained by companies as a result of subsidised operations, is made available to the Commonwealth and published 6 months after the completion of any particular operation and cores and cuttings are properly stored and available for inspection. In the view of the several governments this has been most valuable. Indeed, the value of this procedure has been strikingly illustrated by the fact that the examination of cores from subsidised petroleum wells held in the Bureau of Mineral Resources was instrumental in leading to the discovery of the very extensive phosphate deposits near Duchess in northern Queensland.

The governments considered however that in the case of non-subsidised operations there is a case for the company concerned having the exclusive use for a rather longer period of information obtained by its own efforts and at its own expense. However the basic right to exploit the resources of the seabed vests in the Crown. The Crown issues titles for exploration and exploitation subject to appropriate conditions such as an adequate exploration effort, the payment of royalty and so on. The governments have decided that it is also reasonable to make it a condition that not later than a specified number of years after the furnishing of information to governments the results should be available for general use. This is provided for in clause 118.

I should also here draw attention to the provisions of clause 13 of the Commonwealth-State Agreement which will ensure that my Department receives copies of all reports, maps, logs, and adequate portions of cores, cuttings and samples. This data will be invaluable both to the State geological surveys and to the Bureau of Mineral Resources in steadily building up a comprehensive knowledge of the geology of our continental shelf. However the information will be kept confidential by governments for the periods specified in the clause. The foregoing will not of course in any way affect the publication of information received under the Petroleum Search Subsidy Act in the manner already well

established under that Act. The governments believe that the provisions of this clause as to the release of information strike a reasonable balance between the public interest and that of individual companies whose efforts result in obtaining geological information in respect of the areas in which they are working.

From time to time it will be necessary to determine various positions on the continental shelf, such as, for example, the position of a particular well in a title area. Provision is made in clause 156 for all determination of positions to be by reference to the Australian Geodetic Datum. This again is a heartening example of co-operation between the States and the Commonwealth as this Datum has been established and accepted by the co-operative effort of the surveying authorities of all States and the Division of National Mapping of my Department through the agency of the National Mapping Council.

When I first spoke to the House on this matter of offshore petroleum, I mentioned that particular attention was being paid to the position of companies holding titles which had already been issued by the States and the Territories. Throughout the discussions between the Commonwealth and the States the Commonwealth has made clear its intention, wherever possible, to honour titles which have been issued by States and Territories and accepted by companies in good faith prior to the passage of this legislation.

After the coming into force of this new legislation, an existing title holder will have two choices. He will be able, by virtue of appropriate transitional provisions in the State Bills to continue to hold his existing title area under its existing conditions for the unexpired portion of its life. If, during this period a title holder discovers petroleum, then notwithstanding that he is not the holder of a permit under this new legislation, he will be entitled to apply for and be granted a production licence under the Common Code in the same way as if he were the holder of a permit under the Common Code. The alternative procedure which will be open to existing title holders, and a procedure which we hope will be generally adopted, is that the title holder may seek to bring himself immediately within the provisions of the joint legisla-

tion. Thus he would obtain the security of title which will result from the legislative support of the mirror-image Bills of the appropriate State and of the Commonwealth. Provision for this is made in clause 144.

I should perhaps mention that in a few cases the outer boundaries of permits that have already been granted extend over areas where the depths are greater than would presently be regarded as exploitable. In such cases although the boundaries of a new title will be issued in general conformity with the original title the rights to explore will, in terms of the Bill, be limited to areas which from time to time have the character of continental shelf within the meaning of the Convention. Another minor exception to the arrangement for the confirmation of existing permits is that in two cases in the Arafura Sea permits have been issued, small parts of which inadvertently cover areas over which the Government does not consider Australia has jurisdiction. Appropriate adjustments will be made and the companies concerned have already been advised of the situation.

My immediately preceding comments have been directed to titles at the permit or exploration stage. Special provisions have been made to cover production titles which have been granted to BHP and Esso in the Gippsland Shelf area and to West Australian Petroleum Pty Limited around Barrow Island and also in respect of the pipeline licences which have been granted in relation to the Barracouta and Marlin fields. In the case of Barracouta and Marlin production licences, and the pipeline licences which will serve these areas, clauses 146 and 147 provide that these existing titles will continue in force as if they had been granted under the joint legislation. I should make the point here that these titles were granted at a time when the general outline of the common code had been established. In consequence it was possible through special legislative action by Victoria, for the grants to be made in terms which conform very closely with the Bill now before the House.

As the Prime Minister (Mr Harold Holt) pointed out in his announcement on 29th December 1966, the Commonwealth had concluded that it was in the national

interest for the development of these two fields to proceed without delay. The work off Gippsland will involve a very large investment of the order of \$150m. The action taken to grant to the companies titles under Victorian legislation, with an assurance of Commonwealth support, has enabled the companies to get ahead with their work and advance the time when natural gas will be available on the mainland by upwards of a year.

I think anybody who has followed the history of petroleum exploration in Australia at all closely must feel a sense of satisfaction that the tenacious efforts of West Australian Petroleum Pty Ltd—a company known throughout Australia as Wapet—have been rewarded by a valuable discovery on Barrow Island. Production at Barrow is at present confined to the island itself. But by arrangement between the Western Australian Government and the Commonwealth, Wapet was also granted a lease under Western Australian law, of an area of the seabed immediately surrounding the island. In accordance with the arrangements made between Western Australia and the Commonwealth, this lease over the submerged land surrounding Barrow Island is to be replaced by a reproduction title issued under the joint legislation thus ensuring security of tenure to the company in respect of this area. Provision for this is made in clause 148.

Earlier in my speech I referred to the requirement in the future for operating and safety regulations. There may also be a need for administrative regulations such as for the prescription of various forms. The regulation making power is in clause 157. It not only provides a general power but also sets down in some detail the broad heads under which we expect that regulations will from time to time be necessary.

I would like now to deal with certain of the more important financial aspects of this legislation, references to which will be found both in the principal Bill and also in the taxing bills attached to the principal Bill. It is a generally accepted feature of petroleum legislation that title holders pay fees somewhat in the nature of annual rental in return for their title areas. Fees at the permit stage will be at an annual rate of \$5 a block with a minimum payment for each

permit of \$100. This works out at approximately 20c per square mile and as I mentioned in my statement in November 1965 is a comparatively modest rate. However it is the view of both the State and Commonwealth Governments that at the exploration stage every encouragement should be given to the companies to spend their money on their all important task of searching for petroleum.

At the production licence stage the annual fee will be at the rate of \$3,000 for each block in the licence area. In the case of a pipeline licence there will be an annual fee of \$20 in respect of each mile of the length of the pipeline. These fees will be retained in full by the adjacent State and will be some offset to the costs which will be incurred by the States in the administration of the offshore legislation. This, of course, includes not only the office administration but also inspections and the like in the field.

Another customary feature of petroleum legislation is the provision for bonds or securities for compliance with the conditions of the title. These are provided for in clause 114 in the sum of \$5,000 for a permit, \$50,000 for a production licence, and \$20,000 for a pipeline licence. In the case of permits and pipeline licences, provision by the title holder of a satisfactory security will be compulsory. In the case of a licence the designated authority will have discretion whether or not to require lodgment of a security.

If success attends the efforts of an exploration company, it could well be that over the years it will take out several production licences. To require a company to lodge securities of \$50,000 in respect of each licence could have the effect of tying up a substantial amount of money. Bearing in mind that failure to comply with the provisions of the licence or with any of the provisions of this Act or the regulations renders a title holder liable to have his title cancelled, it may be that a designated authority, having regard to the value of the investment which the title holder has at stake in a licence, may decide that provision of a security in this case is not necessary.

When I referred to the provisions regarding the registration of transfers I mentioned that I would deal later with the

circumstances under which registration fees are payable. I would like to do this now and would refer honourable members to clause 4 of the Registration Fees Bill. Registration fees will be payable at an ad valorem rate of 1½% on value of the consideration for a transfer of a title or on the value of the interest in the title transferred whichever is the greater. There will be a minimum fee of \$100. Where the consideration for a transfer is represented by a promise to undertake or be responsible for the cost of approved exploration works, no registration fee is payable in respect of the value of those works. Where a transfer results from the operation of a prior dealing such as a farm-out agreement between two companies, exemption from ad valorem fees may be granted and in lieu a flat rate fee of \$1,000 is charged. This concession is subject to the designated authority being satisfied that the particular dealing was not entered into for the purpose of avoiding or reducing registration fees.

A further category of transfers which is exempt from ad valorem fees is a transfer between related companies when the designated authority is satisfied that this is made solely for the purpose of the re-organisation or for the better administration of the companies concerned. It is the view of the State and Commonwealth governments that the legislation should aim to encourage administrative and organisational efficiency by offshore companies and avoid a multiplicity of unreal legal arrangements through schemes designated to avoid payment of registration fees. Without doubt the most important financial provisions relate to royalties both as to the rates at which royalty is payable and also in the distribution of royalties as between the States and the Commonwealth.

It will be noted from clause 5 of the principal Bill that 'petroleum' for the purposes of this legislation will be defined as any naturally occurring hydrocarbon, or any naturally occurring mixture of hydrocarbons or any naturally occurring mixture of hydrocarbons with hydrogen sulphide, nitrogen, helium or carbon dioxide. This is to ensure that the legislation will cover those substances that may reasonably be expected to be encountered in the course of petroleum operations.

During the first 21-year period of a production licence the standard royalty will be at the rate of 10% of the value at the well head of the production of petroleum as defined. The standard royalty to apply during the second 21-year period of a licence, or during any further extensions, will be fixed by the Parliaments at or before the time of granting a renewal of a licence and the rate so determined will apply during that period. In the absence of parliamentary action to fix a new rate the 10% rate will continue to apply.

Where the permittee elects to take any or all of the additional blocks in a location over and above his primary entitlement, he will be required to pay an additional or override royalty on production from all of the blocks in the location which he elects to have included in his two licences. The rate of this override royalty will be negotiated between the operator and the designated authority but it is not to be less than 1% nor more than 2½%.

I mentioned earlier that there was no such thing as an international standard in offshore petroleum legislation. This is well illustrated by the differing rates of royalty which are payable. In Canada, in offshore areas, royalty is at 5% for the first 5 years and thereafter at 10%. In Italy it is 8% for oil and 5% for gas. In Nigeria it is 10% out to the 10 fathom line and 8% in outer areas. In Norway it is 10%. In the United Kingdom it is 12½%. In the Netherlands a sliding scale rises to a maximum of 16%, and in federally controlled areas in the United States of America it is 16¾%.

In Australia a 10% royalty on petroleum has been a generally accepted standard for many years. In considering what rate of royalty should apply offshore the governments took note of the widely diverging royalty rates that applied overseas and also of the circumstances which exist in Australia today in relation to the size of our potential home market, the difficulties of exploration and so on. It was decided that retention of 10% as a standard rate was reasonable but that should operators wish to obtain additional areas from within their location, some further payment was justified. It will be noted that there is a floor of 1% to this override while the upper

limit of 2½% would bring the royalty rate to the same level as that which is imposed by the United Kingdom.

For royalty purposes the value at the well head of petroleum produced will be such amount as is agreed upon between the licensee and the designated authority or in default of agreement as is determined by the designated authority. Again I would refer honourable members to clause 21 of the Commonwealth-State Agreement which provides for consultation between the designated authority and the Commonwealth before any determination of value is made otherwise than by agreement with the licensee.

Clause 6 of the Petroleum (Submerged Lands) (Royalty) Bill provides for the possibility of reducing the rate of royalty in certain cases. This would be in circumstances where the rate of recovery of petroleum has become so reduced that further recovery might be uneconomic in the absence of some relief. Reduction of royalty will not be made except after consultation as provided by clause 20 of the Commonwealth-State Agreement between the Commonwealth Minister and the appropriate Minister of the State. This particular provision is looking a long way into the future but it is designed to ensure the maximum possible recovery of petroleum from any particular field.

I have mentioned the mirror image nature of the legislation being brought down in the Commonwealth and the State Parliaments. Royalty will be provided for in both sets of legislation and in order that companies will not be required to pay royalty twice, special provision is made in clause 128 of the principal Bill that where royalty is paid under a law of the State, the operator is not liable to pay royalty in respect of that same petroleum under the Commonwealth Royalty Act.

The sharing of royalties between the Commonwealth and the States is dealt with in clause 19 of the Commonwealth-State Agreement and in clause 129 of the principal Bill. The standard royalty of 10% will be shared on the basis of six-tenths to the adjacent State and four-tenths to the Commonwealth, while override royalty payable where a permittee takes out a secon-

dary licence from within a location, will be retained in full by the adjacent State.

In the case of the Territory of Papua and New Guinea, the Government has decided that all payments of fees and royalties will be paid to the Territory Administration. Notwithstanding the very heavy expenditure which Australia incurs year by year in guiding this Territory towards self determination, it is felt proper that from the outset of this offshore legislation all payments made by operating companies should be shown to be directly for the benefit of these Territories.

Before concluding there are two or three other general matters to which I would like to refer. The legislation which I am now presenting to the House is concurrently being presented in the Parliaments of Victoria, Queensland, South Australia, Western Australia and Tasmania. In the case of New South Wales, Parliament is not sitting, but that State's legislation will be presented next week and in the meantime special action is being taken by the New South Wales Government to advise their members of Parliament of the action contemplated.

In the drafting of this joint legislative scheme every effort has been made to avoid the risk of constitutional litigation that might result in either the Commonwealth legislation or the legislation of a State being declared invalid. While the Governments themselves have all agreed to put constitutional issues on one side and not to challenge the validity of each other's legislation, it is understood that, if either the Commonwealth or State legislation is successfully challenged in the courts, the scheme of arrangement between the Commonwealth and the States will nevertheless continue in force.

From time to time there have been suggestions from some quarters that the Commonwealth has in some way abandoned its constitutional authority and responsibility in connection with offshore petroleum. This allegation is usually associated with discussion about interstate trade in offshore petroleum. I want to make two points. Firstly, any suggestion that the Commonwealth has abdicated its proper position is entirely erroneous. What it has done is, in co-operation with the States, to

establish a legislative and administrative system resting on a foundation comprising all the powers and executive resources available both to the Commonwealth and the States.

Secondly, insofar as interstate trade is concerned, I would particularly draw attention of honourable members to the Annex to the Commonwealth-State Agreement relating to trade between the States, and between the States and Territories, in petroleum produced from the offshore areas to which this joint legislation will apply. It will be noted that the Prime Minister and all State Premiers have formally set down the resolve of their Governments that they will encourage and will not seek to restrict any such trade. Further, they declare their common intention not to discriminate against any such trade. Thus the principle of freedom, and indeed of encouragement, of interstate trade is explicitly written into the basic arrangements of this joint scheme. The Government regards this as a historic piece of legislation which it is proud to bring before this Parliament. We believe that the whole scheme not only demonstrates the strength of the inter-governmental institutions of this country, but is also unique in the world in countries where a federal system of government is in force.

Finally, it is the hope both of this Government and of the governments of the States that the passage of these Bills through the several Parliaments will herald an even greater effort in the exploration for petroleum in Australia's offshore areas, and that these probings of our continental shelf will result in many more discoveries of petroleum which will add to our national wealth. I commend the Bill to the consideration of the House.

Mr Luchetti—I hope that opportunity will be given to honourable members to consider carefully the implication of this legislation.

Mr FAIRBAIRN—Certainly. It is our intention not to debate this legislation before this time next week. This will enable members to examine the legislation.

Debate (on motion by Mr Luchetti) adjourned.

PETROLEUM (SUBMERGED LANDS) (ROYALTY) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Motion (by Mr Fairbairn) proposed:

That the Bill be now read a second time.

Debate (on motion by Mr Luchetti) adjourned.

PETROLEUM (SUBMERGED LANDS) (EXPLORATION PERMIT FEES) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Motion (by Mr Fairbairn) proposed:

That the Bill be now read a second time.

Debate (on motion by Mr Luchetti) adjourned.

PETROLEUM (SUBMERGED LANDS) (PRODUCTION LICENCE FEES) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Motion (by Mr Fairbairn) proposed:

That the Bill be now read a second time.

Debate (on motion by Mr Luchetti) adjourned.

PETROLEUM (SUBMERGED LANDS) (PIPELINE LICENCE FEES) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Motion (by Mr Fairbairn) proposed:

That the Bill be now read a second time.

Debate (on motion by Mr Luchetti) adjourned.

PETROLEUM (SUBMERGED LANDS) (REGISTRATION FEES) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Motion (by Mr Fairbairn) proposed:

That the Bill be now read a second time.

Debate (on motion by Mr Luchetti) adjourned.

PETROLEUM (ASHMORE AND CARTIER ISLANDS) BILL 1967

Bill presented by Mr Fairbairn, and read a first time.

Second Reading

Motion (by Mr Fairbairn) proposed:

That the Bill be now read a second time.

Debate (on motion by Mr Luchetti) adjourned.

TARIFF PROPOSALS

Mr HOWSON (Fawkner—Minister for Air) [4.42]—I move:

Tariff Proposals (No. 20) (1967).

The Customs Tariff Proposals which I have just tabled amend the Customs Tariff 1966-1967 and operate from tomorrow morning. The principal tariff alterations in these Proposals are those consequent upon the adoption by the Government of the Tariff Board's recommendations in its recent report on certain television receiver parts, namely channel tuners and deflection yokes. These latter articles, I am advised, fit around the neck of the television tube. On channel tuners and deflection yokes the Board has recommended rates of 45%, General, and 30%, Preferential, which it considers will afford adequate protection. These rates represent a general reduction in the level of protection on these goods.

The Board found that the local industry producing channel tuners and deflection yokes is an important part of television receiver manufacture in Australia. Since the Board's report in 1963, local manufacturers have expanded both production and their share of the market. The Board considered the production of channel tuners, deflection yokes and parts to be efficient and that the local industry had ample capacity to supply the total requirements of the Australian market. The Board also considered local manufacturers were worthy of continued assistance, provided the level of assistance is not excessive.

The balance of the amendments contained in Proposals No. 20 are of an administrative nature to restore duty situations at 30th June 1965, the Brussels changeover date. Details of all the tariff alterations in Proposals No. 20 are contained in the summaries of tariff alterations attached to copies of the proposals being circulated to honourable members. I commend the proposals to honourable members.

Debate (on motion by Mr Crean) adjourned.

TARIFF BOARD

Reports on Items

Mr HOWSON (Fawkner—Minister for Air)—I present the report of the Tariff Board on the following subject:

Television Receiver Channel Tuners and Deflection Yokes.

I present also the following reports by the Tariff Board which do not call for any legislative action:

High Speed Drill Rods (Dumping and Subsidies). Knitted Shirts (Dumping and Subsidies).

Ordered that the reports be printed.

NEW BUSINESS AFTER 11 P.M.

Mr SNEDDEN (Bruce—Minister for Immigration) [4.45]—I move:

That standing order 103 (11 o'clock rule) be suspended until the end of next month.

It has become the practice of successive Leaders of the House towards the end of a session to move that standing order 103 lapse for the remainder of the parliamentary session. I do it because to get through the legislative business of the House it is necessary at times to have the opportunity to introduce measures after 11 p.m. Like all honourable members, I do not care for late nights. Especially we do not care for them on Tuesday nights or Thursday nights. On Tuesday nights we do not like them because usually we have been out late on Monday night and have risen early on Tuesday morning. As a result Tuesday tends to become a rather long day. As for Thursday night, unfortunately one has the problem, with the rapidity of air transport, of having to board an aircraft before 8 a.m. on Friday morning to return to one's electorate. Therefore we do not like to sit late on Thursday nights. I share these views and, to the extent that I am able to do so, I should not like the House to sit excessively late on Tuesday or Thursday nights.

I think there is more freedom to sit later on Wednesday nights and I am bound to say that I expect the remaining Wednesday nights of the session to be later than either Tuesday or Thursday nights.

Mr Crean—It is a pity we did not have more notice.

Mr SNEDDEN—I gave notice yesterday.

Mr CREAN (Melbourne Ports) [4.47]—I should like to voice some objection to this procedure. As everybody knows, last week the House ran out of business.

Mr Snedden—That is not correct. We did not run out of business. We had plenty of it, but at the request of the Opposition we did not go on with it.

Mr CREAN—The House ran out of the business that had been arranged for it and the Government tried to rush other business on. I suggest that we have had the usual spectacle of a fairly small notice paper until the last 2 weeks. A measure that was introduced this afternoon is worthy of at least more than a passing consideration. According to the blue sheet, if stocks are available at 8 p.m., four new measures will be introduced in relation to income tax, involving such fundamental things as the renewal of the double tax agreement with Great Britain and the principle of withholding tax. If this means that the Government wants to get those Bills through within a fortnight and then adjourn until March, I suppose this sort of suspension is necessary.

I submit that this is not the proper way in which to transact the legislative business of this House. Why the House of Representatives should need to adjourn because of a Senate election is beyond my constitutional ken. I think we could continue and the Senate election campaign could be conducted quietly, as I think it will be anyway. If, of course, the Government wants to make it a gladiatorial combat with all forces in the field, the sensible thing for it to do is to have this House resume after 25th November, which still leaves quite a deal of time before 25th December which I understand is Christmas Day. I can see no good reason why at this stage the House should support the suggestion made by the Minister.

On behalf of my Party, I offer strenuous objection to this course. Perhaps it almost becomes a ritual each year for the Opposition to make this protest. It is easy, of course, to blame the poor Parliamentary Draftsman by stating that he cannot draft a lot of the business that the Government wants to bring forward. I find it difficult to follow this kind of argument. It is

surprising what can be drafted quickly in spite of the difficult position of the Parliamentary Draftsman, an example being the Bill to prevent funds from being sent to North Vietnam which was rushed through. It is time the House ceased to accept this kind of glib explanation.

I think honourable members will find that from yesterday until tomorrow more legislation will appear on the notice paper than has been seen in the past month. This is an undesirable practice. Many of the Bills that are being rushed through, particularly those which the Minister for National Development just brought before the House, are of the utmost importance. The Government is following the course of having this House debate seven Bills as though they were one, though the Minister described the legislation as not only historic in this Parliament but also unique in the world. I am sure that this is the sort of legislation which the honourable member for McMillan (Mr Buchanan), a member of his Party's mineral development committee, would like to have a little more time to contemplate before debating it in this House. These are the sort of Bills which in my view demand extensive Committee debate, but apparently honourable members will not get that opportunity.

I am sometimes described as the shadow Treasurer, so I make the same reservation about the legislation covering the double tax agreement, which is an intricate document in itself. Though officials from the British Inland Revenue Department were here for some months at the invitation of the Government, and have been gone for some months, the Government expects the Parliament to debate those decisions in a couple of days. I for one protest against this. There is the other matter of the dividend withholding tax. I understand there are to be amendments to the current payroll tax and a further set of amendments to the Income Tax Assessment Act which we were supposed to have disposed of last night. Again, this shows the haphazard way in which the Government is handling its business. Also on the blue sheet showing the business that is to come on later this evening are the Commonwealth Employees' Furlough Bill and the Public Service Bill (No. 2) whatever that may be. All these Bills, which have still

to be introduced, will have to be considered in addition to the seven Bills that were introduced a few moments ago.

Perhaps before honourable members commit themselves to suspension of the standing order in relation to the 11 o'clock rule, the Minister in charge of the House may care to indicate whether the Government intends to present any other Bills in the remaining fortnight of business. If he does, we shall then have some idea of the totality of the business before the House. I should think that a more rational proposal would be to continue the normal hours of sitting for the next fortnight. Then, if legislation still remained to be dealt with, the sensible thing to do would be to arrange for the House to resume after 25th November. The Opposition cannot accede to the Government's proposal. Until we receive a better explanation we shall oppose it.

Mr TURNBULL (Mallee) [4.54]—Ever since I came to this House, first as a member of the Opposition, I have always been opposed to late sittings. I do not think they serve any good purpose at all. I often said so in this House when Labor was in office. I recall on one occasion after a late sitting arriving at the Hotel Kurrajong just in time to hear the breakfast bell ringing. That was certainly a late sitting. We have had the same sort of thing since Labor went out of office. My remarks are distinctly non-political. I agree with some of the things that were said by the honourable member for Melbourne Ports (Mr Crean), but I disagree with others. I do not necessarily oppose this motion for suspension of the 11 o'clock rule and therefore I do not oppose the introduction of new business after that hour. However, I agree with the honourable member for Melbourne Ports that the Minister in charge of the House should give us a very definite indication of how far he will carry the sittings. I should be tremendously pleased if he did that. I should appreciate the Minister's giving us some indication of what he actually intends to do about late sittings when the motion he has moved is passed, as undoubtedly it will be. Ever since I have been a member of the Parliament I have been much against excessively late sittings. I repeat that they do not serve any good purpose. Members of the Labor Party who were in govern-

ment many years ago will recall that I expressed similar views then. This does not mean that I am against suspension of the 11 o'clock rule. After all, 11 o'clock is not such a very late hour. In fact the Minister has stated that he does not propose that the House will sit late on Tuesday night or Thursday night. However, Wednesday night is the one that matters so much because Thursday comes after it. After sitting very late on Thursday night one can go to bed and have a sleep. Most members want to sleep after sitting until 5 o'clock in the morning. As the Country Party Whip, I know that Country Party members have to travel much farther than other members when the House rises on Thursday. The Minister and the honourable member for Melbourne Ports, who travel only to Melbourne, would be in bed by 10 o'clock in the morning after a tremendously late sitting, but a country member such as I am would get home at half past 7 that night after travelling all day.

Dr Patterson—What about the honourable member for Kalgoorlie?

Mr TURNBULL—He has a much better run than I. If you look at the times he leaves and arrives home, and compare them with mine, there is little difference. I have often said that I leave home at 8.45 o'clock on Monday morning on public transport to get here for a Tuesday sitting. But this is not part of the story. The story is that I am asking the Minister in charge of the House to give some indication that the House will not sit later than, say, 2 o'clock on a Thursday morning. He has already said that the House will not sit late on Tuesday or Thursday. What about an assurance that it will not sit beyond 2 o'clock on Thursday morning? I am against sittings until 4 or 5 o'clock in the morning. All Opposition members ought to be supporting me. I do not agree with the honourable member for Melbourne Ports, who asked why this House should get up for a Senate election. He asked why a Senate election should concern this House. Is it not better for us to get out and fight a Senate election outside, rather than in here? What would happen if the honourable member had his way? The campaign would be fought in this House; it is already being fought here. It would be

intensified. This House is no place in which to fight a Senate election. Let honourable members get out on the hustings to do that. Therefore, I am in favour of the House's rising, if possible, about 2nd November. The Minister having given an assurance that the House will not sit excessively late on Tuesday and Thursday nights, everything I have said can be compressed into a request for a limit on Wednesday night sittings. Denial of this might mean that the House will sit until any time, perhaps 4 or 5 in the morning. I shall be unhappy if I do not get that further assurance.

Mr HANSEN (Wide Bay) [5.0]—I join with my colleague, the honourable member for Melbourne Ports (Mr Crean) in opposing strongly the suspension of the 11 o'clock rule, because this would mean —let us not be naive about it—that the House would be sitting until all hours. If new business is introduced after 11 o'clock it is quite possible that a number of members—and bear in mind that most of them would be on the Government side—will be denied an opportunity to participate in the ensuing debate. The House may have before it legislation such as that which was introduced this afternoon by the Minister for National Development (Mr Fairbairn). His second reading speech covered 52 pages, and the seven Bills that he introduced will make history in this country. The Minister himself said that they had never been equalled in importance and I agree that they will have a great effect on Australia not only now but also in the future. We also have on the business paper the Commonwealth Employees' Compensation Bill, the Seamen's Compensation Bill, the Air Navigation (Charges) Bill, the Defence Forces Retirement Benefits (Pension Increases) Bill, the Aged Persons Homes Bill and other Bills which we are expected to pass within the next couple of days.

I, like the honourable member for Mallee (Mr Turnbull) and you, Mr Deputy Speaker, have to travel a fair distance from my electorate. I have to spend a good deal of time during the day in travelling, and I do not appreciate sitting here into the early hours of the morning. Before I came to this Parliament I had always advocated an 8-hour day. I thought that if a man worked

8 hours a day he was doing enough. But we come to this place and seem to lose all sense of balance and proportion. If there are people here who can think clearly at 2 or 4 o'clock in the morning I can only suggest that they have caught up with their sleep somewhere else.

There is a provision in many industrial awards that after a man has done more than his day's work of 8 hours he must have a break of at least 8 hours before returning to work. This is compulsory. Honourable members in this chamber and members of State Parliaments have introduced legislation to restrict excessive hours worked by transport workers and others, because of the hazards involved in working long hours. I suppose in this place we face no hazards other than those which are self inflicted. If a member does not take the opportunity to duck off and have a sleep from time to time that is his own fault. But the fact is that the people of Australia have elected us to represent them in this chamber, and whether we are physically in the chamber or outside it preparing speeches or conducting research we are obliged to attend all sittings of the House unless we have a good excuse for not doing so.

For the reasons I have given I believe that we should increase the number of sitting days of the Parliament rather than extend the hours of sitting. My information is that the Senate election campaign of the Government Parties will not open until a week after it is estimated the House will rise. If this is so I see no reason why the House should not sit for some time after the 2nd or 3rd November. I agree, in fact, with the honourable member for Melbourne Ports that there is no good reason for us to rise simply because a Senate election is to be held. The elections for the House of Representatives and the Senate have now been completely separated. If members of this House wish to participate in the Senate election campaign they will no doubt have opportunities to do so on weekends. But in any case, even if it is considered that both Houses should rise while the Senate election campaign is in progress, we could still return to Canberra after the election and transact the very important business that is before us, giving all members proper opportunities to participate in debates. I

know that Government supporters are very interested in some of the legislation that is coming before us. Because they are in greater numbers in this House than we are, many of them will probably be gagged. For this reason I would like to hear their opinions on this subject.

Mr DALY (Grayndler) [5.5]—I wish to add only a few brief words to what my colleagues have already said. The motion under discussion is one that comes before the House practically every session and always provokes a lot of criticism. The motion is that standing order 103, the 11 o'clock rule, be suspended until the end of next month. I wonder whether the Minister for Immigration (Mr Snedden) realises the effect that the suspension of this rule has on a number of people associated with this institution and on the general proceedings of this august House. It means, first, that we will have legislation by exhaustion, which is the most ineffective way of dealing with legislation. Measures are not properly debated. In the early hours of the morning one sees sleepy, dreamy members in this place, with Ministers looking no better, or certainly acting no better, and trying to deal efficiently with important legislation. When members of the public come here during these all night sessions they are faced with a dreadful spectacle. Even without coming here they can see photographs in the newspapers of members and Ministers looking extremely tired because of having worked all night. This is caused entirely by the Government's refusal to have legislation debated at times when members are fit and mentally alert and can apply themselves diligently to the legislation under discussion.

I wonder whether the Minister has considered the effect of these late sittings on members. Has he considered how tired they can become after being here all day and then being forced to remain until the early hours of the morning? It is quite obvious from the actions of members of the Ministry that they do not get enough sleep even when we are sitting our normal hours. Why, when the Prime Minister (Mr Harold Holt) was speaking here today one of his supporters was snoring on a back bench. I do not criticise the poor gentleman. He probably cannot stand up to his arduous

task even during the hours we now sit. But what will happen to him when we have to sit all night?

I have seen you, Mr Deputy Speaker, and the gentleman you are at present relieving, trying to stay awake in the early hours of the morning, knowing that you must accept the responsibilities of your office. Yet the Government seeks to inflict on this Parliament, and particularly on you, Mr Deputy Speaker, who have to be alert and maintain control of the Parliament, the hardship of sitting into the early hours of the morning, simply because the Government wants to drag out proceedings under its policy of legislation by exhaustion.

Who thinks of the staff, of Hansard for instance? Hansard reporters are expected to stay here all night and do their work. So are other members of the staff, such as the attendants. They have to remain here until the early hours of the morning and then front up again for work at an early hour. Members, of course, can possibly take some time off when the opportunity presents itself and have a little sleep. But the Government would impose tremendous strain on the officers of the House, including you, Mr Speaker, and particularly the Hansard reporters and others who must remain here throughout the sittings of the Parliament. There can be no justification for failing to consider the feelings of these people. Members of long experience in this Parliament can tell of people becoming worn out by their parliamentary duties, which are quite onerous, and by the extensive travel associated with those duties. Yet at a time when the Government urges members to keep themselves fit, when the Prime Minister is conducting a keep fit campaign using the television and the Press media, and when the Minister for Health (Dr Forbes) is bending and jumping every morning and telling people to sleep well and get up early, the Government will not allow members to go to bed at all. This is a complete contradiction of the keep fit campaign sponsored by the Government.

Let us go a step further. What is wrong with our returning here after the Senate elections on 25th November? Many a time we have sat here until the middle of December or a week or so later. I see no reason why the Parliament could not resume this session after 25th November and so

deal with the Government's legislation in an orderly fashion that would allow for proper consideration of members.

Far be it from me to entertain suspicions of the Government's intentions. The last thing I would do would be to misjudge the Government's intentions or cast aspersions on its integrity. But I have a feeling that it may have some legislation that it does not want discussed in the light of day. I think we will find that after midnight in the next few weeks the Government will be introducing sinister measures which it feels might affect the result of the forthcoming Senate election if they were debated when the public were listening to the broadcast of the proceedings or spectators were present in the galleries. Nothing will ever convince me that the Government does not feel sometimes—particularly in an election year—that it will be able to cover up a lot of its sins of omission and commission by introducing legislation of this kind at dead of night. As I say, I do not like to cast aspersions of this nature on the Government but I cannot help feeling that there is something sinister behind this proposal.

Mr Turnbull—Is that why the Australian Labor Party followed this practice?

Mr DALY—The honourable member for Mallee talks one way and then votes another way according to where he sits in the Parliament. He has been complaining about this matter for at least 20 years to my knowledge but he has never voted against such a proposal in his life. He has always spoken against this kind of proposal. Perhaps we will see history made as time goes by and he will actually vote as he talks on this issue.

As I said, I rose for a few moments only. But I appeal to the Government to give members of this Parliament the opportunity to debate legislation in a proper manner and at reasonable hours. I ask the Government to extend the present session if that is necessary in order to avoid long, exhausting sittings. I would like an assurance from the Leader of the House that the Government will not introduce in the dead of night legislation which will have a detrimental effect on the populace at large. Members are entitled to consideration. In order to debate legislation intel-

ligently they need to be alert. The honourable member for Maribyrnong (Mr Stokes) is trying to interject. How will he look after an all night session? He did not go so well earlier today. The point that I am making, if I may summarise my remarks, is that I oppose the resolution and I hope those who feel as we do but who have not yet spoken in this debate will join us and vote against the proposal on this occasion.

Mr BARNARD (Bass) [5.12]—Mr Deputy Speaker, I rise to support my colleagues in expressing opposition to this motion for the suspension of standing order 103, which is commonly known as the 11 o'clock rule. I apologise to the Leader of the House (Mr Snedden) for my absence from the chamber when he proposed this motion. I was attending another meeting and this matter came on unexpectedly.

Mr Snedden—I understand completely.

Mr BARNARD—All of my colleagues who have spoken in this debate have expressed the opinion of the Opposition on this question. We do not believe that the suspension of this standing order is necessary; nor do we believe that it is desirable. The honourable member for Grayndler (Mr Daly) has just pointed out that, towards the close of every session, Bills are brought before the Parliament and debated in the early hours of the morning. Certainly the Bills are not debated in the best circumstances because the arrangement does not meet the interests of this House or honourable members.

Mr Pearsall—The honourable member ought to talk to Eric Reece about that subject.

Mr BARNARD—I am not concerned about what happens anywhere else. The honourable member for Franklin probably has not been here long enough to appreciate the situation that can arise when we deal with Bills in the early hours of the morning. Members are not interested. The Press is not interested. Our proceedings are not on the air. Certainly the public is not interested in Bills that are debated in the early hours of the morning when the Government brings them on.

I believe that the Leader of the House will concede that the Opposition has co-operated with the Government during this

sessional period, as it did during the previous period. Whenever the Minister has made certain suggestions for the conduct of the business of this House, the Opposition has been prepared to meet him. The Minister, for example, could have arranged for the House to sit on Mondays and Fridays in addition to its normal sitting days. The Minister has neglected to do this. On behalf of the Government he has moved for the suspension of the 11 o'clock rule. What does this mean in effect? It means that the Government will be able to introduce new business after 11 o'clock. If the Government wishes to deal with business after 11 o'clock, it can introduce new business before 11 o'clock and this new business can then be debated after that hour. I think that the Leader of the House appreciates this situation. When the opportunity is taken to introduce the legislation before 11 o'clock the legislation can be debated on the same day.

Most honourable members will recall what happened in the last 2 weeks during which we sat. They know that this House has been sitting after 11 o'clock on most of the sitting days in that fortnight. As the honourable member for Grayndler has pointed out, there is no reason why the Government should not recall the Parliament after 25th November. The Government has decided that a Senate election will be held on that date. But the Parliament could resume after 25th November. The Senate could meet and so could the House of Representatives. As has been pointed out to the Leader of the House, this Parliament has sat in December in other years. I had a look at the records this morning. I found that in 1965 the House of Representatives and the Senate sat well into December. No doubt the records will show that in other years this Parliament has sat in December. We believe that if the Minister considers it impossible for the Government to get through the business that it wishes to bring before the Parliament before it is due to rise on 3rd November for the Senate election, the Government ought to consider recalling the Parliament after the Senate election.

If the Government is not prepared to do this, it has another alternative. The Parliament could meet on Mondays and Fridays of each week. The Opposition has

rarely opposed the proposition that the Parliament should meet on Fridays. The only occasion on which the Opposition has expressed dissatisfaction with this course of action has been when only short notice has been given concerning a Friday sitting. The Opposition would be prepared to support a motion for the Parliament to meet on Mondays and Fridays. We believe that this is preferable to the House sitting in the early hours of the morning.

I believe that the Opposition has proved conclusively today as it has on other occasions that it is not in the best interests of the Parliament to sit in the early hours of the morning. The suspension of the 11 o'clock rule inevitably means that the Government intends to introduce new business into the Parliament after 11 o'clock. This means that the Parliament will be debating legislation in the early hours of the morning.

Mr Turnbull—No, it does not.

Mr BARNARD—The honourable member for Mallee apparently does not disagree with this point of view. But he has consistently opposed motions for the suspension of the 11 o'clock rule over the years.

Mr Turnbull—Not the resolution.

Mr BARNARD—The honourable member does not agree?

Mr Turnbull—I oppose the sittings in the early hours of the morning.

Mr BARNARD—I know that the honourable member does not agree with the Parliament sitting in the early hours of the morning. The honourable member expresses dissatisfaction with the proposition put forward by the Government but he never votes against it.

The Opposition does not believe that it is necessary for the Government to suspend the 11 o'clock rule. The Parliament could sit on Mondays and it could sit on Fridays. As I have already pointed out, it is possible for the Government to bring both Houses of Parliament back into session after the Senate election on 25th November. Certainly this action would be preferable to having members debating very serious legislation in the early hours of the morning.

This afternoon, the Minister for National Development (Mr Fairbairn) introduced a series of Bills—seven Bills in all. I understand that we will be expected to debate them, together with the remaining Bills now on the notice paper and new business which is still to be introduced by the Government, between now and 2nd November or 3rd November when the Leader of the House intends that this Parliament should rise. I say that the Government is making the position almost impossible for members to debate serious legislation when it asks them to consider these Bills in the early hours of the morning. But that is what the passing of this motion will mean. I think that the Leader of the House is fully aware of what is intended. We believe that the Government ought to accept the alternatives that have been pointed out by honourable members on this side of the House. It should not suspend the 11 o'clock rule. For these reasons, the Opposition opposes the motion.

Mr Turnbull—Mr Deputy Speaker, I wish to make a personal explanation. I want to put the record straight. The Deputy Leader of the Opposition (Mr Barnard) has said that I oppose the suspension of standing order 103, the 11 o'clock rule. In a speech that I made this afternoon, I made it clear that I do not oppose this motion. What I oppose is excessively late sittings. My speech as recorded in Hansard will show I said that the Minister had indicated that we will have reasonably early hours on Tuesday and Thursday. If the Minister puts a limit of about 2 a.m. on the Wednesday sitting, this will meet my requirement.

Mr SNEDDEN (Bruce—Minister for Immigration) [5.20]—in reply—When the honourable member for Mallee (Mr Turnbull) spoke, it was perfectly clear to me that he was objecting to sitting excessively late at night but not to the suspension of the 11 o'clock rule.

Mr Turnbull—That is exactly right.

Mr SNEDDEN—That is not inconsistent with his continued support over 20 years or thereabouts—

Mr Turnbull—22 years.

Mr SNEDDEN—The honourable member has a tremendous record and, if I may say so, he has always been consistent. No

doubt he will support the motion on this occasion. The Deputy Leader of the Opposition (Mr Barnard) offered me his apologies for not being here when the debate commenced. I assure him that I understand his position. I too was waiting for the matter to come on, but fortunately I did not have anybody with me. He did, and I understand his position. He said that the Opposition has always been co-operative. I must say that the honourable gentleman has always been co-operative, but I could not be heard to say that the Opposition has always been co-operative. There is a very real difference. The honourable gentleman certainly has given me co-operation. I appreciate it and I pay tribute to him now.

The authenticity of a couple of the points that were made must be looked at. The honourable member for Wide Bay (Mr Hansen) spoke about excessive periods of sitting. The fact is that a parliamentarian's day is much longer than the sitting of the House. If the House sits until 11 p.m. on Tuesday and Wednesday, we get only 7 hours of sitting. Incidentally, we have had 7 hours only since we have extended the sitting from 6 p.m. to 6.30 p.m., giving us an extra half an hour a day. Out of the 7 hours of the parliamentary day we must take question time, time spent on statements made by leave and so on. The time left for debate is diminished. It is true that these must be our hours, roughly, because honourable members have other duties to perform. No doubt Caucus met this morning. Our Party meetings were held. There are Cabinet committees which must meet before the House sits. All this means that it is not possible for the House to sit throughout that period. It is equally desirable that honourable members continue to make their contribution outside the hours of sitting.

The honourable member for Grayndler (Mr Daly), who is always an amusing speaker, suggested that there was something sinister. If he goes through the notice paper he will see that it lists nineteen Bills. If he can find anything sinister in the nineteen Bills, I would be glad to hear about it. The Bills to be introduced today are shown on the blue sheet. There is the Defence (Re-Establishment) Bill, which my colleague, the Minister for Labour and National Service (Mr Bury) will introduce. There are

income tax Bills and the Pay-Roll Tax Assessment Bill (No. 2). If we look for something sinister, I suppose we must look in the Commonwealth Employees' Furlough Bill. I do not know whether anything sinister can be found in that. I will introduce the Public Service Bill (No. 2) and I will make a second reading speech that occupies fully two quarto pages. This Bill is consequential on the Commonwealth Employees' Furlough Bill. Other Bills will be introduced tomorrow. I think it was the honourable member for Melbourne Ports (Mr Crean) who asked to be given some idea of the legislation that is to come. I would not want this to be taken necessarily as exhaustive, but there is not much legislation other than that which will be introduced today and tomorrow. Notice has been given already of the legislation that will be introduced tomorrow. My recollection is that the Clerk read out three notices. One of the Bills that I expect to come in next week will give effect to the proposals of the Woodward Committee. These relate to the waterfront. I do not attempt to explain it in detail, but I am sure the point will be taken. I think there are several Bills of a financial nature and the honourable gentleman may have been given some idea of them.

Mr Crean—What about the new bank? Will a Bill relating to that be introduced?

Mr SNEDDEN—I understand that will be introduced tomorrow. I am rather pleased, if I may take this opportunity to say so, that we have managed to get legislation into the Parliament relatively early, or at least not too late, in the sessional period. The next point to which I must respond was made by the Deputy Leader of the Opposition. He suggested that we sit on Mondays or Fridays. It is perfectly clear that the great preponderance of honourable members would be very eager to avoid sittings on Mondays. We all have our electorate duties to perform.

Mr Arthur—It is my interviewing day.

Mr SNEDDEN—Yes; honourable members put in a lot of time on Mondays on their electorate duties. The offer to sit on Fridays may be accepted. We will not be sitting on this Friday. However, when we see how the programme develops we

may have to decide to sit on the following Friday and subsequent Fridays. The honourable member also suggested that we could come back after the Senate election. I must give him the melancholy news that if we do not finish our programme we will have to come back. Do not consider this as any sort of threat. The fact is that if the programme is not finished we will have to come back.

It was said that I had decided that we would finish on 2nd November. I will give the honourable member another piece of melancholy news. We will finish when the business of the House is finished. My own expectation is that we will finish on Friday, 3rd November, and to be frank I hope we do. But if we cannot we will be back for the next week. If we cannot finish then, we will be back later. It is just not possible at this time to fix a date for the conclusion of the sessional period. We do not know how much time will be occupied by debates. However, I remind honourable members that in the last two weeks of the last Budget session, about 40 Bills were passed. That is my recollection and I do not want to be held to it precisely. We do not have as many Bills as that now. However, I must position myself in relation to the 11 o'clock rule so that legislation can be introduced, if necessary, after 11 o'clock. Very often a late night sitting is not the result of legislation that is introduced after 11 o'clock; it is the result of continued debate on legislation introduced well before 11 o'clock. There is no direct relationship between the 11 o'clock rule and late sittings. The honourable member for Maliee asked me to give him an assurance that we would not sit too late on Wednesday nights.

Mr Turnbull—After 2 o'clock.

Mr SNEDDEN—I cannot give him that assurance. It would be wrong of me to give an assurance such as that. I would not give an assurance that I could not honour. There may be an occasion on which we will have to go beyond that time and it will have to be done if it is necessary. Therefore, I do not give the assurance. All I do is to reiterate that I do not like to sit too late on Tuesdays and Thursdays. If there must be a late sitting, Wednesday is a better night.

Question put:

That the motion (Mr Snedden's) be agreed to.

The House divided.

(Mr Deputy Speaker—Mr P. E. Lucock)

1	Ayes	64
	Noes	31
	Majority	33

AYES

Adermann, C. F.
 Allan, Ian
 Anthony, J. D.
 Armstrong, A. A.
 Arthur, W. T.
 Barnes, C. B.
 Bate, Jeff
 Bosman, L. L.
 Bowen, N. H.
 Bridges-Maxwell, C. W.
 Brownbill, Miss K. C. M.
 Buchanan, A. A.
 Bury, L. H. E.
 Cairns, Kevin
 Cameron, Donald
 Chaney, F. C.
 Chipp, D. L.
 Cleaver, R.
 Corbett, J.
 Crainer, Sir John
 Dobie, J. D. M.
 Drury, E. N.
 Fairbairn, D. B.
 Fairhall, A.
 Forbes, A. J.
 Fox, E. M. C.
 Fraser, Malcolm
 Gibson, A.
 Graham, B. W.
 Hallett, J. M.
 Haworth, W. C.
 Holton, R. M.
 Howson, P.

Tellers:
 Erwin, G. D.
 Turnbull, W. G.

NOES

Barnard, L. H.
 Beaton, N. L.
 Beazley, K. B.
 Benson, S. J.
 Birrell, P. R.
 Cairns, J. F.
 Cameron, Clyde
 Clark, J. J.
 Collard, F. W.
 Connor, R. F. X.
 Cope, J. F.
 Costa, D. E.
 Courtney, F.
 Crean, F.
 Cross, M. D.
 Curtin, D. J.

Devine, L. T.
 Fraser, J. R.
 Fulton, W. J.
 Griffiths, C. E.
 Hayden, W. G.
 Luchetti, A. S.
 McIlvor, H. J.
 Minogue, D.
 Nicholls, M. H.
 Patterson, R. A.
 Peters, E. W.
 Uren, T.
 Webb, C. H.

Tellers:
 Hansen, B. P.
 Stewart, F. E.

PAIRS

Holt, Harold
 McEwen, J.
 McMahon, W.
 Bonnett, R. N.
 England, J. A.
 Gibbs, W. T.
 Whittorn, R. H.
 Giles, G. O'H.
 Jones, Andrew
 Nixon, P. J.
 Falles, L. J.
 Pettitt, J. A.
 Freeth, G.

Whitlam, E. G.
 Caldwell, A. A.
 Jones, Charles
 Bryant, G. M.
 Daly, F. M.
 James, A. W.
 Davies, R.
 Everingham, D. N.
 Hansen, B. P.
 O'Connor, W. P.
 Scholes, G. G. B.
 Duthie, G. W. A.
 Harrison, E. James

AUSTRALIAN NATIONAL UNIVERSITY BILL 1967

Second Reading

Debate resumed from 6 September (vide page 837), on motion by Dr Forbes:

That the Bill be now read a second time.

Mr STEWART (Lang) [5.39]—The Bill that we are now discussing is to give the Australian National University the right to exempt certain students from paying fees. The Minister for Health (Dr Forbes), in his second reading speech, said that the University will be able to remit fees to holders of its own scholarships, to forestry students who have been awarded scholarships by a State or a State instrumentalities and to its own full time staff. It will not be empowered to remit fees to any other person.

The Opposition does not oppose this Bill. The legislation is brought about because of the Australian National University taking over the Australian Forestry School from the Department of National Development in 1963. It is interesting to look at the revenue that universities have received from fees paid by students throughout Australia. In 1958, 13% of revenue was from fees; in 1963 the proportion was 9.54%; in 1964 it was 9.34%; and in 1965 it was 9.76%. It can be seen that fees paid to universities do not account for very much of their revenue. Perhaps consideration could even be given to not charging fees at all. This would mean a loss of perhaps \$10m, but would be of benefit to many university students who find it extremely difficult to meet the payment of their fees, which are about \$300 per year, plus the incidental expenses incurred in attending university. So, I repeat, perhaps the Government could consider exempting all students from the payment of fees because of the advantage that would be gained by so many students who find it difficult to attend university because of the fees now charged.

This legislation does nothing new. It merely allows the exemption of certain classes of students from the payment of fees. Up to 1960, section 29 (2) of the Australian National University Act 1946 was as follows:

The Governor-General may, by Proclamation, determine that fees shall not be payable by students of the University and while the Proclamation is in force fees shall not be so payable.

Question so resolved in the affirmative.

So, there was a time when it was envisaged that university fees need not be paid. That provision was removed from the Act in 1960. This new amendment to the Act merely allows for the continuance of procedures adopted in the past. There is one other suggestion I make on behalf of the Opposition. We feel it is essential to establish a free library system in all the universities so that there will be equality of opportunity to all individual students attending universities. As I said previously, the Opposition does not intend to oppose the legislation.

Mr KEVIN CAIRNS (Lilley) [5.43]—This Bill is to provide for the remission of fees paid to the Australian National University by forestry students and the holders of certain scholarships. One welcomes the Bill for what it does in this respect, but an examination of the Australian National University's finances and fees gives one an opportunity to look at certain other financial aspects in connection with this University that certainly need to be examined. The Australian National University has always claimed a very special position in Australian universities, having been instituted in 1946, with a very different philosophy and a very different aim from that which has animated all the other universities in Australia. I recollect very well from some recent historical proceedings in Queensland that the Queensland University, for example, was instituted in 1909 but was only able to receive general public support if it were set up as a kind of superior technical institute. That applied to many other provincial universities in Australia. The Australian National University has never suffered from that disability and it has never suffered from a lack of finance from this Government.

I would like to say a few words this afternoon concerning the financial position of the Australian National University. As has been indicated by the honourable member for Lang (Mr Stewart), this measure concerns the remission of fees to students within certain faculties at that University. It also gives us an opportunity to examine the level of grants to the Australian National University and to the other universities in Australia. One becomes a little disturbed to find, for example, that while reductions in programmes and proposed

programmes have had to be instituted at other universities, grants to the Australian National University have not suffered the same kind of decrease or anything like a proportionate decrease as has applied to other universities.

I refer to the speech last year by the Minister for Education and Science (Senator Gorton) when he introduced the report of the Australian Universities Commission. It is interesting to examine the level of grants recommended by that Commission for each State and the level of the proposed programme for each State. I refer to the proposed programme, because this was obviously calculated according to the resources that each State reckoned it was able to afford. I will go through the reductions made at the other universities and then have a look at the reductions appropriate to the Australian National University. On that occasion we saw that in the proposed programme for 1967-69 there was a reduction of 9.9% in New South Wales between the grant recommended by the Australian Universities Commission and what was ultimately afforded, including amounts for capital and recurrent expenditure; a reduction of nearly 6% in Victoria; 11.8% in Queensland; 23.5% in South Australia; 8.9% in Western Australia; and 5.5% in Tasmania. When we come to the Australian National University we see that the level of cut-back in its proposed programme—and this is one of the chief measures used by the Australian Universities Commission when granting resources to universities—was only of the nature of 4%. The universities in all other States suffered a cut averaging 10.9% but the Australian National University was cut only by 4%.

Mr Beazley—It is a new university in the process of growing. Some of the others have reached a far higher degree of stability.

Mr KEVIN CAIRNS—This might be so. Let us examine the break-up of some of the other financial arrangements within the universities and examine whether the difficulty of separating the accounts of the Institute of Advanced Studies and the School of General Studies is being used as an excuse to build up extra administrative staff or to place less of an imposition upon

students at the Australian National University compared with those at every other university in Australia. This is something we should look at.

Mr Beazley—Actually, the student body of the School of General Studies is moving very rapidly and within a couple of years it will be increased from 2,000 to 5,000 students. That is the real problem.

Mr KEVIN CAIRNS—Let us examine the sacrifices that have to be made by those who attend this university compared with undergraduates in other universities. I realise the difficulty of comparing the position of graduates. I want to refer to a publication released recently. It is Information Statement No. 14, entitled 'Fees of Universities and Residential Colleges in Australia'. From information in this publication I have been able to develop a table which is worth while examining. It is appropriate for us to consider this information in this debate. I have looked at only four undergraduate faculties; arts, economics, law and science. I have compared the fees at the Australian National University with those appropriate at the University of Sydney, the University of Melbourne, the University of Queensland, Monash University and the University of Newcastle. Unfortunately I did not deal with the University of Western Australia but it falls within a similar pattern. I found that in the faculty of arts, students at the ANU pay only about 68% of the fees that are appropriate to the Sydney University; 75% of those payable at Melbourne University; 75% of those payable at Queensland; 72% of those applicable at Macquarie University and about 60% of those payable at Newcastle University. So arts students at the ANU receive an advantage of something like one-third in respect to fees paid by students studying at the other universities.

Mr Beazley—I have to plead guilty because I am chairman of the committee that kept the fees down. If we can keep the fees down, should we do so? Also, tuition at the University of Western Australia used to be free. Is it desirable now that it should be the dearest in the Commonwealth?

Mr KEVIN CAIRNS—I doubt whether the fees at the University of Western Australia are the dearest in the Commonwealth.

But we should be able to sustain fees at the ANU on a level comparable with those at universities in the rest of Australia. After all, the State of Western Australia, in its appeal to the Commonwealth Grants Commission for funds, rests upon this principle. I do not think the honourable member for Fremantle would argue against the principle that I am applying to university finance, at least in regard to the four undergraduate faculties. The principle certainly is appropriate. If we look at the faculty of economics we see that the fees at the ANU are half of what are charged at Sydney University; two-thirds of those payable at Melbourne University; 70% of those payable at the Queensland University, and so on. The reductions at the ANU are not accidental reductions and they are very great indeed. In view of this, I was a little disappointed to see that Sir John Crawford this year indicated that fees at the ANU would have to rise by a certain amount in 1968 so as to bring them into line with other universities. I am not going to play one State off against another, but I point out that in the meantime other universities have had to raise their fees. The gap between the fees paid in other institutes of learning in Australia and those at the ANU has not lessened. It has been sustained and will be maintained. Let us look at the faculty of law.

Mr Beazley—Why is the honourable member denouncing the Australian National University? Why not argue in favour of bringing the fees at other universities down to the level applicable to the ANU?

Mr KEVIN CAIRNS—When we consider the ANU we find that because it is in the Australian Capital Territory it is, I suggest, in a very privileged position. It does not have requirements placed on it for capital grants. The Australian Capital Territory is just another State in the Commonwealth.

Dr J. F. Cairns—That does not answer the question.

Mr DEPUTY SPEAKER (Mr Drury)—Order! I suggest to the honourable member for Fremantle that if he wishes to speak on this Bill he will have the opportunity to do so later. The honourable member for Lilley is entitled to speak without interruption. However, I remind the honourable

member for Lilley that this Bill is restricted to amending section 29 of the Australian National University Act.

Mr KEVIN CAIRNS—Thank you, Mr Deputy Speaker. We are considering the finances of the Australian National University and, when doing so, we should require from students at this University the same degree of sacrifice that we require from those at other universities. I could go a little further in this comparison and look at some of the fringe benefits which apply to the administration of the ANU. I could look at the administrative structure and the expense of that administration. From the examination I made of the expenses of the administration at the ANU I found that in this respect it is the second highest of the Australian universities. The ANU spends on administration less than the University of Sydney but more than any other Australian university. This is a large amount of money. The ANU spends more on administration than universities which have 15,000 and 16,000 students. The number on the administrative staff does not necessarily decrease once we get away from undergraduate students. Let us go further. When we consider the administrative staff members at the ANU we find that, excluding teaching and research staff, the number is about 1,300. I found that there is a ratio of one staff member at the ANU to 2.5 students. No other body in Australia could sustain a staff level such as that.

I did not intend to speak in this debate for more than 10 minutes. One could suggest very strongly, on this and other evidence, that an attempt should be made to separate the accounts of the Australian National University so that the level of expenditure on its Institute of Advanced Studies and on its School of General Studies could be seen and so that the recurrent amount per student could be compared with figures throughout the rest of the Commonwealth.

One could also say that the fringe benefits applying to some of the professorial staff at the ANU—for example, in the matter of sabbatical leave—should be the same as or similar to that applying at the University of Melbourne. Sabbatical leave is available once in 4 years for certain staff members at the ANU. Other universities cannot sustain this level of reward. The level of fees,

on any measure whatsoever, at the ANU is only two-thirds of that which has to be sustained at the Queensland University, at Townsville University—the honourable member for Leichhardt (Mr Fulton) will be interested in this—and at Melbourne University. These matters certainly should be considered. Furthermore, there seems to be an inflated administrative staff at the ANU because the ratio of staff to students is one staff member to 2.5 students.

Dr J. F. Cairns—Mr Deputy Speaker, I do not wish to interrupt the honourable member for Lilley but I rise to a point of order. The scope of this Bill is very narrow. If the honourable member for Lilley is to be permitted to debate it on a wide basis then I submit that some of the things he is saying will have to be replied to by honourable members on this side of the House. I would like a ruling as to whether the Opposition will be permitted to do this.

Mr DEPUTY SPEAKER—I have been allowing a degree of latitude. I remind the honourable member for Lilley that the scope of this Bill is extremely restricted, as I mentioned a few minutes ago. The Bill is designed merely to define the class of students at the Australian National University to whom fees may be remitted. I ask the honourable member to limit his remarks to cover that purpose.

Mr KEVIN CAIRNS—Very well, Mr Deputy Speaker. My remarks were directed to the fees which were to be remitted to certain students and this does concern the general financial position of the ANU. I have said what I wanted to say about this institute of learning. I have suggested that certain changes be made in the financial structure of the ANU and I have hinted that there are certain other matters which ought to be examined. My aim in doing this was to establish for this body a standard of material excellence appropriate to the ANU but not above that which is appropriate to universities in other cities and provincial areas. I am reminded very forcibly that when universities in some claimant States did lower their fees, they were required by the Commonwealth Grants Commission to make alterations and to bring their fees up to the general standard. That principle was good. It applied to all States. I suggest strongly that it ought to apply

to the whole structure. The amount appropriate to the ANU would then be applicable to other universities.

Mr BEAZLEY (Fremantle) [6.0]—As a person who has been on the Finance Committee of the Australian National University for about 20 years I deprecate the suggestion that we sit there plotting how to cook the accounts of the University to conceal things from the Commonwealth Government. When the Chifley Government established the Australian National University there was a clear idea that it should be an apex university. The Government did not have the immediately formed idea that there should be an undergraduate section of the university. This section was later established as the School of General Studies. The Chifley Government wanted it to be a research university on the Johns Hopkins University model in the United States of America. The Australian National University started off with this concept of being the apex of the Australian university system and, of course, it reflected differences from the State universities because the Commonwealth Government took a different attitude from that taken by the State governments towards existing State universities. Right from its very beginning the Australian National University was established on a more generous foundation and on a different concept.

Mr Kevin Cairns—No-one is going to argue with that in respect of the Institute of Advanced Studies.

Mr BEAZLEY—Let me continue to expand my point. This is how the Australian National University started, and to put it in juxtaposition with the States all the time is false, because the Australian National University draws students from all over the Commonwealth. It is not as though there is a group living in Canberra who are privileged over everybody else to the exclusion of the people in the States. The ANU draws students from all around the Commonwealth. The present Government decided to change the university by adding an undergraduate wing, and a lot of the expenditure that is now taking place is expenditure on a rapidly growing institution. There is not much point in making comparisons between it and universities that have reached a certain degree of stability and, in fact, have

had to allow students to hive off to newly established institutions. The University of Adelaide and a number of other universities have virtually reached their optimum or exceeded it. The Australian National University is a rapidly growing institution, so rapidly growing that the Commonwealth Government is now reaching the point when it must consider establishing another university in Canberra. Another university will need to be established here if the Australian National University reaches a certain optimum, which is governed by the size of the campus and the desirable size of faculties. There is no attempt made by anyone in responsibility at the ANU to conceal the fact that in some respects conditions at the Australian National University are better than those at other universities. As Chairman for a time of one of the Fees Committees I have fought to keep the fees down as much as possible. I have done so because perhaps I am prejudiced in this direction. I went to the University of Western Australia, and I went to it free of charge. Besides, university fees are not a vital component of university revenues and costs.

I quite agree with the honourable member for Lilley that there are differences in fee levels at the Australian National University in contrast with some States. I had to make a conscious and deliberate decision to maintain, if I could, certain differences. We do not want to increase the fees any more than is absolutely justifiable. In point of fact there has been an increase from \$54 to \$72 for a standard subject. This is being made in two steps to make it less onerous. The fee will increase from \$54 to \$63 to \$72. My son, who is at the University of Western Australia, attends a university where one pays \$114 for the same subject, or will pay that sum soon. What I worry about in the honourable member's speech is not that he appears to want to bring all the university charges, including student fees and so forth, down and the level of expenditure on them up, but that he wants to bring the Australian National University to the level of the States and force its fees up. I feel that a tragic element has entered into the whole relationship of universities with the Government. Their grants are partially governed by what they can raise themselves, and they

are now being encouraged to raise their fees as much as possible. I do not say the universities are doing this irresponsibly, but it is a tendency. Now special fees are being charged to overseas students, for instance. Some universities are resisting this trend, but others are not. Some universities charge an Asian student an extra \$60, others do not. But this extra charging of the foreigner is a tendency I deplore.

It is much better to try to elevate the standards everywhere. The Commonwealth Government, as an independent government, is entitled to establish standards. It does not have to fix standards according to what the States have achieved. It would be better if we were to argue for the lifting of the levels of the State universities rather than to argue that the Australian National University, which is no luxury institution and no institution of special privilege but a key university—

Mr Kevin Cairns—Would the honourable member agree with my comments about the level of administrative expenditure at the ANU and the number of administrative staff there?

Mr BEAZLEY—I do not think that what the honourable member's analysis has sought to establish is correct. The ANU has special problems of administration, but as the student body increases the force of the honourable member's argument about per capita will disappear. The ANU has a large administrative staff in relation to its size but the staff was recruited to bring the university rapidly to its optimum size. In a short time the ANU will grow from 2,000 students to 5,800.

Mr Kevin Cairns—But other rapidly expanding institutions—

Mr DEPUTY SPEAKER—Order! The honourable member for Lilley will cease interjecting.

Mr BEAZLEY—I do not think there are many universities starting *de novo* in quite the same way as the ANU. The honourable member's comparison would be more valid between the Australian National University School of General Studies and new or nascent universities like La Trobe or Monash than in relation to older established universities.

Dr J. F. CAIRNS (Yarra) [6.7]—There are one or two points on which we can afford to spend a minute or two. They have been validly raised, according to his point of view, by the honourable member for Lilley (Mr Kevin Cairns). One matter which seems to be concerning him at present is that the administrative staff of the Australian National University somehow involves an unduly high cost and has a high ratio in relation to students. This is a difficult thing to measure. I do not know the basis of the honourable member's judgment to begin with, but certainly if he compared the situation with the long-standing universities of Melbourne or Sydney, which he seemed to be doing, I am sure that the cost and the ratio, however we might happen to measure it, would be higher at the Australian National University, but if we compared it to that of a newer university like La Trobe or Monash the differences would be nothing like of the same order. There is a special characteristic of the ANU, and that is that it had to integrate into it an already existing undergraduate university, and it had to do this suddenly. No comparable institution exists anywhere else in Australia.

This is a very narrow Bill which seeks to amend section 29 of the Australian National University Act. Specifically the amendment does nothing more than to extend to the ANU the same right to remit fees as exists in all other universities. The university is empowered to remit fees to forestry students who have been awarded scholarships by a State or by a State instrumentality. This is a particular responsibility that the Australian National University inherited. There is no comparable situation in any other university. The Bill enables the University to remit fees to holders of its own scholarships and to its own full-time staff. These provisions exist in the case of other universities, so the Bill is not empowering the Australian National University to do anything that the other universities have not been able to do for years.

I emphasise the point made by the honourable member for Fremantle (Mr Beazley) that too frequently we hear from honourable members opposite the argument that we should economise in some way on education. There is not enough money

to do all the things that are on the agenda. I should be much happier if honourable members opposite would join with us in an unqualified campaign to get more money so that the standards in every university could tend to approach the standards in the best universities.

Mr Kevin Cairns—If you intend to approach this measure from the political point of view you might as well start with South Australia, but deliberately I did not want to make this a political matter.

Dr J. F. CAIRNS—I do not want to make it a political matter either. Unless we as a national parliament are willing to take a stand on priorities and demand money for priorities that are beyond dispute, we will not get it. I am not talking about priorities for South Australia versus Queensland or Victoria. I am talking about priorities for education versus other things, such as expenditure on consumer goods. I am talking about priorities for expenditure on education as against increased taxation. I favour increased taxation to solve the problem of the deficiencies and to avoid an increase in the fees of the State universities simply because there is a deficiency of money. This criticism was made by the honourable member for Fremantle of what was said by the honourable member for Lilley. I do not think the honourable member for Lilley has escaped the full force of that criticism. I ask him to join with us in making a strong stand for more funds for universities so that the National University will not have to raise its fees simply because the State universities have been compelled to do so.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Dr Forbes) read a third time.

STATES GRANTS (MENTAL HEALTH INSTITUTIONS) BILL 1967

Second Reading

Debate resumed from 6 September (vide page 868), on motion by Dr Forbes:

That the Bill be now read a second time.

Dr J. F. CAIRNS (Yarra) [6.13]—This interesting and important Bill is supported by the Opposition, subject to certain criticisms that will be made during the debate. We believe that this Bill is an example of desirable Commonwealth initiative, in this instance in the provision of funds for capital expenditure in the States on hospitals for the provision of mental health services. The purpose of the Bill is to extend the grants to the States for a further period of three years from 1st July of this year to 30th June, 1970. The provisions of the earlier legislation expire this year. This Bill introduces no new principle; it is simply an extension for 3 years of what has prevailed. Three measures have been introduced to deal with this matter, the first in 1955, the second in 1964 and now this one.

This legislation applies to mental health institutions, which are defined as institutions which are conducted by a State or are in receipt of maintenance grants from a State and are carried on exclusively or principally for the care and treatment of the mentally ill or of mentally defective persons. The definition tends to impose significant limitations. These institutions are to be carried on exclusively or principally as places for the care and treatment of the mentally ill or mentally defective persons. In Australia, mental institutions have been specialised institutions. There is a strong, and I think, well founded view among psychiatrists that this is not necessarily the only way or the best way to develop mental institutions. There is a growing feeling among psychiatrists that provision should be made in other hospitals for the treatment of the mentally ill. They feel that it is not desirable to treat these patients exclusively in institutions for such people. The whole field of educational problems and mental health is opened up by this approach.

Provisions now being made in the States for children who are in some way retarded is most inadequate. The whole field of Commonwealth assistance for patients in this category is now open to debate. I feel that the definition on the basis of which the Commonwealth has provided this assistance imposes a limit on what the Commonwealth can do. The Minister informed honourable members that the Commonwealth has provided the States under this legislation with \$29m over the 12 years that

this scheme of capital assistance has been in operation, and that the States have obtained tremendous benefit from it. I agree with this view. It could be said that in this field there has been almost a revolution to which this assistance has been a significant contribution. I do not intend to indulge in carping criticism by comparing the present position with what existed previously. However, as in almost every other essential field, I have the obligation of putting the carefully considered Opposition view that there are still many deficiencies and that not enough has been done.

The Minister told members that total expenditure by the Commonwealth and the States of more than \$88m had been directed to improving buildings and facilities. I have not been able to learn the position to my own satisfaction, but I believe that the amount spent by the States and the Commonwealth since the introduction of this legislation in 1955 has not met the programme that was outlined in the Report on Mental Health Facilities and Needs of Australia, commonly known as the Stoller report, upon which this legislation was, in a significant way, based.

At this stage I put merely that expenditure has not yet met the aggregate envisaged by the Stoller report to be necessary to solve the problem it defined in 1955, as a result of which the Commonwealth took the initiative and entered this field. I have given, I hope, full credit to the Commonwealth for coming in as it did. I give equal credit to the Stoller report. Perhaps there has been no more significant document in the history of Australian mental health than this one.

The evidence, as I see it, indicates that the recommendations contained in the Stoller report have not been fully implemented either in aggregate or in detail. This conclusion is subject to argument, but in the light of the figures one cannot but be disappointed with the situation. Let me read to the House this extract from the Stoller report of 1955:

In 1953, Australia, with a population of 8,873,000 had a resident population of 28,950 in mental hospitals, the number under care during the year 1952-53 being 33,548. The number of operative beds was 24,170, thus giving an overcrowding figure of 4,780, or 20%. In our view, the true figure was much larger than this, as the function

of most hospitals had been distorted almost beyond recognition, and essential services to patients had been eliminated, by converting day-rooms, dining-rooms, corridors, verandahs and, even, in odd cases, bathrooms, to dormitory space. It was only the space used for dormitories which was taken into account in estimating overcrowding, and not the numbers for which the wards were originally designed.

The terrific overcrowding of 1952-53 has been reduced, but from my own observations, there is still considerable overcrowding. This is difficult to measure. I can form only a qualitative kind of judgment from the evidence I have collected. The Stoller report of 1955 has to be used in reaching a conclusion today. The report states that twenty new 1,000-bed hospitals at a cost of £3,000 a bed would add more than another £60m—in fact £66,700,000—between then and 1965-70. Nothing like twenty new 1,000-bed hospitals have been built since then. The sum of £66,700,000 is over \$133m, but no more than \$88m or at the most \$95m has been spent by the Commonwealth and the States on hospital capital expenditure in this time. On the face of it, there appears to be a deficiency in the aggregate of about \$40m.

The Commonwealth has shown some initiative in this situation. The 1964 legislation, which extended the 1955 legislation and which this measure extends, authorised assistance to the States amounting to one-third of the total expenditure incurred by them on specific projects approved by the Commonwealth of building and equipping mental health institutions. I do not know and I cannot ascertain the extent of the Commonwealth's initiative. In what circumstances is approval given? What stands behind it? What kind of independent test or judgment does the Commonwealth apply when giving or withholding its approval? What sort of system does the Commonwealth have in mind that is worthy of development? How much does it accept State initiative? In New South Wales there has been quite a significant development of regional services since 1959. These seem to be desirable, though that State still has a great deficiency of regional psychiatric services. This is true all over Australia. If New South Wales has made any progress, to what extent does the Commonwealth consider that this kind of regional development is satisfactory?

Altogether, there is room for doubt about the extent of Commonwealth initiative and the sort of standards it expects the States to meet. To what extent does it accept the requirements and standards in the States? In recent years the Commonwealth has been unwilling in many fields to apply its own judgment against that of the States; it has taken up a sort of State rights attitude. This seems to be characteristic of the Commonwealth approach. There is a strong suggestion not that uniformity of itself is a good thing but that the Commonwealth can introduce legislation and make grants of this kind to bring about desirable progressive developments in the field of mental health. The Stoller report lends support to this view. It reads:

It has been shown that there is much to be done to—(a) overcome years of neglect and inertia in mental hospitals—

I have said that much has been done to overcome it, but much still remains to be done—

and (b)—bring the standard of Australian psychiatry to a reasonable level of modern practice.

Whether or not this has been achieved depends on the meaning given to the word 'reasonable'. Much remains to be done to achieve a modern system of psychiatric practice in Australia. The Commonwealth has a special responsibility to use more initiative in this field. The Stoller report also referred to research. In continued:

We consider from our own observations, and a close study of the extent of the national interest in mental health in the United Kingdom, United States of America, and Canada, that a Federal Mental Health Division would be desirable in Australia.

Sitting suspended from 6.30 to 8 p.m.

Dr J. F. CAIRNS—The Bill under discussion is the States Grants (Mental Health Institutions) Bill, which amends the 1964 Act. Before the suspension of the sitting I had made the point that while there has been considerable improvement since 1955 in what has been done in this field, with some Commonwealth initiative, the nature and extent of which is somewhat obscure, it appears that the Commonwealth and States together have not provided, in the aggregate, funds to the amount that Dr Stoller estimated in 1955 would be required. It seems to me that during the intervening years the

Commonwealth and the States together have spent \$35m to \$40m less than Dr Stoller considered would be necessary.

On the side of detail or of qualitative comparison we cannot be satisfied that there are not still very great problems in our provisions for mental health. In his report in 1955 Dr Stoller said:

We have already said enough to indicate that the mere provision of more beds, without raising the standards of existing hospitals and improving the quality and numbers of professional staffs, will be perpetuating an historical error.

As I have emphasised, I am not saying that more beds have not been provided, or that the standards of existing hospitals have not been raised or that there has not been an improvement in the quality of professional staffs. I think that generally these improvements have been achieved. But the Stoller report went on immediately after the passage I have just quoted to say:

The improvement of existing hospitals, the provision of new beds, the establishment of early treatment centres and out-patients clinics, the encouragement of professional training, and a programme of investigation must all be developed together, each as important as the other in the final realisation of the mental health programme. I submit that this has not happened in Australia. There has been no development of these things together. The differences in the provisions between one State and another are striking. The differences in the provisions between some areas or places in a State and other areas or places in the self-same State are striking. There has not been the kind of development of these services together that Dr Stoller considered was most important. I think that if one reason can be given for the failure to achieve this development it is the lack of sufficient Commonwealth initiative, the lack of an adequate programme with a sound foundation in experience and knowledge. I know that this is lacking in the Commonwealth field and this lack could not be quickly remedied. But this is where we have to look to find the reason for the main failure to provide what the 1955 report indicated was necessary. With this in mind I think we could well study the concluding paragraph of the report and realise that it is as relevant to present conditions as it was to conditions in 1955. The report concluded:

We would state, in conclusion, that any programme of development must cost more money.

There are unsatisfied mental health needs in the community which must be fulfilled if it is to be a healthy one. At the very least, the expenditure of the large sum of money entailed will produce a healthier and happier community. It may also eventually result in the saving of large sums of public money.

As I said, that statement has relevance today as profound as it had in 1955 in view of the potential that we have, as a wealthier nation, to meet the deficiencies in the field. I believe there is as much justification today for an overall inquiry into mental health facilities and needs as there was when Dr Stoller conducted his inquiry in 1955. There has been almost a revolution in Australian conditions since 1955. I am not in any way diminishing that achievement. In view of what had occurred before that time and in view of the potential of this country I suppose that what has happened is as much as we could have expected, if not more than we could have expected. It was certainly more than I expected. To recognise that achievement is necessary if we are to recognise also the urgency of doing something in the next 10 years which ought to be just as revolutionary as what has happened in the last 12 years. We have now a large number of qualified people whom we did not have in 1955. They have an intensive and extensive experience such as was not to be found amongst the people available in 1955. But our very achievements have revealed problems that we did not know about or appreciate in 1955 in the way that we do now. The success of our programme has itself produced problems that were not envisaged at the beginning and has posed a challenge for the future. It is quite wrong to imagine that a simple continuation along the broad lines of what we have been doing will be sufficient to solve the problems of the next 10 or 12 years.

Whatever may be said about general health, about the national health scheme and about hospitals and so on, it is relatively easy to solve the problems in that field simply by providing more money, or at least much easier to do it in that way than it is to solve the problems in the field of mental health. We must study this subject with an open mind, a mind capable of tackling radical developments, because there is a greater need for them in the

field of mental health than there is in any other field.

These are the points that I wanted to make on behalf of the Opposition. I sincerely hope that much is being done along the lines I have suggested that I do not know about. It is possible that a good deal is being done. It is hard to find it even in the quantitative sense, and it is particularly hard to find it in the special sense of qualitative detail and in the attitudes that people adopt in various fields. I conclude by repeating that the final paragraph of the Stoller report of 1955 has relevance as significant today as it had then. There are unsatisfied mental health needs in the community which must be fulfilled if the community is to be a healthy one. The satisfaction of these needs is not merely a matter of providing more money, although this, of course, is essential. I believe there is justification today for the kind of inquiry that Dr Stoller conducted in 1955, in order to evaluate the present situation and point out new lines of development, in the same way as Dr Stoller did when he made this important and radical report from which so much good has resulted in the last 12 years.

Mr HAWORTH (Isaacs) [8.10]—Mr Deputy Speaker, I wish to get back to the objects of the Bill now before the House and not deal with the matters about which the honourable member for Yarra (Dr J. F. Cairns) has spoken. I am not saying that the honourable member's remarks were irrelevant to the Bill but I point out that the purpose of the measure is to extend capital assistance to the States for mental health institutions for a further 3 years. This assistance is on the basis of \$1 from the Commonwealth for each \$2 expended by a State.

Now, the honourable member for Yarra has said in criticism of the Government that it has not implemented the recommendations in the report by Dr Stoller on the Mental Health Facilities and Needs of Australia to the fullest extent that the honourable member felt that he would have liked the Government to do. Of course, as the honourable member for Yarra said, the Stoller report was brought down in 1955. That is 12 years ago. Good as the Stoller report was—it certainly was a very

good report—I know that Dr Alan Stoller would be the first one to admit that much of the treatment that he advanced in 1955 has been superseded by new treatments and new sciences.

I know Dr Alan Stoller very well. He served during the war in a sphere in which I happened to serve also. Since then, I have known something of his study of mental health. I know that the extension of financial assistance for a further 3 years, which this Bill is designed to do, will be welcomed particularly by the State of Victoria in which I live. The Victorian Government would have been very disappointed if this assistance had not been extended. One has to admit that once a precedent of this nature for the provision of financial assistance has been created, it is hard to stop it unless it is superseded by some better plan. I hope for the sake of the mentally ill and of the mental hospitals in Australia that this is just what will happen in the future. I hope that there will be greatly improved assistance for mental institutions.

Speaking from memory, I think that Victoria has approximately ten mental hospitals, the same number of clinics and out-patient services, several psychiatric hospitals and about an equal number of intellectual deficiency training clinics. I think that is what the centres are called these days. Since 1955, when capital assistance was provided by the Commonwealth for the States with a ceiling of \$20m, which was something like a carry over from the previous Labor Government, Victoria has made great progress in the institutional and clinical care of the mentally ill. What is more, Victoria is capable of doing even greater things if money is made available. Of course, this is rather difficult these days with all the commitments that the Commonwealth Government has.

Mental illness today is a major public health problem, not only in this country but in every other country. In any progressive country the percentage of hospital beds reserved for the mentally sick is high. Unfortunately, it is too high. Notwithstanding this fact, the conditions under which the mentally sick are treated today bear no comparison with those of say, even 12

years ago. That is one of the pleasing things that we can say in a discussion of this subject. Men and women who a mere decade ago had nothing to look forward to other than a lifetime of hospitalisation for mental sickness can look forward now, if I may coin the phrase, to 'coming home again'. I do not remember the statistics in relation to the inmates of our mental hospitals, but I do remember one of our Australian professors of mental health, Dr Cramond—I think he is one of the specialists in the very State from which the Minister for Health (Dr Forbes) comes—saying that one Australian family in five would have a member as a patient in a psychiatric hospital at some time or other. In other words, mental illness is no respecter of boundaries whether they be between social classes, age groups, cultural groups or nations. That is a thought which should make us take even greater interest in this subject.

If this is true—and it is true—mental illness is, as I see it, a major public health problem. Despite the size of the problem and its impact on society, doctors, I understand, still do not know what causes mental illness and often fail to cure it. In spite of all this, it is pleasing to know that considerable progress has been made in the last few decades. The rate of progress in the last 10 years is encouraging. This Government and its predecessors during the last 15 years, in spite of criticism that might be made, have been conscious of the problem and their responsibilities.

The Minister, in his second reading speech, made reference to what the Liberal-Country Party Government has done to help the States with this problem. The Minister referred to an amount of \$29m which has been provided over the last 12 years by the Commonwealth Government for buildings and facilities for the care of mentally afflicted persons. The grant under this Bill, you will note, Mr Deputy Speaker, provides specifically for building and facilities. It would be wrong to judge the interest of the Commonwealth Government regarding the mentally ill solely by the allocation proposed in this Bill. This is one of the reasons that has encouraged me to speak specifically on this proposal.

The Commonwealth goes much further than the assistance provided by way of this

Bill. It goes much further than merely providing money to assist the States in respect of building and hospitalisation. It provides patients with the latest drugs such as anti-depressants and tranquillisers at greatly reduced prices under the provisions of the Pharmaceutical Benefits Act. Most of the drugs which are provided and prescribed for mentally ill persons are exceedingly expensive. I doubt whether many patients could afford these drugs if they were not in some way subsidised by the Commonwealth Government. These drugs may not cure a patient but they have a remarkable effect on symptoms. This means that the patient may be relieved of much unnecessary misery.

I do not know whether this has been mentioned, but another way in which the Government has helped the mentally sick is by rehabilitation through sheltered workshops. I know that this aspect is not directly under the control of the Minister for Health, but it is under the control of the Minister for Social Services (Mr Sinclair). The amount of money available for this specific purpose, quite apart from the grants mentioned in the Bill, is considerable. I am pleased to say that in my own State of Victoria the State Psychiatric Service, which pioneered many of the new concepts of mental care in Australia under Dr Cunningham Dax, who is very well known in Victoria and indeed throughout Australia, reports that the number of mentally ill within the mental hospitals has fallen. In 1962 more than half the male patients admitted to Victorian mental hospitals stayed less than a month before being discharged. This is a tremendous improvement on the conditions that existed some decades ago. Of course, since 1962 the position has slightly improved and I dare say that, with modern scientific developments it will continue to improve.

Similar stories can be told in other States. The length of hospital treatment has been dramatically reduced. In the United States where treatment is, I understand, even more specialised the time spent in mental hospitals and psychiatric wards is even less than the time in Australia. The care of the mentally ill is a State responsibility, and I do not think we should forget that. The fact is that the Commonwealth is assisting the States, but mental health is still a State responsibility. Mental illness

costs the community, and the State governments, a good deal of the money allocated as State grants. The Commonwealth Government, which I am so glad to support, has given increasing evidence through successive Ministers, right up to the present Minister for Health who is now at the table, that it is conscious of the problem and of its responsibility. It is a grave responsibility. The cost to the nation of mental health is substantial and is increasing, but even more money must be spent since facilities, though greatly improved, are still by no means always fully adequate. In that respect, I agree with the honourable member for Yarra. A world wide revolution is under way today in the treatment and rehabilitation of the mentally ill. Australia must keep up with this movement. That is another reason why I chose to speak on this Bill. I believe that more money is required for the treatment of this type of illness.

However great the financial cost to the Australian taxpayer may be, against this we must set the enormous saving in human suffering and the benefit to the national economy. Each recovered patient eventually contributes his or her share to the gross national product of this country. The big question for the future is: What can we do to make the community more conscious of its responsibility to help with the rehabilitation of those people who have been mentally ill and who have been successfully treated? Mental health is the concern of everyone. As I said earlier, a member of one Australian family in five will at some time need psychiatric care. It is important that this Bill be given a speedy passage through this House so that the State governments can apply the money to building the facilities they urgently need in their mental hygiene departments.

I conclude by mentioning two points that I would like to leave with the Minister. The first has already been mentioned by the honourable member for Yarra and that is that more money will be required for this side of our health programme. The second is that the community must be educated to realise that it has a responsibility to assist these people to get back into the industrial life of this country. Mental health is one of the serious subjects that we must consider in this House and I think we

might all take to heart when we think of this subject the words of John Donne, a seventeenth century poet, who wrote:

... any man's death diminishes me, because I am involved in Mankind; and therefore never send to know for whom the bell tolls; it tolls for thee.

I hope the Bill will have a very quick passage through the House. I am sure that all honourable members on both sides approve of it.

Mr PEACOCK (Kooyong) [8.27]—Mr Deputy Speaker, in 1946 when Commonwealth hospital benefits were introduced for patients in public hospitals no provision was made for patients in mental hospitals. To help meet the cost of maintaining patients in mental hospitals, the Commonwealth Parliament passed the Mental Institutions Benefits Act of 1948. It ratified agreements with the States under which it was provided that the States would cease making charges for the maintenance of mental patients and that the Commonwealth would pay the States a benefit based on the amount that had been collected by the States from the relatives of patients in mental hospitals by way of charges for maintenance. The agreements operated for 5 years and terminated in the latter half of 1954. The amount contributed by the Commonwealth during the operation of the agreements was approximately 1s or 10c a day for each patient. When the agreements terminated, Dr Alan Stoller of the Victorian Mental Hygiene Authority was commissioned to undertake a survey of mental health facilities and needs in Australia. His report, issued in May 1955, stated that serious overcrowding existed in the majority of mental hospitals in Australia. The provision of more beds was the most urgent need, but other accommodation and rehabilitation facilities also were required.

Following the report the Commonwealth made an offer of \$20m to the States as part of a capital expenditure programme of \$60m on increasing and improving patient accommodation. All States accepted the Commonwealth offer. By 1963 more than three-quarters of the total grants under the States Grants (Mental Institutions) Act of 1955 had been distributed. The Commonwealth Government announced in 1963 its intention of continuing its assistance to the States towards the capital costs on a similar

basis but without overall limit for a period of 3 years. In May 1964 the States Grants (Mental Health Institutions) Act was passed to implement that policy. It provided for the continuation of Commonwealth aid of \$1 for every \$2 of capital expenditure by the States on mental health facilities. The new Act made no provision limiting the size of the grant and the assistance was limited to the 3-year period concluding on 30th June 1967. That period has now, of course, expired. I congratulate the Government on its decision to continue the scheme, thereby continuing its support and encouragement of the States' plans for improved conditions. I should also mention other assistance that the Commonwealth has given in this direction.

As the honourable member for La Trobe (Mr Jess) is well aware, the wives of inmates of mental institutions come under the definition of widow in the Social Services Act. They are class A if children are in their custody or class B if they are over 50 years of age. Also, before and after a patient is admitted to hospital, he is entitled to receive the same benefits as any other member of the community who is unemployed or unfit for work who receives sickness and unemployment benefits. There has therefore been a great improvement in mental health services provided by the States, particularly by my own State of Victoria which has led all other States in this field. The Victorian Mental Hygiene Authority, led by Dr E. Cunningham Dax, is deserving of high praise. The contrast of conditions today with those of 15 years ago is great. Prior to the 1950s, large, soulless institutions for the reception of patients in their thousands were still being built. These were buildings, which, from their very size and structure, made it almost impossible to create a sense of community. Mental nurses were still 'attendants', sometimes relying more on muscular power and intimidation than on friendliness and commonsense. The bogey of illegal detention was still being raised and often it was shameful in the public estimation to receive treatment. Fortunately, as I have stated previously, the position has markedly improved. We are thinking in terms of small therapeutic communities, of group work with patients, of mental

nurses who are able to help the patient with his emotional and personal difficulties rather than simply caring for his physical needs. Nevertheless, despite these great improvements, I believe we are still lagging behind in our endeavours to assist those stricken with mental disease and, of course, those who must assist them.

In my electorate of Kooyong is situated the Kew Mental Hospital and the Kew Cottages for children. Hundreds of mentally retarded children are waiting for admission to these cottages. However, unfortunately we are caught up in a terrible cycle. More money has now been provided but in reality the improved conditions have accentuated the problem. Formerly some hundreds of deaths occurred each year but last year only eleven children died. This not only increases the problem of coping with those already in the cottages but also, of course, creates fewer opportunities for those on waiting lists to be admitted. Furthermore, as a result of greater community understanding, more people are seeking treatment. This of course does not in itself imply that there is a greater incidence of mental disease today. It implies rather that there is a greater recognition of the need to seek the treatment that is available. What is required today is not only much more Commonwealth financial assistance but also an agreement between the Commonwealth and State Governments to facilitate the future planning of services. There is a great need for central co-ordination associated with an extended scheme of Federal aid. This would also close the present gap between what is being done for the physically ill on the one hand and the mentally ill on the other.

I am deeply sympathetic towards the problems of those people who have relatives or children in mental institutions. However, my heart goes out to the parents of children who have had their names on waiting lists for years. It seems wrong to in effect mislead people by placing names on waiting lists when there is little or no hope of the children being admitted. Conditions have improved but the number of beds has hardly increased at all. Finance is desperately needed; plans for the future are needed. With great respect, I urge the Minister for Health further to investigate the role of the Commonwealth

regarding mental health services throughout Australia on the basis of a plan to be worked out with the States for the future.

Dr FORBES (Barker—Minister for Health) [8.34]—in reply—I would like to congratulate all three members who spoke in this debate on their constructive and helpful and enlightened approach to this particular question. This, as I think all speakers have indicated, is a matter which has been principally under the control of State Governments. I believe this is rightly so. Perhaps for that reason this subject has not occasioned the interest in this Parliament that it would in State Parliaments where there would be a much wider and direct knowledge of the proposals involved. Nevertheless, it is heartening to find the sort of constructive ideas which have been put forward by all speakers tonight. I assure the honourable member for Kooyong (Mr Peacock) in relation to the particular suggestion he made about the problem of mentally retarded children, that I am looking very closely at this problem at present. Indeed, I have received a number of deputations in recent months which have put forward a point of view on this matter. It is very rarely that I agree with the honourable member for Yarra (Dr J. F. Cairns) but on this occasion I would like to pay him a compliment for his approach to this question. His approach was moderate and constructive and indeed indicated a certain amount of humility. I believe that this is something that all of us must exhibit when approaching such a field in which dogmatism is a great mistake.

All speakers on this subject tonight have said that this is a field in which tremendous advances have been made in the last 10 or 15 years—certainly since the Stoller report was published. The frontiers of knowledge and experience in this field are being pushed further forward all the time. It is almost impossible for anyone to be dogmatic as to what one should do in this particular field at any point of time. I think, perhaps, that this is the answer to the very reasonable question that the honourable member for Yarra in effect asked: To what extent have we achieved the objectives which were set out in the Stoller report? I believe the answer to this is that the progress we have made really cannot be estimated in terms

of expenditure. There has been such a revolution in the treatment of mental illness that the methods which the Stoller Committee would have laid down when the report was being formulated would now have to be changed. A definitive answer would not be produced by using the criteria of the number of beds required in traditional institutions measured against the number that has actually been achieved. This is because the whole emphasis on the treatment of mental illness has changed since that point of time.

In the fairly small number of years in which I have been Minister for Health, I have been very glad to see the vitality and constructive forward thinking of the States. They have demonstrated a desire to embrace modern concepts and adopt an almost dynamic approach to this question. This applies to all States. In my experience this is quite unique and quite unlike the approach that we find in almost any other category in the health field. When examining the particular proposals put forward for subsidy under the legislation that we are considering today we noticed that the whole emphasis has changed. Whereas 5 or 10 years ago the projects that we were approving for this capital subsidy were the traditional-type mental institutions, as I pointed out in my second reading speech they are now entirely oriented to the modern approach, to day clinics and to the type of institution which works on the assumption that the great majority of people who are mentally ill will not stay very long in the traditional-type mental institution and that many of them can live in their own homes and be treated at day clinics and so on.

As the honourable member for Isaacs (Mr Haworth) so rightly pointed out, one of the things which have led to this revolution has been the development of new drugs. He pointed out that one has to take into account the fact that the Government provides a very large proportion of the cost of these drugs under the Pharmaceutical Benefits Scheme. This represents an additional contribution to the treatment of mental illnesses. The honourable member for Yarra raised the question of whether the Government should be doing something more or whether there is a role which it should play, going beyond the provision of these particular grants and perhaps beyond the point that this Bill embraces. I

do not know if that is possible at this time. However, there is scope for this to be considered as this legislation nears its end. But I again emphasise that this is not a field in which the Commonwealth Government regards itself as having a primary role. It is a field which is traditionally the province of the States and one in which the States—perhaps with the encouragement that we have given by providing finance—have really been active and in which they really have fulfilled their responsibilities. As I see the position at the present moment, this is perhaps the most desirable role that the Commonwealth should play.

I would like to say that within the last year or so we have established a Mental Health Committee of the National Health and Medical Research Council. All States are represented on this body in addition to experts in the field outside. I think that if we are to provide an impetus to new ideas in this field and a co-ordinating role to ensure that each State is aware of what the others are doing, and to ensure that all of us are keeping up with the rest of the world in producing the most modern ideas for the treatment of mental illness, then this Committee—which I had a great deal of pleasure in approving—will be the body to do it. I thank honourable members for the contributions that they have made to this debate.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Dr Forbes) read a third time.

DEFENCE (RE-ESTABLISHMENT) BILL 1967

Bill—by leave—presented by Mr Bury, and read a first time.

Second Reading

Mr BURY (Wentworth—Minister for Labour and National Service) [8.46]—I move:

That the Bill be now read a second time.

The Bill is designed to meet certain needs which have become evident as a result of experience with the grant of re-establishment loans to national servicemen. As honourable members know, included in the re-establishment measures for national servicemen is the provision of re-establishment loans. A re-establishment loan may be made to a national serviceman on discharge where this is necessary to enable him to re-establish himself in a business, profession or occupation, including farming, in which he was engaged immediately prior to call-up or was prevented from entering because of call-up.

As the legislation stands there is no scope for the administering authority to exercise discretion where this may be desirable to meet the needs of national servicemen in accordance with the intention of the Defence (Re-establishment) Act 1965. For example, one national serviceman who had been a share-farmer sought a loan in order that he might establish himself on the land but this could not be granted under the existing provisions because drought conditions had forced him some months before call-up to leave share farming and take up other employment. Clearly the legislation needs to be administered with some degree of flexibility so that an approving authority may grant a loan in such a deserving case provided, of course, the other conditions are satisfied.

The second matter dealt with in the Bill relates to interest on loans. The Government decided that the first \$100 of a re-establishment loan should be free of interest. However, legal advice now is that the provisions of section 54 of the Act, that 'loans . . . bear interest at such rate as is prescribed', do not cover that part of the loan which bears no interest. The amendment will enable this to be done. I am sure the amendments will have the support of all honourable members. I commend the Bill to the House.

Debate (on motion by Mr Crean) adjourned.

INCOME TAX ASSESSMENT BILL (No. 4) 1967

Bill presented by Mr Howson, and read a first time.

Second Reading

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [8.50]—I move:

That the Bill be now read a second time.

Some important amendments to the Income Tax Assessment Act are proposed by this Bill. It is mainly concerned with our methods of taxing income going out of Australia to non-residents and income derived by our own residents from investments overseas. It also makes some important revisions of the basis of taxing distributions made by companies.

On 4th May last it was announced in this House that the Government proposed a withholding tax on interest paid to persons who are not residents of Australia. This Bill will implement the proposals then announced.

I do not think it is necessary to go over again in detail the reasons that prompted the Government to introduce a withholding tax. I would, however, recall to honourable members two of the principal factors in the decision. One is that, unless steps are taken to avoid it, interest paid by companies to non-residents is, at present, subject to Australian tax at a rate of 42.5% of the gross amount. I stress the word gross; no allowance is made for expenses incurred in gaining the interest. This rate is high in itself and generally much higher than other countries see fit to impose. No doubt its relative severity induces overseas lenders to avoid it if they can. This leads to the second factor, which is that the Australian income tax law contains provisions which clearly permit arrangements to be made to avoid the tax. I emphasise that these provisions are quite explicit and people who have taken advantage of them had a perfect right to do so.

Nevertheless, the present position is far from satisfactory. The Government's aims in introducing a withholding tax are to ensure that a reasonable contribution to Australian tax revenue is made by overseas lenders in relation to interest drawn from Australia, and to provide a relatively simple method of collection of the tax. At the same time, full regard has been had to the effects a withholding tax might have

on the availability and cost of overseas capital to Australian borrowers.

It is proposed that the withholding tax will be imposed at the rate of 10% of gross interest and that it will be a final tax. Interest subject to it will not, in any circumstances, be taxed on the ordinary assessment basis. The tax will come into operation in respect of interest paid on or after 1st January 1968. It will usually apply to interest paid by Australian residents to non-residents, except to the extent that the interest is attributable to a business carried on by the Australian resident outside Australia. It will apply to interest paid by a non-resident to another non-resident to the extent that the interest is attributable to a business carried on in Australia by the non-resident who pays it. Interest paid by the Commonwealth or a State will generally be within its scope.

Three classes of interest received by non-residents will be outside the scope of the withholding tax and will continue to be taxed on the ordinary assessment basis at the appropriate general rate. The first of these is interest paid by a resident to a non-resident carrying on business in Australia through a branch, for example, a non-resident bank. The second is government loan interest in respect of which a rebate of 10% of the interest is allowed against tax payable. The third is interest received by residents of the external territories.

Some interest will be exempt from the tax and will not be taxed on any other basis. Probably the most significant cases are those where a resident company had negotiated, or was negotiating, a loan before 4th May 1967 on terms which bind it to pay interest free of any deduction. No Australian tax would be payable under the present law in these circumstances and it is not proposed to disturb the basis of these contracts now by imposing a liability not envisaged by the parties in their negotiations. Also to be exempt from the tax are foreign superannuation funds, charities and similar bodies if the income is exempt from tax in their own countries. The exemption of interest paid by Australian Governments on external loans will not be affected by the legislation.

Dividends paid to non-residents have, of course, been subject to a withholding tax since 1960. For consistency with the scheme

of the interest withholding tax it is proposed that, as from 1st January 1968, Australian dividends received by foreign superannuation funds, charities and similar bodies will be exempt from dividend withholding tax only if the dividends are also exempt from tax in the country where the organisation is a resident for tax purposes. A further proposal in the Bill is designed to clarify the taxation position of an Australian resident who receives a dividend from an overseas company, but is not actually a shareholder in the company. He may, for example, beneficially own shares which are registered in the name of a trustee or some other person.

In general, Australian taxpayers are relieved from double tax on foreign dividends by means of a credit system. If a resident shareholder derives dividends from a foreign source and is personally liable for tax on the dividends in the country of source, he is also subject to Australian tax on the dividends but receives a credit for the foreign tax against his Australian tax. On the other hand, other types of foreign income derived by a resident are exempt from Australian tax if they are subject to tax in the country where the income has its source.

The purpose of the amendment is to declare in explicit terms that Australian residents who beneficially derive foreign dividends, but are not themselves shareholders in the foreign company, are to be treated for Australian tax purposes in the same way as Australians who have direct holdings in foreign companies.

The remaining major proposals in the Bill are related to distributions by companies. One deals with distributions made in association with a reduction in paid up capital, and another with distributions in the course of what I shall call an informal liquidation.

As to distributions in association with a reduction of capital, I mention that for more than a quarter of a century our taxation law has, in broad terms, treated as dividends, and therefore as income subject to tax in shareholders' hands, any distribution made by a company as a going concern, other than a return of paid up capital. A majority decision of the High Court has in recent years, however, ruled that the law is not effective to tax amounts—greatly in

excess of actual paid up capital returned—that are paid to shareholders when a company reduces its capital. This means that a company can, by reducing its capital, pay profits out to shareholders free of tax which would be subject to tax in the shareholders' hands if distributed by way of a conventional dividend.

The Government considers that this situation constitutes a real threat to revenue and to the general principles on which the taxation law is based. It also considers it gives an unwarranted advantage to shareholders in companies in a position to execute this type of plan as against companies not so fortunately placed. It has, therefore, decided to remedy this deficiency in the law. In broad terms, what is proposed by the Bill is that a distribution made in a reduction of paid up capital will be subject to tax to the extent that it exceeds the sum of the reduction in nominal paid-up capital and any distribution out of share premium account.

As to liquidations, the position is that distributions made by a liquidator in the course of a formal liquidation are taxable in the hands of shareholders to the extent that they are made out of income. Some companies are not, however, formally liquidated. Shareholders wishing to wind up a company sometimes merely take possession of the company's tangible assets, collect and retain debts due to it and discharge debts due by it, and then treat the company as wound up. Where these informal procedures are followed, distributions made out of income of the company are not taxable although they would be if made in the course of a formal liquidation.

The Bill proposes that distributions made in these informal liquidations will in future be taxed in the same way as distributions in an orthodox liquidation. The amendments relating to distributions by companies will apply to distributions made after today.

The balance of the amendments proposed by the Bill are of a relatively minor nature. At present, grants made by the United States Educational Foundation in Australia are specifically exempt from tax. This organisation has been superseded by the Australian-American Educational Foundation. The Bill will ensure that grants made by the new body will be exempt from tax, as was the case with grants made by the body it has superseded.

The final amendment is a matter of machinery. Since 1922 the Income Tax Assessment Act has placed a limit on the amount to be appropriated for salaries and allowances of members of the statutory bodies known as Taxation Boards of Review. This has occasioned frequent amendments to the Act and is out of line with more modern legislation on statutory bodies. It is therefore proposed by the Bill to omit the limitation. This action will not, of course, affect the administrative procedure for determining salaries of members of the Boards. These will continue to be determined by the Governor-General on recommendations by Cabinet. Each clause of the Bill is explained in an explanatory memorandum to be circulated to honourable members and I do not propose to go into any further detail at this stage.

Before I conclude I recall to honourable members the extensive measures introduced by the Government in 1964 to protect the taxation laws and, consequently, the interests of taxpayers generally against tax avoidance devices then being employed by some taxpayers. As honourable members will have observed, this Bill proposes three further measures designed to remedy inconsistencies and anomalies in the income tax law that have been revealed by decisions of the courts. If these features of the law are not corrected the way will be open for substantial amounts of tax to be avoided by those taxpayers who are able and willing to exploit them. These actions by the Government demonstrate its continuing review of the taxation laws and also its determination that these laws shall be effective in their operation. It will, I think, be evident that the tax laws must operate effectively if the tax burden is to be shared equitably by all taxpayers. If the law permits large amounts of tax to be avoided by some taxpayers a heavier burden is necessarily borne by the majority of taxpayers who are unable or unwilling to employ devices which have as their objective the exploitation of provisions of the law.

This particular Bill deals with some of the matters raised by the honourable member for Melbourne Ports (Mr Crean) in his speech in the House last night. I thought I should remind him that at the

time he was making his remarks this second reading speech had in mind some of the matters to which he was referring. I commend the Bill to honourable members.

Mr Crean—Before I move for this debate to be adjourned I note again that this is a Bill which is accompanied by an explanatory memorandum. Mr Deputy Speaker, you will recall the occasion when I obtained the concurrence of the House to have a memorandum incorporated in Hansard. Subsequently Mr Speaker suggested that that was not to be taken as a precedent. I merely note that an important journal, the 'Taxpayers Bulletin', commended the stand I took and indicated that such memorandums are in short supply and that people who cannot obtain copies of the memorandum can obtain copies of Hansard. I am not pressing for the inclusion of this memorandum in Hansard, but I am suggesting that it is about time the position was clarified by the Standing Orders Committee of the House as to whether in certain circumstances, particularly in respect of technical legislation, memoranda should be incorporated with the Minister's second reading speech. People outside this House who have not the same facilities as people inside the House commended the practice that was followed on the last occasion. I hope that an early meeting of the Standing Orders Committee will resolve this fairly important problem. After all, this afternoon a Minister incorporated in Hansard about 30 pages of material that was not spoken in the House. It was done because the Bill then being discussed was a technical measure. I would suggest that on an equally important occasion such as this the incorporation of a technical memorandum would help to clarify what, with all respect to the Minister, is not easily made simple in his, mine or anybody else's purview. I would hope that this sort of problem will be looked at rather than just duck shoved from occasion to occasion.

Mr DEPUTY SPEAKER (Mr Lucock)—I will bring to the notice of my colleague, Mr Speaker, the remarks of the honourable member for Melbourne Ports.

Debate (on motion by Mr Crean) adjourned.

INCOME TAX (INTERNATIONAL AGREEMENTS) BILL (No. 2) 1967

Bill presented by Mr Howson, and read a first time.

Second Reading

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [9.7]—I move:

That the Bill be now read a second time.

This Bill will effect minor technical amendments to provisions of the Income Tax (International Agreements) Act. These have been made necessary by the proposed introduction of a withholding tax on interest derived from Australia by non-residents. The Income Tax (International Agreements) Act gives the force of law to the existing taxation agreements Australia has with the United Kingdom, the United States of America, Canada and New Zealand for the purpose of relieving double taxation of income flowing between Australia and those countries.

As it stands at present, the Income Tax (International Agreements) Act refers only to the Australian dividend withholding tax. The proposed introduction of a withholding tax on interest as well as on dividends has necessitated a change in the name of the withholding tax. The amendments proposed by this Bill do no more than incorporate into the Income Tax (International Agreements) Act the new name for the withholding tax.

The memorandum referred to in the previous Bill relates also to this matter. I point out, Mr Deputy Speaker, that the memorandum contains 54 pages and I am sure that Mr Speaker would not be happy to have it incorporated in Hansard. I commend the Bill to honourable members.

Debate (on motion by Mr Crean) adjourned.

INCOME TAX (NON-RESIDENT DIVIDENDS AND INTEREST) BILL 1967

Bill presented by Mr Howson, and read a first time.

Second Reading

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [9.8]—I move:

That the Bill be now read a second time.

This Bill will declare the rates at which income tax in the form of withholding tax will be payable by non-residents on dividends derived from Australian companies and interest derived from Australia on and after 1st January 1968. No change is proposed in the rate of withholding tax on dividends that has applied since the withholding system became operative on 1st July 1960. The general rate will continue to be 30% of the dividends reduced to 15% where this is required by any of Australia's double taxation agreements with other countries. This reduced rate of 15% operates in consequence of the agreements themselves and it is not necessary, therefore, to declare a special rate in the Bill.

A rate of 10% is proposed in relation to interest derived by non-residents that is liable to withholding tax under the amendments to the law proposed by the Income Tax Assessment Bill, with which this measure is associated. The main features of the withholding tax system proposed for interest derived from Australia by non-residents have already been mentioned on the introduction of the Assessment Bill and I will not go over them again in detail now. I would say, however, that in determining the rate of 10% to be applied to gross interest the Government has given careful consideration to all relevant factors.

On the one hand, we are seeking to obtain a reasonable contribution to the Australian revenue out of interest payments flowing from Australia to foreign lenders. On the other hand, it is important that the rate of tax should not be so high that it could adversely affect our prospects of obtaining loan moneys from overseas, or result in interest charges being raised unduly against Australian borrowers. As I have said, the rate of 10% proposed is payable on gross interest derived by non-residents and this, in the Government's opinion, should satisfactorily achieve the two principal objectives I have mentioned.

Further explanations on the clauses of the Bill are given in a memorandum which is being circulated for the information of honourable members. I commend the Bill to the House.

Debate (on motion by Mr Crean) adjourned.

PAY-ROLL TAX ASSESSMENT BILL (No. 2) 1967

Bill presented by Mr Howson, and read a first time.

Second Reading

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [9.10]—I move:

That the Bill be now read a second time.

The purpose of this Bill is to amend the Pay-roll Tax Assessment Act to exempt wages paid by the Australian-American Educational Foundation and to withdraw the existing exemption in respect of the United States Educational Foundation in Australia. The United States Educational Foundation in Australia was established under an agreement between the Governments of the United States of America and Australia that is commonly known as the 'Fulbright Agreement' to finance studies and other educational activities of American and Australian citizens.

This organisation has been superseded by the Australian-American Educational Foundation in accordance with a later agreement between the United States and Australia and its activities have been taken over by the new organisation. The effect of the Bill will be that wages paid by the Australian-American Educational Foundation will be exempt from pay-roll tax as was the case with wages paid by the organisation it superseded. A more detailed explanation of the Bill is given in a memorandum now being circulated for the information of honourable members. I commend the Bill to the House.

Debate (on motion by Mr Crean) adjourned.

COMMONWEALTH EMPLOYEES' FURLOUGH BILL 1967

Bill—by leave—presented by Mr Howson, and read a first time.

Second Reading

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [9.13]—I move:

That the Bill be now read a second time.

The main purpose of this Bill is to provide some improvements in the furlough entitlement of those who derive their furlough benefits from the Commonwealth

Employees' Furlough Act 1943-1959 rather than from the furlough provisions in the Public Service Act 1922-1967. Included in those who will benefit are employees of the Parliamentary departments, temporary employees of the Commonwealth and officers and employees of Commonwealth authorities. The detailed provisions of the Furlough Act, which is administered by the Treasury, vary in some respects from the furlough provisions in the Public Service Act which are administered by the Public Service Board. The effect of this Bill will be to eliminate virtually all the differences between the two schemes, thus bringing all those employed within the broad sphere of Commonwealth employment under the same conditions of eligibility for furlough.

At the same time, the Government has concluded that, in the interests of economic and efficient administration, the existing division of responsibility between the Public Service Board and the Treasury in the administration of the laws relating to furlough should be eliminated, that there should be a common administering authority and that the Public Service Board would be the more appropriate body to be given this responsibility. The Bill therefore specifies the Public Service Board as the approving authority under the Act for all persons presently covered by the Act, except those employed in the Parliamentary departments, in respect of which there have always been special arrangements. In the administration of the furlough provisions of the Public Service Act, the Public Service Board has delegated the powers provided under those provisions to nominated officers in various departments and, consistently with this, the Bill enables the Board to delegate its powers as approving authority under the Furlough Act to officers in Commonwealth departments, to authorities of the Commonwealth, or a member of such an authority or a person employed by such an authority.

I turn now to those amendments which are of a beneficial nature. Honourable members will recall that last year the Public Service Act was amended to provide authority for payment in lieu of furlough where the Public Service Board is satisfied that an officer with at least 10 but less than 15 years continuous service is ceasing duty on account of domestic or other

pressing necessity. During the second reading speech at that time, the Minister stated that a complementary amendment to the Commonwealth Employees' Furlough Act was intended when that Act was next before the Parliament, and he indicated also that, in conjunction with the introduction of the new concession in the Public Service Act, an adjustment would be made to the existing scale of pro rata entitlements in order that all officers who in future entered the 10 to 15 years service group would have precisely the same furlough entitlements. The Bill provides for the same concession in relation to termination of service on account of domestic or other pressing necessity and for the same adjustment in the pro rata scale as was made in the Public Service Act.

The Furlough Act differs from the Public Service Act in respect of furlough benefits in cases of death or retirement because of permanent ill-health. Under the latter a benefit is available after 4 years but less than 15 years completed service. The Furlough Act presently specifies 8 years as the minimum qualifying period in these circumstances and the Bill provides for this qualifying period to be reduced to 4 years, thus eliminating the present anomaly. The Furlough Act has always provided that the grant of furlough would affect recreation leave. After considering the Conciliation and Arbitration Commission's decisions on claims for long service leave in the metal trades and graphic arts industries, which provided that annual leave should remain unaffected by the grant of long service leave, the Government decided to eliminate the provisions which require deductions from recreation leave on account of furlough being granted. The Bill so provides.

The Bill provides for the repeal of the provision under which a period of prior service terminated by age retirement is treated differently from a period of prior service terminated for other reasons. This provision has been found to operate unfairly against permanent officers by comparison with temporary employees and anomalies arise particularly in relation to former permanent officers and members of the permanent forces who, subsequent to their retirement on age grounds are re-engaged in a temporary capacity or are

appointed to a statutory office. The Bill provides also for the repeal of the provision that imposes a limitation on the amount of prior employment in a State or authority of a State that may be counted for furlough purposes, thus bringing the Furlough Act into line with the furlough provisions of the Public Service Act in this respect. This will also eliminate other anomalies that have been found to occur in relation to persons who are appointed to statutory offices under the Commonwealth.

Unless an employee is granted leave of absence for certain specified purposes, any period of absence from duty exceeding 12 months in a continuous period breaks continuity of service for purposes of the Act. Under other provisions, an employee who ceases duty due to ill health is not entitled to furlough benefits unless the ill health is permanent or he has completed at least 15 years service. The combined effect of these provisions is that an employee who ceases duty due to ill health which is serious but not permanent after, say, 14 years service has no entitlement to furlough. Should his restoration to health take longer than 12 months, upon subsequent re-employment by the Commonwealth he can receive no recognition for furlough purposes of his prior service.

The Government decided that this state of affairs should not be allowed to continue and accordingly the Bill provides that a break of service exceeding 12 months shall not break continuity of service where an employee ceases duty due to ill-health and resumes full-time employment with the Commonwealth or an authority of the Commonwealth not more than 12 months after his health becomes sufficiently restored to enable him to engage in full-time employment. I mention here that, through the operation of section 75 (b) of the Public Service Act, this amendment will apply automatically in the case of officers who have been retired on the grounds of ill-health and who are subsequently re-appointed after an absence of more than 12 months.

Though furlough normally accrues after 15 years service, both the Public Service Act and the Commonwealth Employees Furlough Act provide for pro rata benefits to be granted to persons who retire after attaining 60 years of age with 8 but less

than 15 years service. This is a reasonable provision for officers under the Public Service Act which prescribes a minimum retiring age of 60 years. However, in certain types of employment, mainly with authorities of the Commonwealth, a compulsory retiring age lower than 60 years is prescribed, and in some cases, when such a compulsory retirement occurs at an age of less than 60 years, it is not always practicable for the employee to complete 15 years service. For example, air hostesses employed by the Australian National Airlines Commission are recruited at not less than 21 years of age but are compulsorily retired from air crew upon attaining the age of 35 years. The Bill provides for the grant of pro rata furlough on compulsory retirement due to age prior to attaining 60 years of age, subject to completion of a minimum of 8 years service.

In conclusion, I mention that the Bill provides for several other amendments that are of a machinery nature. One of these relates to the definition of salary for furlough purposes. The existing definition, which under the Bill is repealed, has been found to suffer from certain defects which could operate to the detriment of employees. The new section 3C inserted by clause 4 of the Bill will remedy these. During the examination of this question it was found that a similar amendment is required to the provisions of the Public Service Act, and amending legislation for this purpose will shortly be introduced. I commend the Bill to honourable members.

Debate (on motion by Mr Webb) adjourned.

PUBLIC SERVICE BILL (No. 2) 1967

Bill—by leave—presented by Mr Snedden, and read a first time.

Second Reading

Mr SNEDDEN (Bruce—Minister for Immigration) [9.25]—I move:

That the Bill be now read a second time. As my colleague the Minister for Air (Mr Howson) has said, this Bill is consequential on the Commonwealth Employees' Furlough Bill which he introduced tonight. There are two main reasons for this short measure to amend the Public Service Act 1922-1967. The first was mentioned by my colleague a few moments ago when introducing the

Commonwealth Employees' Furlough Bill 1967. It is to ensure that allowances may, subject to prescribed conditions, be included in payments for periods of, or payments in lieu of, furlough. If desired, the matter can be explained further in the Committee stage of consideration of the Bill.

While the Public Service Act is before the House the opportunity is also being taken to remove a limitation placed on the Public Service Board as to the length of the periods of leave which it may grant to officers of the Commonwealth Service to permit them to perform services for prescribed international organisations or with certain governments. At present, leave for this purpose cannot be granted for a period exceeding 3 years. This limitation is reasonable in the majority of cases, but occasions do arise where, in the public interest, it is desirable that a longer period of leave be granted. For example, the organisation or government concerned may indicate that a project for which the services of an officer were made available, originally expected to take less than 3 years, requires a further period for its completion. Under this proposed amendment, there will be a discretion for the Board to approve of a period, or successive periods, of leave exceeding 3 years if it considers it to be in the public interest to do so. Cases which arise will be treated on their individual merits.

This is an appropriate opportunity to mention the very real contributions which have been made by officers of the Commonwealth Service granted leave under this section. In addition to instances where officers have held senior positions in organisations such as the Colombo Plan Bureau, the South Pacific Commission and the International Atomic Energy Agency, officers with qualifications in such varied fields as engineering, the law, medicine, education, economics and various technical specialties have performed with distinction in assignments with international organisations or with the governments of a number of countries. This is, of course, additional to the provision of the services of experts from outside the Commonwealth Service under the various international aid schemes in which Australia participates. I commend the Bill to the House.

Debate (on motion by Mr Webb) adjourned.

COMMONWEALTH EMPLOYEES' COMPENSATION BILL 1967

Second Reading

Debate resumed from 27th September (vide page 1368), on motion by Mr Howson:

That the Bill be now read a second time.

Mr Howson—May I have the indulgence of the House to raise a point of procedure on this legislation? I understand it may suit the convenience of the House, Mr Speaker, if you allow the Seamen's Compensation Bill to be debated concurrently with the Commonwealth Employees' Compensation Bill. At the conclusion of the debate separate questions will of course be put on each of the Bills. I suggest, Sir, that you might permit this course to be followed.

Mr SPEAKER (Hon. W. J. Aston)—Is it the wish of the House that the subject matter of the two Bills be taken together as suggested by the Minister? There being no objection, this course will be followed.

Mr WEBB (Stirling) [9.28]—It has been announced that we shall debate these two Bills together. My remarks will be centred on the Commonwealth Employees' Compensation Bill, but as the two measures are similar in structure they will apply equally to the Seamen's Compensation Bill. The provisions being similar, we propose to move similar amendments to both Bills at the Committee stage. The Minister for Air and Minister assisting the Treasurer (Mr Howson) said in presenting the Commonwealth Employees' Compensation Bill that its purpose was to increase the monetary benefits provided by the Commonwealth Employees' Compensation Act and to vary the format of the Third Schedule to the Act.

These benefits have not been increased since 1964 and since the Act was last amended every State compensation Act has been amended. This means that instead of being the best compensation Act in Australia, the Commonwealth Employees' Compensation Act and incidentally the Seamen's Compensation Act are now the worst in Australia in that the benefits provided by them have deteriorated to a marked extent. This Bill will bring the monetary benefits up to somewhere near those provided for in State workers'

compensation Acts, but they will still be below some of the benefits provided for in State legislation. By way of comparison I shall give for the various States the weekly rate payable to the worker, his spouse and two children under the age of 16, and the total amount. In the State of New South Wales the worker receives a weekly payment of \$23.50 for himself, \$6.30 for his spouse, and \$2.50 for each child under the age of 16. This gives a total of \$34.80 for the worker, a spouse and two children. That was the figure at 1st January 1967. A Bill to adjust those rates is to be brought down in the current session of the New South Wales Parliament. In Victoria the payment for a worker is \$20, a spouse \$6 and \$2.50 for each child, so that the worker with a spouse and two children gets a maximum payment of \$31. In Queensland the worker gets \$26.55, there is a payment of \$7.80 for the spouse and \$2.50 for a child. The maximum available to a worker with a wife and two children is \$39.35. This was adjusted in accordance with a movement in the basic wage on 10th April of this year. In South Australia the payment for the worker is \$22, for the spouse \$9, for a child \$2.50, but the maximum paid is \$32.50. In Tasmania the worker gets \$26.40, the spouse \$6.37 and each child \$3.39, giving a total of \$39.55 for a man with a spouse and two children. These rates were adjusted in accordance with the basic wage as from 1st July this year. There is a kind of multiplier system in operation in Tasmania under which the rates are adjusted according to movements in the basic wage.

Now let us look at the existing Commonwealth legislation. The amount provided for the worker is \$23.10, with \$5.45 for a spouse and \$2.25 for each child under 16 years. This gives a total of \$33.05 for a man with a wife and two children. Under the Bill before us the amount for the worker is to be \$25.35, for a spouse \$6 and for each child \$2.45. The total for a man with a wife and two children will be \$36.25. Under the Commonwealth's proposed legislation a man with a wife and two children under 16 years of age will get less in weekly payments than would a man similarly placed in Queensland or in Tasmania. The amendment that the Opposition will propose will provide for a payment for the worker of \$29.10, for the spouse \$6 and for each

child \$2.45, giving a total for a man with a wife and two children of \$40. I will go into that in more detail at a later stage.

Some of the States are now considering further amendments to the benefits provided in their legislation. In some States provision is made for automatic adjustments for some of the more important benefits in accordance with movements in the State basic wage. Tasmania, Western Australian and Queensland are three States in which such a provision exists. The fact is that no sooner will the Commonwealth Employees' Compensation Act and the Seamen's Compensation Act be amended than both of those Acts will again be lagging behind the State Acts, some of which are coming up for amendment at the present time.

For some years the Commonwealth Employees' Compensation Act and the Seamen's Compensation Act led the field in this type of legislation; now they simply follow the field. It might be expected that the Commonwealth, as a substantial employer of labour in all States, would produce a compensation code at least equal to, if not better than, the codes existing in the various States. This is a cause of great concern and the fact that the Government has not produced such a code does not reflect any credit upon it. The manner in which it treats its own employees is to be deprecated.

The procrastination that has taken place in regard to proposed amendments to the Commonwealth Employees' Compensation Act reflects eternal discredit on this Government. While the Government dithers, workers who are injured and their families—or the family alone if the worker is killed on duty—suffer considerable financial loss. The Minister stated in his second reading speech:

I am happy to be able to inform the House that the Government has now virtually completed its examination of the many other proposals for amendment of the Act put forward by honourable members and other interested parties in recent years, and it is hoped that it will be possible to introduce amending legislation giving effect to the Government's decision before the end of this session.

Among the other proposals he was referring to are the amendments which were proposed by the honourable member for Hindmarsh (Mr Clyde Cameron) when the

Act was last amended in 1964. The honourable member then moved his amendments formally on behalf of the Opposition, without putting them to a vote, because he received an assurance from the then Treasurer, now the Prime Minister (Mr Harold Holt), that the amendments would be further considered during the recess. That was nearly 3 years ago. We are now advised that it is hoped that these matters will be dealt with before the end of this session. I suppose it could be said that this is the speed at which this Government usually works. In this space age there is no fear of the Government catching up with itself, but there is a good chance that the electors will catch up with the Government at the next election. The remarks of the then Treasurer are recorded on page 2819 of Hansard of 11th November 1964. Referring to the honourable member for Hindmarsh, he said:

He has circulated a considerable number of amendments. I had already taken the opportunity of studying them and I was in a position to assure him that these matters would be further considered during the forthcoming recess.

On the same page the honourable member for Hindmarsh is reported as saying:

I now intimate, on behalf of my colleagues, that we will merely propose our amendments in order that they may be officially recorded, but we will not press to a division the vote on any of them. May I express our appreciation of the Treasurer's handling of this situation.

The Treasurer's handling of it since then, of course, has left very much to be desired. The matter has been raised many times, not only by me but also by the Leader of the Opposition (Mr Whitlam), the honourable member for Bonython (Mr Nicholls) and several other members. When the honourable member for Bonython asked recently whether the amendments would be brought down this session the Treasurer (Mr McMahon) said in a very off-handed manner: 'I hope so'. The Minister who introduced this Bill is still hoping, three years later, and we have about three weeks to go before this session ends.

The Opposition, the Commonwealth employees and the worker organisations in the States are not only hoping, they are praying that the amending legislation will be brought down this session and that it will be a model for the rest of the nation to follow. We are hoping that the Common-

wealth will again lead the field in workers' compensation legislation. The Commonwealth should be breaking new ground in establishing fresh principles for providing compensation for its employees who happen to be injured or killed on duty. The Commonwealth Act lags behind most of the State Acts in many respects. It does not provide, for instance, for replacement of artificial limbs, artificial eyes or hearing aids or other artificial appliances worn by workers at the time of injury. In Western Australia there is special provision covering artificial aids such as limbs, eyes and spectacles. In Queensland there is a provision of \$50 for damage to artificial aids and \$50 for damage to clothing. In South Australia there is a provision of \$60 for damage to clothing. There is no provision whatsoever in the Commonwealth legislation to cover any such contingencies. In Tasmania in the \$2,500 provided for medical expenses there is a provision for artificial aids, teeth, spectacles and hearing aids. There is no such provision in the existing Commonwealth Act or in the amending Bill. Workers compensation should be paid not only for personal injury but also for any damage to artificial aids or clothing worn by the employee while on duty. I hope these matters will not be forgotten when the proposed amendments are brought down later.

The Commonwealth Employees' Compensation Act should follow the lead in another field. A worker who is entitled to compensation under common law in the case of proven negligence ought to be entitled to compensation under the various workers' compensation acts. Whether or not an employer is negligent should not affect workers' compensation when a worker is injured. The Commonwealth should follow the example of some of the States in its proposed amendments by providing for compensation where there has been facial disfigurement, loss of speech and things of that nature. The old fashioned idea that a worker must lose his earning capacity before he gets compensation should be dispensed with.

This is not something that the Commonwealth Government can afford to ignore. For instance, in the New South Wales, Queensland and Tasmanian Acts relating to compensation, special provision

is made for the loss of power of speech. Provision exists in the Queensland Act for compensation for facial disfigurement. I wish to quote portion of the instructions which go out as an explanation to that Act, as follows:

Where there is severe facial disfigurement resulting from an injury for which normal compensation is payable but the Permanent Disability Table does not apply then, in addition to weekly compensation, a lump sum may be decided by the Board. The Facial Disfigurement Board consists of the following—

Then certain details are outlined which I will not go into at this stage to the extent that I could. The point is that no such provision for the loss of the power of speech or for facial disfigurement is made in the Commonwealth Employees' Compensation Act or in the Seamen's Compensation Act. The New South Wales Act provides for compensation for facial disfigurement.

Section 9(1.) of the existing Act is behind the times as far as its wording is concerned. I draw attention to the point that I am making regarding this matter in the hope that the Minister in charge of the Bill will give consideration to this matter when amending legislation is being brought down. For instance, section 9(1.) of the existing Act provides:

If personal injury by accident arising out of or in the course of his employment by the Commonwealth is caused to an employee, the Commonwealth shall, subject to this Act, be liable to pay compensation in accordance with the First Schedule to this Act.

The words to which I refer and which should be deleted from the Act are 'by accident'. That provision would be all right if those words were deleted from it. The words 'personal injury arising out of or in the course of employment' appear in the Acts of New South Wales, Victoria, Queensland and South Australia. The words 'by accident' do not appear in those Acts. The words 'personal injury by accident' appear in all Commonwealth compensation Acts. They appear in the two legislative measures that we are debating now plus the Acts relating to compensation in the Northern Territory, the Australian Capital Territory and Papua and New Guinea. 'Personal injury in the course of employment' are the words that appear in the Tasmanian Act.

The provisions of the existing Commonwealth Act mean that no injury is compensatable unless it can be shown that the injury resulted from an accident. A person could be injured by radiation these days without any accident actually having occurred or an injury could be caused by some other means without an accident having occurred. This fact has been taken notice of in most of the States and the words 'by accident' have been taken out of State compensation Acts for that very purpose. That is why I suggest to the Minister—and I hope that he notes my suggestion—that when amendments are brought down this matter will be carefully considered.

There is another important point that I wish to raise in regard to this Act. I think that now would be the time to raise it. I have pointed out already that in many respects the benefits provided under the Commonwealth legislation are below the standard of benefits provided by many of the State compensation Acts. But an important fact about the Commonwealth Employees' Compensation Act is that it applies to our national servicemen, our militia and our Regular Army servicemen. If these lads are injured or meet their death by accident arising out of or as a result of their service, they or their dependants, as the case may be, come within the ambit of the Act that we are now debating. I am referring to the position before they go overseas and after they return from overseas. At those times they come within the ambit of this Act. In my view and, I think, in the view of honourable members on this side of the House—surely the Government can see the wisdom of this suggestion—these lads should be covered by the Repatriation Act from the time that they enter the Services.

Mr Howson—The honourable member knows, of course, that they will be dealt with also by the provisions of the Defence Forces Retirement Benefits Bill, which is to be introduced, as enunciated by the Treasurer in his Budget Speech?

Mr WEBB—Yes. But I am making this point also and I hope that the Minister will take note of it. I think it is ridiculous that men who are training for war and are subject to greater dangers than they would meet in their normal occupations, such as

working for the Commonwealth Government, should come within the ambit of this Act. They could be training, for instance, for jungle warfare, using live ammunition and operating tanks and be in much greater danger than what they would be in their normal course of employment. I introduce that matter at this point in time to emphasise my point. I come back now to the provisions of the Bills.

No provision for student children exists in the Commonwealth Employees' Compensation Act such as exists in some of the State Acts relating to compensation. In New South Wales, for instance, while there is an amount of \$4.30 a week for each child under age 16, \$2.50 a week is paid for each student child between the ages of 16 and 21 years. That is when the worker is off duty injured. In Queensland, a lump sum of \$270 applies to each child under the age of 16, or 21 for full time students. Here the limit is 16. In Tasmania there is an amount of \$264 for each child under the age of 16 or under the age of 21 if a full time student. It is true that the Commonwealth provides child endowment for student children but that is also provided by the Commonwealth in due course to those student children who come within the provisions of the State workers compensation Acts.

There is only one respect in which I can see that the Commonwealth Employees Compensation Act is better than the compensation Acts of Queensland, Western Australia, Victoria, South Australia and Tasmania and on a par with New South Wales. This is in regard to compensation for a worker who is permanently and totally incapacitated. The Commonwealth and New South Wales provide unlimited cover so that weekly compensation in those circumstances is payable for life. This is a good feature of both of these Acts. These are the only two Acts to which it applies. The other States have an upper limit which varies from State to State and in some States weekly payments already made can be deducted from any lump sum that is provided. This is a bad provision which fortunately does not apply in either the New South Wales or the Commonwealth legislation regarding a person who is permanently and totally incapacitated. But the same provision does apply in the New

South Wales legislation where a person is partially incapacitated, which makes that section of the Act better than the Commonwealth one. I think that the Commonwealth should not have that upper limit where a worker is partially incapacitated. There should be no upper limit in these cases.

Whilst the Opposition supports the increases provided for in the amending Bill, it does not consider that some of the proposed increases are sufficient to compensate workers and their dependants in some respects. I refer firstly to clause 3 of the Bill which provides:

Section 11 of the Principal Act is amended by omitting from sub-section (2B) the words 'Five hundred pounds' and inserting in their stead the words 'One thousand dollars'.

This section covers entirely the question of medical benefits. The Opposition will submit an amendment to increase this amount to \$2,500. This amount applies in both the New South Wales and Tasmanian legislation. In the Tasmanian Act, that amount covers medical, hospital, nursing, ambulance and travelling expenses. It also covers the cost of a funeral. Section 8B of that Act provides for artificial aids such as teeth, spectacles and hearing aids. Section 10 provides an amount of \$2,500 which is divided into \$1,000 for medical, \$1,000 for hospital and \$500 for ambulance. However, section 8 of the New South Wales Act also allows \$50 for damage to artificial aids and \$50 for damage to clothing. In addition there is a funeral allowance of \$160. These payments are additional to the \$2,500 for medical benefits.

In this regard we base our claim on the New South Wales Act, which is in advance of the Tasmanian Act. It provides additional benefits for funerals, artificial aids and damage to clothing. The sum of \$2,500 appears in the Acts for both States. It may be said that we are picking the eyes out of the various Acts. This is not so with all our amendments, as I will show. We are restricted because of the way in which the Government's Bill is drawn. However, if we were taking the best provisions from other Acts, we would make no apology for doing so because we consider, as I said earlier, that the Commonwealth legislation should be a model and that the Commonwealth should lead the field with its legislation.

I come now to medical benefits. Section 26 of the Victorian legislation provides for reasonable cost of medical, hospital, nursing and ambulance. South Australia has a similar provision. In our opinion these two Acts are better than the New South Wales and Tasmanian Acts and a provision on these lines would be acceptable to the Opposition. However, the drafting of the Government's Bill prevents the Opposition from moving such an amendment. We suggest that the Minister, when the time comes for making further amendments, consider placing a similar provision in the Act and so provide for the reasonable cost of these services. Five of the six States have a better provision for medical benefits than the Commonwealth legislation has. I have named four of them. The other is Western Australia, which provides for an amount of \$1,500 for medical benefits. The Queensland legislation provides for only \$600, but in considering this amount we must remember that in Queensland treatment in the public wards of hospitals is free. It is true that the Commissioner under the Commonwealth legislation can in exceptional circumstances increase the amount of \$1,000 but the circumstances must really be exceptional. Costs have risen since the figure was fixed at \$1,000 and it seems reasonable to suggest that it should be adjusted when the legislation is being amended.

In 1959 the amount provided in the Act was \$700, though it appeared as £350. No doubt the increase in doctors' fees, hospital charges, ambulance charges and the charges for other medical services prompted the Government in 1964 to increase the amount of \$700 to \$1,000 or £500. However, this amending Bill leaves the amount as it was in 1964. Surely this does not mean that charges have not increased since 1964. We know differently, of course. We know that doctors' accounts have increased, that ambulance charges have increased and that hospital charges have increased. I will give some figures relating to the cost of hospital treatment to show that what I have said is correct. A few days ago I received an answer to a question I had asked. It is question No. 428. The answer shows that in 1967 the charge in a public ward in New South Wales was \$8.20 a day and in 1964 it was \$6. In Victoria the charge is now \$10 and it was \$8 when the Act was last amended. In Queensland there is no charge.

In South Australia it is \$9 now and it was \$6.50 in 1964. In Western Australia it is \$10 now and it was \$7 in 1964. In Tasmania it is \$10 now and it was \$7 in 1964. I quote those figures to show that there is a reasonable argument for increasing the amount of \$1,000 and not leaving it as it was in 1964.

We are not opposing clause 4 of the Government's amending Bill. This amends section 12 of the principal Act by omitting sub-section (1.) and inserting a new subsection. The amount provided for injuries in Part I of the Third Schedule is increased from \$8,600 to \$10,000. That amount is higher than the amount in Queensland, South Australia and Victoria but it is not as high as the amount in Tasmania. In Tasmania the amount is subject to a basic rate multiplier. It increases as the basic wage increases. The present figure, which I obtained from officials dealing with workers' compensation in that State, adjusted with the last increase in the basic wage in July, is \$10,721. The amount in the Commonwealth Bill is not as good as the amount in the Western Australian legislation, which provides for \$10,000, variable with fluctuations in the basic wage. The amount is \$10,000 at the moment because the basic wage has not fluctuated sufficiently to affect it up to this time. As the basic wage increases in Western Australia the amount will be adjusted. In New South Wales, as I said earlier, there is no upper limit for partial incapacity. Weekly payments could continue for the life of the injured worker. Here again the wording of the Government's Bill prevents us from moving that the Commonwealth provision should not have an upper limit. We can move only for the insertion of a figure, and we have left it at \$10,000, hoping that the Government will, when it brings down later amendments, give close attention to this point.

Clause 4 also provides for a new subsection (1AA.). Referring to this provision, the Minister said that the Third Schedule was being re-enacted to show the new amounts payable for the various specified injuries and that, to avoid the need to do this in the future, the Bill provides for the replacement of the list of monetary amounts in the second column of the Schedule for those injuries which attract less than the statutory maximum by a list

of percentage equivalents of those amounts. I suggest to the Minister that he consider relating all the provisions of the Act to the total minimum wage so that they would be adjusted automatically. In some of the States the amounts are adjusted as the basic wage increases. The Minister might consider this proposal when he brings down further amendments. This may not meet all the wishes of the Opposition, but it would at least prevent the lag that has occurred in introducing new rates. This lag has made the Commonwealth Employees Compensation Act the worst compensation legislation in Australia. I do not say that we would necessarily support the proposition in toto. We would want to know what the base rate would be. We will be proposing amendments to Part II. of the Third Schedule.

Clause 5 amends section 13 of the Act by deleting the amount of \$8,600 and inserting the amount of \$10,000. We do not seek to change this amount. It is not the highest amount payable—Tasmania is higher—but it is the same as the amount in Victoria and Western Australia. As I said earlier, there is no limit in New South Wales for partial incapacity. Referring to maximum benefits, the Minister said:

The Act prescribes the maximum amount of compensation which may be paid in respect of any one accident to an employee who is not totally and permanently incapacitated. In accordance with past practice the Bill also increases the existing maximum from £4,300 (\$8,600) to \$10,000.

The limit of \$10,000 does not apply where a worker is totally or permanently incapacitated.

I want to draw attention to the Minister's remarks in regard to weekly payments in respect to incapacity for work. The Minister said:

As honourable members will be aware, the weekly payments were fixed in 1964 to provide a total amount for a man with a wife and one child equal to the 1964 Federal Six Capitals basic wage. In reviewing the rates at this time the Government concluded that the amount payable to an employee should be increased to \$25.35 or 75% of the current equivalent of the 1964 basic wage. The Bill so provides. The amount payable for a dependent wife will be increased to \$6 and the allowance for each dependant child to \$2.45, making a total weekly payment for an employee with a wife and one child of \$33.80. This rate is also regarded by the Government as reasonable in comparison with the rates contained in the legislation of the States.

The Minister then referred to the figure of \$19 which is the weekly rate of payment for a junior. What the Minister has done, of course, is to add the \$1 to the now non-existing basic wage of \$32.80 and has made the figure of \$33.80 the basis for these new rates. I say, with respect, that we cannot have it both ways. We cannot support a proposition before the Arbitration Commission for the abolition of the basic wage and the introduction of a total wage and then use the non-existent basic wage when it suits us. According to the decision of the Arbitration Commission, the new minimum wage is \$37.55. Therefore, bearing in mind the relationship that was established in the 1964 amendment to this Act, the new benefits should be related to the minimum wage \$37.55.

Take the case of a worker off duty with a hernia and accepted as compensable. He has a wife and one child. With this injury the period of time off duty is 13 weeks. Say his salary is about the average adult wage—until it was recently lifted—of \$60 a week. Under this legislation he receives \$33.80 a week. His loss of salary is \$26.20 a week or over a period of 13 weeks he would lose in salary \$340.60. This is a tremendous burden for a young person to carry or for that matter any worker to carry and it should be adjusted. The Australian Council of Trade Unions has adopted the principle that a worker who is deemed to be totally or partially incapacitated for work should be entitled to receive during the period of his incapacity, the amount of weekly earnings he would have received but for his injury. A justifiable reason does not emerge to explain why a worker and his dependants must suffer a substantially reduced rate of earnings in circumstances where a worker is unable to work because of some injury or disease suffered in his employment. Injured workers and their families frequently suffer severe financial burdens when the breadwinner is incapacitated in this way.

The Government not only has the basic responsibility to protect the worker against industrial safety hazards, but it also has the responsibility to ensure that when a worker becomes injured he and his family are justly compensated. The weekly rates provided for in the amending legislation are inadequate to meet the average family needs.

Furthermore, the principle of reduced income prevailing in this Act and in the various Acts for an injured worker is not just. After a period of incapacity most workers find themselves in considerable debt for some time afterwards. It is not uncommon to hear of injured workers having to obtain personal loans from banks and other borrowing sources in order to make ends meet whilst being incapacitated for work. I quoted a case during the Estimates debate of a worker with a hernia who had to go off compensation and go on to sick benefits because he just could not afford to be on the reduced wages which applied under this compensation. I want to point out that all workers compensation legislation already has built in safeguards to ensure that only legitimate claims are met and that compensation payments are paid only while the worker is actually incapacitated for work. Simple reasoning and humanity must react against this archaic principle.

The ACTU and the Australian Labor Party contend that the 'no loss of income' principle should prevail in this legislation and in all Commonwealth and State workers compensation law. There should be no loss of income whatsoever. The New South Wales legislature has proceeded well along the path to recognising this principle in respect of those persons employed by two of the largest employers of labour in New South Wales—the Ministry of Transport and the Department of Railways. The New South Wales Parliament has enacted special industry Acts which include workers compensation coverage. The sections provide, in effect, that an employee who is incapacitated by an injury arising out of and in the course of his employment so as to be unable to perform the duties of his classification shall be paid not less than the salary for the time being payable to employees with the same classification and with the same length of service. There are relevant provisions in other Acts in that State as well.

There is provision in these two industry Acts for the employee, if he wishes, to elect within 6 months of the accident to come under the provisions of the New South Wales Workers' Compensation Act. This 'no loss of pay' principle has also been

introduced by consent of the employers to cover employees of the electricity distribution and generation industry in New South Wales. It also applies to employees of the Sydney County Council. I am advised that New South Wales has over 80,000 workers covered by the principle of 'no loss of pay' whilst they are off duty on workers compensation. How can the Commonwealth justify the fact that its employees who are employed in some cases in substantially similar occupational groupings as their State counterparts in New South Wales are denied the more favourable benefits which exist in almost every category?

In 1964 we proposed certain amendments to the Act which the Government is still considering. At its recent congress, the ACTU adopted certain measures which it believes will eliminate certain procedural inadequacies in the making and determining of claims by employees under the Commonwealth Employees Compensation Act. I do not propose to go into these in detail but will draw attention to some of them. For example, the ACTU wants all reference to the District Court in the definition of 'County Court' deleted, and inserted in lieu thereof a workers compensation commission or board or other tribunal dealing with workers compensation claims. The ACTU wants the Act to provide that if an employee lodges a claim for compensation and it is not admitted within 14 days then the claim shall be deemed to be determined by the Commissioner against the employee on all grounds so that the employee will have the immediate right to apply to the proper tribunal for a determination of his rights under the provisions of the Act. There is no legal remedy available to employees under the existing Act until their claims are first determined by the Commonwealth Commissioner or his delegate. It is not uncommon to have a delay of up to 12 months before a claim is actually determined. This means that an employee is denied access to any tribunal to determine his rights until the employer virtually allows him to proceed.

Furthermore, the employee has only 30 days after the receipt of a copy of the determination in which to appeal against the determination. This means that he has only 30 days in which to instruct his solicitor

and obtain the necessary evidence to file notice in a county or district court and to serve the necessary appeal documents. The grounds for such an appeal are then restricted to the specific matters or issues actually determined by the Commissioner or his delegate. For example, an employee's claim might be refused on the grounds that the injury he sustained did not arise during the course of his employment. Any appeal would be confined to this particular question, so even if he were successful on appeal he may then have to make a fresh claim concerning the basis of payment of compensation. This could again be refused and he would then need to institute a further appeal. This, of course, relates more to partial incapacity claims. It must also be appreciated that whilst provision is made for an appeal against a determination of a claim under this Act, appeals are brought before courts which are neither specially designed to handle nor specialised in workers compensation matters. It is for this reason that specialised workers compensation tribunals have been established in most States to handle matters under the State Acts.

If access is provided for Commonwealth employees to the relevant State workers compensation tribunals this will ensure a more speedy determination of claims. It will also provide all employees in each State with a like and uniform legal remedy before a tribunal which is experienced and specialises in the administration of workers compensation law. This will mean that Commonwealth employees will have the same rights as are currently available to employees in private industry, as well as providing an inexpensive form of litigation for both Commonwealth employees and the Commonwealth itself.

It is our view that all workers compensation Acts in Australia should be co-ordinated with the objective of ensuring that uniform benefits and payments are available to all workers covered by the Acts. Surely this is a reasonable matter for discussion at a Premiers Conference. On 15th August I received a reply from the Prime Minister (Mr Harold Holt) relating to this very matter. I had asked the following question of the Prime Minister:

1. Has his attention been drawn to a statement made by Judge F. R. McGrath to the Industrial

Relations Society of New South Wales that workers compensation benefits and payment should be made uniform by legislation in all States?

2. If so, will he arrange for the next Premiers Conference to discuss the co-ordination of all workers compensation Acts in Australia with the object of ensuring that uniform benefits and payments are available for all workers covered by the Acts?

The Prime Minister replied as follows:

1 and 2. The provision of compensation for the large majority of employees in Australia is governed by State legislation and the question of co-ordination is primarily a matter for the States.

I thought that the suggestion that I put to the Prime Minister was reasonable and I certainly thought that he would have given it more attention. After all, Judge McGrath is an expert in this particular field. Judge McGrath was approached following a statement that he made in this regard to the Australian Broadcasting Commission. This is what he had to say in a letter:

The address given by me to the Industrial Relations Society of New South Wales on 21st March 1967 was completely extempore and there is no text of the same.

Mr SPEAKER—Order! The honourable member's time has expired.

[Extension of time granted]

Mr WEBB—He continued:

I was drawing attention to the divergent nature of the provisions in the various States and the Commonwealth in Workers' Compensation Law, not only in substantive matters related to benefits and persons entitled but also in matters of procedure and type of tribunal.

I had indicated that the differences were often highlighted when major building projects or undertakings were carried out close to State borders. Here workmen on the same project doing the same job could be differently compensated for the same injuries depending on which law was applicable. This type of situation made the least beneficial or narrow legislation appear strikingly anomalous.

I was advocating some consideration of ways and means of reducing or eliminating such anomalous situations. I had pointed out the great difficulties involved:

1. Many 'workers' covered by the laws of one State were not 'workers' in the legislation of other States or the Commonwealth.
2. There were many differences in substantive benefits. A 'backward' State may not be prepared to 'catch up' with the 'advanced' States.

Certainly an 'advanced' State would be unlikely to reduce its benefits.

3. Major differences in procedure existed.
- (a) Many systems, including the Commonwealth, dealt with compensation administratively and only came to 'Court' on appeal.
 - (b) Those where disputed compensation claims came directly to a Court involved a totally different approach.

I suggested that any move towards unification in this area would meet insurmountable difficulties. I suggested that administrative bodies dealing with the field would be resistant to handing over their functions to a specialised Court as in New South Wales. In particular I could not see the remotest possibility of the Commonwealth Treasury vacating the administrative field of Commonwealth Employees' Compensation.

Notwithstanding all the difficulties involved I considered that there were some things that could be done and which I considered within the sphere of the possible.

These were as follows:-

- (a) In cases where all systems of law provided benefits in specific cases, these benefits could be made monetarily the same in all States and the Commonwealth. (e.g., rates for total and partial incapacity could be the same. Lump sum payments for specific losses could be the same. The amounts payable in death cases could be the same.)
- (b) In all systems any overall maximum limit of compensation could (and should) be removed. (e.g., the total limit in the Commonwealth Act except in cases of total and permanent disablement.)

This is what I suggested a while ago. That letter continued:

The only argument against such provisions could be the cost. I suggested that the success of the insurance arrangements under the New South Wales Act was sufficient to demonstrate that the insurance community were capable of providing such total coverage at premium rates governed by the New South Wales Act and Scheme which was sufficiently remunerative to ensure continued competition for this type of insurance business.

The letter concluded by saying that he enclosed a transcript of the news item as it was broadcast. Judge McGrath is a very important man in this field and consideration should be given to the matters that he has raised. Of course, he did suggest that the premiums that were paid under the New South Wales Workers Compensation Act showed that the insurance companies were doing very well indeed; in other words, that the insurance companies were still issuing workers compensation rates at a profit. That position applies to all States, and all insurance companies are showing handsome profits from workers compensa-

tion. I do not propose to refer to all the States, but I want to quote from the 1966 annual report of the Queensland State Government Insurance Office. It states:

Our policy of maximum protection at minimum cost is fully enforced in this Department. As the Office administers the Acts on a non-profit basis, surpluses are available for distribution to Employers so that this year we have again allowed the highest Bonus range in the history of the Office. This scale was first allowed in 1964 and, despite increases in benefits to injured workers, we have maintained this record rebate since that date.

Employers now receive General and Merit Bonuses up to fifty per centum of the premiums paid by them. During the year just closed, \$4,779,133 was so distributed to policy holders.

That gives some idea of the profit that is made in this type of insurance. I could quote figures from Western Australia and from some of the other States but I do not propose to do that. I wish to correct a figure that I gave in earlier stages of my remarks. The maximum weekly payment of workers compensation in South Australia is \$32.50. I gave that amount as the maximum for a man with a wife and one child, which is right, but that sum is the maximum even if he has two children.

I conclude my remarks by stating that we will support these Bills because the increased workers compensation to be paid to these employees will mean that there will be better benefits. We do not consider that the increases are sufficient when compared with those under some of the State Acts. We will propose amendments, and if they are defeated, or are not accepted by the Government, we will vote finally for the Bill. But we seriously hope that the points that I have raised will receive the careful consideration of the Minister and that when amendments are ultimately brought down these points will be included in the Government's proposal.

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [10.19]—in reply—I thank the honourable member for Stirling (Mr Webb) for indicating his acceptance of the Bill, although he has indicated too that he will move amendments in the Committee stage. He has raised a large number of proposals. Some of these proposals are new and some were raised when the honourable member for Hindmarsh (Mr Clyde Cameron) was dealing with a similar Bill and its amendment in 1964. The Government has been

examining more than 100 proposals submitted over the last few weeks. Those proposals refer not only to some of the detailed matters that the honourable member raised but also to the general administrative field similar to matters relating to tribunals which he said were raised by the Australian Council of Trade Unions. The proposals affect many major matters in relation to the administrative machinery. The Government has been looking at them. Tonight we have not heard all the proposals for the first time, although some have been raised for the first time. I have already indicated that the Government is examining the wide field of the Act and that tonight we are dealing only with rates. The other matters are receiving detailed attention and a great deal of time has been spent on proposed amendments. I believe that when honourable members see the Bill containing the new proposals they will, in general, be pleased with them.

I cannot accept the view of the Opposition that the Commonwealth should be leading the States in the payment of the various benefits. The Government has taken the view that because the area of State responsibilities in this field is far wider, it should not, in general, set the pace but should keep in line with the general provisions operating in the State spheres. The Government has adopted that view in the past and that will be its general line in the future. However, there are one or two ways in which we think that the Government, as a model employer, possibly can bring in useful innovations which will be of benefit to Government employees. I do not think it is necessary for me to go into greater detail at this stage because a number of matters mentioned by the Opposition will be considered in detail in Committee.

Question resolved in the affirmative.

Bill read a second time.

In Committee.

Clause 1 agreed to.

Clause 2.

This Act shall come into operation on the day on which it receives the Royal Assent.

Mr WEBB (Stirling) [10.23]—I move:

Omit the clause, insert the following clause:
2. This Act shall be deemed to have come into operation on the twenty-seventh day of September, One thousand nine hundred and sixty-seven."

The date mentioned in my amendment is the date on which this Bill was introduced. The intention is to have the benefits backdated to that time. This is not a new principle. I remember that a bill relating to the bounty on superphosphate was backdated on one occasion. I think this happened last year. However, the Minister assisting the Treasurer (Mr Howson) will recall that this did happen.

If a worker has been injured since this Bill was introduced, why should not the added benefits given in this legislation be applied to him, or to his family, as the case may be, for the period that we have been waiting for it to be passed by the Parliament? This Bill still has to go to the Senate. I do not know when it will be passed and receive Royal Assent. It is the view of the Opposition that it should come into operation on 27th September. If a legislation of this kind is rushed through the Parliament we will not be able to criticise it to the extent that we should. On the other hand, if we do debate legislation fully we can be accused of delaying the introduction of increased payments. I think it is reasonable that the benefits should be made retrospective.

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [10.25]—I am sure the honourable member for Stirling (Mr Webb) knows that it is established practice for amending legislation of this type to come into operation as from the day on which it receives the royal assent. This is what the Bill provides. This practice is adopted except when the Government desires that for some special reason legislation will come into operation on some other date. Acceptance of the amendment would mean that this Bill would come into operation earlier than otherwise. As I said, it has not been the practice to make retrospective the payment of benefits under legislation of this kind. In my memory, on all occasions with one exception, on which this Act has been amended, the new provisions have operated as from the date on which the Bill received royal assent. The exception was in 1954. The honourable member for Stirling may remember that on that occasion the passage of the Bill had been delayed because of the sudden ending of the parliamentary session in 1953. The Government had given an undertaking to introduce the

amendments in 1953. On that occasion, for the special reason I have mentioned, the operation of the amending Bill was made retrospective. Those circumstances do not obtain on this occasion. The Government sees no reason for departing from normal practice. This was also the practice when the Australian Labor Party formed the Government. For the reason I have mentioned the Government does not accept this amendment.

Question put—

That the clause proposed to be omitted (Mr Webb's amendment) stand part of the Bill.

The Committee divided.

(The Chairman—Mr P. E. Lucock)

Ayes 67
Noes 31
	—
Majority 36
	—

AYES

Adermann, C. F. Hughes, T. E. F.
 Allan, Ian Hulme, A. S.
 Anthony, J. D. Irwin, L. H.
 Armstrong, A. A. Jarman, A. W.
 Arthur, W. T. Jess, J. D.
 Barnes, C. E. Jessop, D. S.
 Bate, Jeff Katter, R. C.
 Bosman, L. L. Kelly, C. R.
 Bowen, N. H. Kent Hughes, Sir Wilfrid
 Bridges-Maxwell, C. W. Killen, D. J.
 Brownbill, Miss K. C. M. King, R. S.
 Buchanan, A. A. Lee, M. W.
 Bury, L. H. B. Lynch, P. R.
 Cairns, Kevin Mackay, M. G.
 Cameron, Donald Maisey, D. W.
 Chaney, F. C. McEwan, J.
 Chipp, D. L. McLeay, J. E.
 Cleaver, R. Munro, D. R. R.
 Corbett, J. Nixon, P. J.
 Cramer, Sir John Peacock, A. S.
 Dobie, J. D. M. Pearseall, T. G.
 Drury, E. N. Robinson, I. L.
 England, J. A. Sinclair, I. McC.
 Fairhall, A. Snedden, B. M.
 Forbes, A. J. St John, E. H.
 Fox, E. M. C. Stokes, P. W. C.
 Fraser, Malcolm Street, A. A.
 Freeth, G. Swartz, R. W. C.
 Gibson, A. Turner, H. B.
 Graham, B. W. Wentworth, W. C.
 Hallett, J. M. Wilson, I. B. C.
 Haworth, W. C. Tellers:
 Holten, R. M. Erwin, G. D.
 Howson, P. Turnbull, W. G.

NOES

Barnard, L. H. Fraser, J. R.
 Beaton, N. L. Fulton, W. J.
 Beazley, K. E. Griffiths, C. E.
 Birrell, F. R. Hayden, W. G.
 Cairns, J. F. Luchetti, A. S.
 Cameron, Clyde McIvor, H. J.
 Collard, P. W. Minogue, D.
 Connor, R. F. X. Nicholls, M. H.
 Cope, J. F. O'Connor, W. P.
 Costa, D. E. Patterson, R. A.
 Courtney, F. Peters, E. W.
 Crean, F. Uren, T.
 Cross, M. D. Webb, C. H.
 Curtin, D. J. Tellers:
 Devine, L. T. Hansen, B. P.
 Everingham, D. N. Stewart, P. E.

PARS

Holt, Harold Whitlam, E. G.
 McMahon, W. Calwell, A. A.
 Hasluck, P. M. C. Daly, F. M.
 Fairbairn, D. E. Bryant, G. M.
 Falles, L. J. Clark, J. J.
 Pettifit, J. A. Davies, R.
 Gibbs, W. T. James, A. W.
 Bonnett, R. N. Harrison, E. James
 Whitmore, R. H. Jones, Charles
 Giles, G. O'H. Scholes, G. G. D.

Question so resolved in the affirmative.

Clause 3.

Section 11 of the Principal Act is amended by omitting from sub-section (2b.) the words "Five hundred pounds" and inserting in their stead the words "One thousand dollars".

Mr WEBB (Stirling) [10.36]—I move:

Omit "One thousand dollars", insert "Two thousand five hundred dollars".

The Government's amendment simply alters the amount of £500 appearing in the principal Act to \$1,000; it does not actually provide for any increase in the amount payable for medical benefits. The Opposition's amendment proposes increasing the amount of benefit payable to \$2,500. In the Tasmanian Act the amount of \$2,500 included therein covers medical, hospital, nursing, ambulance and travelling expenses as well as the cost of a funeral. It also covers artificial aids such as teeth, spectacles and hearing aids. In the New South Wales legislation appears an amount of \$2,500 which is divided into \$1,000 for medical expenses, \$1,000 for hospital expenses and \$500 for ambulance expenses. There is also provision in the New South Wales legislation for \$50 for damage to artificial aids and \$50 for damage to clothing. In addition there is a funeral allowance of \$160. We base our claim on the New South Wales legislation which is in advance of the Tasmanian legislation. However, as I pointed out earlier, we favour the Victorian and South Australian legislation which provide for the payment of reasonable costs for medical, nursing and ambulance services. In future amending legislation we would like to see provision made for the payment of reasonable costs.

Five States now have better provision for medical benefits than does the Commonwealth. They are New South Wales, Victoria, Tasmania, South Australia and Western Australia, where the amount is \$1,500. In Queensland an amount of \$600 is provided but it must be remembered that in Queensland hospitalisation is free of charge in public wards. It is true, of course,

that under the existing legislation the Commissioner can, in exceptional circumstances, increase the amount beyond \$1,000. I have already pointed out that the present provision was inserted in the Act in 1964 as a result of increased costs since an amount was originally included in the Act in 1959. Costs of medical services have increased since 1964 and there is no reason why the amount of compensation should remain at the figure that was inserted in the Act in 1964.

Mr HANSEN (Wide Bay) [10.39]—I support the amendment moved by the honourable member for Stirling (Mr Webb), because the amount of compensation proposed should be increased beyond \$1,000. With present day medical costs, particularly where the attention of a specialist is required, \$1,000 is insufficient to meet the expenses. It is in order to keep up to date with costs and to keep our legislation in line with the legislation in some States that the Opposition seeks to increase the amount to \$2,500.

Mr HOWSON (Minister for Air and Minister assisting the Treasurer) [10.40]—I think I should explain to the Committee that the existing limit operates only to provide a point of review and not as a maximum beyond which the employee has to meet his own medical expenses. The honourable member for Stirling (Mr Webb) said that

only in exceptional circumstances does the Commissioner allow amounts over \$1,000. I know of very few occasions on which the Commissioner has not, in reasonable circumstances, allowed an amount beyond \$1,000.

Mr Clyde Cameron—What kind of case is being refused?

Mr HOWSON—I do not know of any. It is for this reason that when the legislation comes up for amendment, as I have already foreshadowed, the Government proposes to provide for the elimination of the limit. The Government undertakes that no employee will be disadvantaged in the interim should the existing limit be exceeded. Therefore, as we undertake to cover the position in the near future, we do not accept the amendment.

Mr WEBB (Stirling) [10.42]—In the light of the Minister's assurance that the Government will delete the limit in forthcoming amending legislation, we will not press the amendment.

Amendment negatived.

Clause agreed to.

Clauses 4 and 5—by leave—taken together, and agreed to.

Clause 6.

The First Schedule to the Principal Act is amended as set out in the following table:

Provision amended	Omit—	Insert—
Paragraph (1.) (a) (i)	Four thousand three hundred pounds	Ten thousand dollars
Paragraph (1.) (a) (iii)	Sixty pounds	One hundred and twenty dollars
Paragraph (1.) (b)	Eleven pounds eleven shillings	Twenty-five dollars thirty-five cents
Paragraph (1.) (b) (i)	Two pounds fourteen shillings and sixpence	Six dollars
Paragraph (1.) (b) (ii)	One pound two shillings and sixpence	Two dollars forty-five cents
Paragraph (1.) (c) (i)	Eleven pounds eleven shillings	Twenty-five dollars thirty-five cents
Paragraph (1A.) (a) (ii)	Seven hundred pounds	One thousand six hundred and fifty dollars
Paragraph (1A.) (b) (iii)	Eight pounds thirteen shillings and threepence	Nineteen dollars
	Eleven pounds eleven shillings	Twenty-five dollars thirty-five cents
Paragraph (9A.)	than One hundred pounds and One hundred pounds	than Two hundred dollars and Two hundred dollars

Mr WEBB (Stirling) [10.43]—I move:

Omit the table, insert the following table:

Provision amended	Omit—	Insert—
Paragraph (1.) (a) (i) Four thousand three hundred pounds	Ten thousand dollars
Paragraph (1.) (a) (iii) Sixty pounds	Two hundred dollars
Paragraph (1.) (b) Eleven pounds eleven shillings	Twenty-nine dollars ten cents
Paragraph (1.) (b) (i) Two pounds fourteen shillings and sixpence	Six dollars
Paragraph (1.) (b) (ii) One pound two shillings and sixpence	Two dollars forty-five cents
Paragraph (1.) (c) (i) Eleven pounds eleven shillings	Twenty-nine dollars ten cents
Paragraph (1A.) (a) (ii) Seven hundred pounds	One thousand six hundred and fifty dollars
Paragraph (1A.) (b) (iii) Eight pounds thirteen shillings and threepence	Twenty-one dollars eighty cents
Paragraph (9A.) Eleven pounds eleven shillings than One hundred pounds and One hundred pounds	Twenty-nine dollars ten cents than Two hundred and twenty dollars and Two hundred and twenty dollars

Clause 6 of the Bill amends the First Schedule of the Act, for which provision is made in section 9 of the Act. Section 9 includes the contentious words 'by accident' to which I referred. We hope the Minister will give us a similar assurance in respect of these words and have them deleted from the Act in the forthcoming amending legislation. I have already given some sound reasons for their deletion. Among other things, I pointed out that these words have been removed from most of the State Acts. Indeed I know of only one State Act in which they still appear. They certainly do not appear in the legislation of New South Wales, Victoria, Queensland and South Australia, although the words 'personal injury in the course of employment' appear in the Tasmanian Act. The Commonwealth Employment Act, the Seamen's Compensation Act and the Papua and New Guinea Act contain these contentious words.

The Minister proposes to amend paragraph (1.) (a) (i) of the First Schedule of the Principal Act by increasing the amount payable in respect of the death of an employee resulting from injury to \$10,000. We do not oppose this proposal. The amount provided in Western Australia is \$10,000 and in Tasmania it became \$10,721 follow-

ing an adjustment of the basic wage on 1st July last. In New South Wales the provision is still \$8,600 whereas in Victoria it is \$9,000 and \$7,820 in Queensland where there has also been a basic wage adjustment. In South Australia payment covers the average weekly earnings for 4 years with a minimum of \$2,200 and a maximum of \$12,000. Under the Bill, paragraph (1.) (a) (iii) of the First Schedule is being amended to vary the amount of compensation from £60 to \$120. In other words, the Government is merely altering the amount from pounds to dollars. We intend to move that this sum be increased to \$200, our view being that the amount now provided in the Act is too low. Our view also is that there should be no limit in respect of the cost of a funeral of a worker who was killed on duty, and that provision should be made in the Bill for the cost of cremation. As I have said earlier, we are tied down by the manner in which the Bill is framed, and this is why we can move only to amend the amount.

It is also the Opposition's view that the Act should cover a person injured while engaged voluntarily in fighting fires or doing work connected with fires or national disasters on a similar basis to the provision in the New South Wales Act. The amount

we suggest, \$200 instead of \$120, is little enough. The amount now provided, \$120 as it will be by the Government's amendment, is less than the \$150 provided in Western Australia, the sum of \$160 in New South Wales and \$200 in South Australia. In Victoria the provision is for 'reasonable costs' and in Queensland the amount is included in the sum allowed for medical benefits. The position is similar in Tasmania.

Paragraph (1.) (b) of the First Schedule to the principal Act relates to total incapacity for work. The Government's amendment will increase the amount to \$25.35. We propose to move for the reason I outlined earlier that it be increased to \$29.10 to make the total amount payable for a man, his spouse and one child the equivalent of the minimum wage. The Government is increasing the amount for the spouse from \$5.45 to \$6, which we accept, and for the child from \$2.25 to \$2.45. By this Bill the amount that the incapacitated employee is to receive will rise from \$23.10 to \$25.35, but we are seeking to have the rate of \$29.10 inserted into the Act.

It will be noted that the principal Act contains the words 'mainly dependent upon the earnings of the employee'. These words still appear in the, First Schedule to the Commonwealth Employees' Compensation Act. The New South Wales Act has been amended to insert the words 'provide for support from' in lieu of the words 'in respect of the earnings of' as the qualification for payment. We believe a similar amendment would improve our principal Act. The words 'mainly dependent upon the earnings of the employee' are restrictive. Another important aspect is that under the New South Wales Act, a worker is entitled to claim for such dependants as his wife or children who become dependants after the date of injury. Under the Commonwealth Act a worker is entitled to claim in respect of only those dependants who are actually dependent at the date of injury. A man who marries and has children after the date of injury cannot claim for them.

Paragraph (1.) (b) of the First Schedule to the Principal Act, which contains the

words 'where a worker is totally incapacitated for work by the injury' is being amended to provide for a payment of \$25.25 for a worker and \$6 for his wife if she was married to him at the date of injury and is wholly or mainly dependent upon his earnings. If he marries after he is injured, neither his wife nor his children of the marriage are protected. We think the Minister should consider this point when introducing further amending legislation. Such dependants are covered by the New South Wales Act. In my speech during the second reading debate I referred to the basis on which the Minister has grouped payments to provide for the non-existent basic wage plus one dollar. We propose to move that the amount for a man, wife and one child be the equivalent of the total minimum wage of \$37.55.

Another point of the amendment is that in paragraph (1A.) (b) (iii), under which the Minister stated that the new rate of weekly payment for a minor will be \$19 representing 75% of the amount applicable to an unmarried adult employee, we propose to amend that \$19 to read \$21.80. We propose to amend the amount \$25.35 to read \$29.10. This is in line with the earlier amendment covering an adult employee. We want to bring the payment for a minor up to 75% of the total weekly wage upon which we base our amendments.

The Government has merely altered £100 to \$200 in paragraph (9A.) of this Schedule. We seek to amend this amount to \$220. This has reference to weekly payments of \$2.45 payable to a child under the age of 16 upon the death of the employee as a result of injury. The weekly payments cease in the event of the child's reaching the age of 16, marrying or dying. Where the weekly payments in the aggregate have been less than \$200, the difference between the amount already paid and \$200 is payable. We seek to have this amount increased to \$220, which we feel is justified in view of the other increases.

The CHAIRMAN (Mr Lucock)—Order!
The honourable member's time has expired.

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer)

[10.53]—In answer to the amendments moved by the honourable member for Stirling (Mr Webb), we have already indicated that a large number of them are receiving the attention of the Government. The honourable member might be interested to know that we shall provide for continuation of payments to a child over the age of 16 years when that child is undergoing full time education. The Government is looking at a number of matters such as subsequent marriage, conditions affecting apprentices, and special payment to minors. Quite a number of these will be covered. I do not want to restrict the debate, but I want to indicate that some of these things are under consideration. The main matter on which we are at variance is that we do not believe that as yet the concept of the minimum total wage is sufficiently established to warrant Commonwealth compensation payments being related to it in preference to the equivalent of the old six capitals basic wage. The honourable member for Stirling suggested that we were trying to have it both ways. I suggest that the Opposition is doing this. The States still relate their compensation payments to the six capitals basic wage and at this stage we think it is wise and logical to adopt this approach. On this basis, therefore, we do not accept the major amendments that have been proposed.

Question put:

That the table proposed to be omitted (Mr Webb's amendment) stand part of the clause.

The Committee divided.

(The Chairman—Mr P. E. Lucock)

Ayes	65
Noes	31
	—
Majority	34
	—

AYES

Hughes, T. E. F.
Hulme, A. S.
Irwin, L. H.
Jarman, A. W.
Jess, J. D.
Jessop, D. S.
Katter, R. C.
Kelly, C. R.
Kent Hughes, Sir Wilfrid
Killen, D. J.
King, R. S.
Lee, M. W.
Lynch, P. R.
Mackay, M. G.
Maisey, D. W.
McLeay, J. E.
Munro, D. R. R.
Nixon, P. J.
Peacock, A. S.
Pearsall, T. G.
Robinson, I. L.
Sinclair, I. McC.
Snedden, B. M.
St John, E. H.
Stokes, P. W. C.
Street, A. A.
Swartz, R. W. C.
Turner, H. B.
Wentworth, W. C.
Wilson, I. B. C.
Tellers:
Cairns, Kevin
Turnbull, W. G.

NOES

Barnard, L. H.
Beaton, N. L.
Beazley, K. E.
Birrell, P. R.
Cairns, J. F.
Cameron, Clyde
Collard, F. W.
Connor, R. F. X.
Cope, J. F.
Costa, D. E.
Courtney, F.
Crean, F.
Cross, M. D.
Curtin, D. J.
Devine, L. T.
Everingham, D. N.

PAIRS

Holt, Harold
McEwen, J.
McMahon, W.
Hashuck, P. M. C.
Fairbairn, D. E.
Gibbs, W. T.
England, J. A.
Hallett, J. M.
Pettitt, J. A.
Whitlorn, R. H.

Whitlam, E. G.
Calwell, A. A.
Bryant, G. M.
Clark, J. J.
Daly, F. M.
James, A. W.
Davies, R.
Scholes, G. G. D.
Harrison, B. James
Jones, Charles

Question so resolved in the affirmative.

Clause agreed to.

Clauses 7 and 8—by leave—taken together, and agreed to.

THE SCHEDULE

SCHEDULE INSERTED IN THE PRINCIPAL ACT BY THIS ACT

THE THIRD SCHEDULE

PART I

INJURIES IN RESPECT OF WHICH THE AMOUNT OF COMPENSATION SPECIFIED IN SECTION 12 (1.) IS PAYABLE

* * * *

PART II

INJURIES IN RESPECT OF WHICH A PERCENTAGE OF THE AMOUNT OF COMPENSATION SPECIFIED IN SECTION 12 (1.) IS PAYABLE

* * * *

Mr WEBB (Stirling) [11.3]—I move—

Omit Part II of the Third Schedule to be inserted in the Principal Act, insert the following part:

PART II

INJURIES IN RESPECT OF WHICH A PERCENTAGE OF THE AMOUNT OF COMPENSATION SPECIFIED IN SECTION 12 (1.) IS PAYABLE

Nature of Injury	First Column			Second Column	Percentage
		
Loss of one eye, with serious diminution of the sight of the other		75
Loss of one eye		40
Loss of hearing		70
Complete deafness of one ear		20
Loss of either arm or greater part of either arm		80
Loss of lower part of either arm, either hand or five fingers of either hand		70
Loss of either thumb		30
Loss of either forefinger		20
Loss of either middle finger		16
Loss of either ring finger		14
Loss of either little finger		13
Loss of total movement of joint of either thumb		14
Loss of distal phalanx or joint of either thumb		16
Loss of portion of terminal segment of either thumb involving one-third of its flexor surface without loss of distal phalanx or joint		14
Loss of two phalanges or joints of either forefinger		12
Loss of two phalanges or joints of either middle or ring finger		11
Loss of two phalanges or joints of either finger		10
Loss of distal phalanx or joint of either forefinger		10
Loss of distal phalanx or joint of other finger of either hand		8
Loss of leg above knee		75
Loss of leg below knee		65
Loss of foot		60
Loss of great toe		20
Loss of any other toe		8
Loss of two phalanges or joints of any other toe		7
Loss of phalanx or joint of great toe		10
Loss of phalanx or joint of any other toe		6

I mentioned when we were dealing with clause 4 (1AA.) of the Bill that I would move an amendment to Part II of the Schedule which deals with injuries in respect of which a percentage of the amount of compensation specified in section 12 (1.) of the Act is payable. The Bill proposes that the amounts of money specified in the Third Schedule to the Act be deleted and that they be replaced with figures representing percentage proportions

of \$10,000. We think this is a better way to deal with the matter. We are not seeking to alter the percentages specified in the Bill except to the extent that we want some of the items in the first column of the Schedule and some of the corresponding percentages in the second column of the Schedule deleted. We are also suggesting that both the percentage proportions and the maximum of \$10,000 be lifted when the amending legislation is introduced.

I just want to deal with one or two of the changes that we suggest in order to show the point we are making. In the fifth item in the first column of the Schedule to the Bill we want to have the word 'right' deleted in both of the places where it occurs and the word 'either' inserted in lieu thereof. As a natural consequence we want the following item and the corresponding percentage proportion deleted. The injured worker would then be entitled to an 80% payment for the loss of either arm or the greater part of either arm. Under both the existing and proposed legislation of the Government he gets less for the loss of the left arm than for the loss of the right arm. We follow the same principle throughout in our suggested amendments where different payments are provided for different joints and so on. In some cases the difference as between the same joints of the right and left limbs is as small as 1%. I believe that this is an amendment that the Government would do well to consider carefully.

The proposition we suggest is one which has been accepted and included in legislation in New South Wales, Queensland, South Australia and Tasmania. Victoria and Western Australia follow the procedure that is applied under the Commonwealth Employees' Compensation Act. They have different rates payable for right and left arms and for right and left joints, but even those States have progressed to the extent that they provide the same payments for loss of the same parts of, say, right or left fingers. As a matter of fact Premier Playford introduced an amendment to South Australian legislation similar to what we are now proposing, as long ago as 1956.

The most important objection to the existing provision, and to the proposal in the Bill, for lump sum payments is the arbitrary manner in which the provision can be applied. The Act provides that lump sum payments are payable in place of weekly compensation where the injury results in incapacity other than total and permanent incapacity for work. It should be noted that total and permanent incapacity for work is most difficult to substantiate. A person might lose both an arm and a leg, but it need be established only that he could at some later stage be able to perform some minor task, such as working a pedal operated machine or doing the work of a

checker, in order to disqualify him from claiming total and permanent incapacity. A bad feature of the legislation is that in such circumstances the worker is not allowed to choose between a lump sum and a weekly payment. He must accept the lump sum set out in the Schedule in place of any right to continuing compensation payment.

Under the New South Wales legislation the worker is entitled to any lump sum payment specified in the table of injuries included in the Act in addition to all other weekly payments and benefits under the Act. Prior to the additional payments provision being introduced into the New South Wales Act in 1964 the worker in that State at least had the right to elect whether to accept the lump sum or to continue with weekly compensation benefits. I suggest the Minister should consider this matter when the legislation is next being reviewed. In general the Third Schedule to the Act, setting out the specified injuries and lump sum payments, should be completely revised, both in respect of the amounts provided for the various injuries and also in respect of the relativity between the various amounts. Of course consideration should be given in this respect to my suggestion that the payment for the loss of a limb should be a fixed amount, whether the limb involved is right or left. We hope that the Minister will accept our amendment providing for equal payments for loss of right or left limbs. If he does not, we can only hope that when the proposed amendments are brought down later this will be one of them.

Mr HOWSON (Fawkner—Minister for Air and Minister assisting the Treasurer) [11.10]—Mr Chairman, this is the first time, I think, that this matter has been raised. I give an undertaking that we will have a look at the matter. I agree with the point made that four States—New South Wales, Tasmania, Queensland and South Australia—have adopted the Second Schedule that the honourable member for Sterling (Mr Webb) proposed, but I think I should point out to him that while there is no difference in compensation payments for the loss of a right arm and the loss of a left arm in those four States, the actual payments provided for these specific injuries are generally inferior to those provided in this Bill.

2010 Commonwealth Employees' [REPRESENTATIVES]

Whereas this Bill provides for the payment of \$7,200 for the loss of the left arm, in New South Wales the payment is only \$4,600. The payment for such loss in Tasmania is \$4,678 while the payment in Queensland is \$4,830. I do think the honourable member should realise that the compensation payments are very much better in this field under the Commonwealth Employees' Compensation Act than they are under the State Acts to which he has made reference.

Mr Webb—That is not so regarding all the States.

Mr HOWSON—I think that South Australia matches the Commonwealth and the payments by the other States are considerably less. The honourable member should give credit where credit is due. But I will say this: We will have a look at this matter, not now but when we next bring down a Bill dealing with this legislation. The Government cannot accept the amendment.

Question put:

That the Part proposed to be omitted (Mr Webb's amendment) stand part of the Schedule.

The Committee divided.

(The Chairman—Mr P. E. Lucock)

Ayes	64
Noes	30
		—	
Majority	34
		—	

AYES

Allan, Ian
 Anthony, J. D.
 Armstrong, A. A.
 Arthur, W. T.
 Barnes, C. E.
 Bate, Jeff
 Bosman, L. L.
 Bowen, N. H.
 Bridges-Maxwell, C. W.
 Brownbill, Miss K. C. M.
 Buchanan, A. A.
 Bury, L. H. E.
 Cairns, Kevin
 Cameron, Donald
 Chaney, F. C.
 Chipp, D. L.
 Cleaver, R.
 Corbett, J.
 Cramer, Sir John
 Dobie, J. D. M.
 Drury, E. N.
 England, J. A.
 Fairhall, A.
 Forbes, A. J.
 Fox, E. M. C.
 Fraser, Malcolm
 Freeth, G.
 Gibson, A.
 Graham, B. W.
 Hallett, J. M.
 Haworth, W. C.
 Holten, R. M.
 Howson, P.

Tellers:
 Erwin, G. D.
 Turnbull, W. G.

Compensation Bill

NOES

Barnard, L. H.
 Beaton, N. L.
 Beazley, K. E.
 Birrell, F. R.
 Cairns, J. F.
 Cameron, Clyde
 Collard, F. W.
 Connor, R. F. X.
 Cope, J. F.
 Costa, D. E.
 Courtney, P.
 Crean, F.
 Cross, M. D.
 Curtin, D. J.
 Devine, L. T.
 Everingham, D. N.

Tellers:
 Hansen, B. P.
 Stewart, F. H.

PAIRS

Holt, Harold
 McEwen, J.
 McMahon, W.
 Hasluck, P. M. C.
 Fairbairn, D. E.
 Falles, L. J.
 Gibbs, W. T.
 Maisey, D. W.
 Pettifit, J. A.
 Whittorn, R. H.
 Bonnett, R. N.

Whitlam, E. G.
 Calwell, A. A.
 Clark, J. J.
 Bryant, G. M.
 Daly, F. M.
 Davies, R.
 James, A. W.
 Fulton, W. J.
 Jones, Charles
 Harrison, E. James
 Scholes, G. G. D.

Question so resolved in the affirmative.

Amendment negatived.

Schedule agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by Mr Howson)—by leave—read a third time.

SEAMEN'S COMPENSATION BILL 1967

Second Reading

Debate resumed from 4th October (vide page 1687), on motion by Mr Freeth:

That the Bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The Bill.

Mr WEBB (Stirling) [11.21]—May I seek leave to move my amendments as a whole?

The CHAIRMAN (Mr Lucock)—There being no objection, leave is granted.

Mr WEBB—My first amendment refers to clause 2, which reads:

This Act shall come into operation on the day on which it receives the Royal Assent.

My second amendment refers to clause 4, which reads:

Section 5A of the Principal Act is amended by omitting from sub-section (1.) the words "Five hundred pounds" (wherever occurring) and in-

serting in their stead the words "One thousand dollars".

My third amendment refers to clause 9, which reads:

The First Schedule to the Principal Act is amended as set out in the following table:—

Provision amended	Omit—	Insert—
Paragraph (1.) (a) (i)	Four thousand three hundred pounds	Ten thousand dollars
Paragraph (1.) (a) (iii)	Sixty pounds	One hundred and twenty dollars
Paragraph (1.) (b)	Eleven pounds eleven shillings	Twenty-five dollars thirty-five cents
Paragraph (1.) (b) (i)	Two pounds fourteen shillings and sixpence	Six dollars
Paragraph (1.) (b) (ii)	One pound two shillings and sixpence	Two dollars forty-five cents
Paragraph (1.) (c) (i)	Eleven pounds eleven shillings	Twenty-five dollars thirty-five cents
Paragraph (2.) (a) (ii)	Seven hundred pounds	One thousand six hundred and fifty dollars
Paragraph (2.) (b) (iii)	Eight pounds thirteen shillings and threepence	Nineteen dollars
	Eleven pounds eleven shillings	Twenty-five dollars thirty-five cents
Paragraph (3.) (a) (i)	Forty-five shillings	Four dollars fifty cents
Paragraph 10A.	than One hundred pounds and One hundred pounds	than Two hundred dollars and Two hundred dollars

My fourth amendment refers to the Schedule, which reads:

THE SCHEDULE
SCHEDULE INSERTED IN THE PRINCIPAL ACT BY THIS ACT

THIRD SCHEDULE

PART I.

INJURIES IN RESPECT OF WHICH THE AMOUNT OF COMPENSATION SPECIFIED IN SECTION 5B (1.) IS PAYABLE

Loss of both eyes

Loss of an only useful eye, the other being blind or absent

Loss of both hands

Loss of hand and foot

Loss of both feet

PART II.

INJURIES IN RESPECT OF WHICH A PERCENTAGE OF THE AMOUNT OF COMPENSATION SPECIFIED IN SECTION 5B (1.) IS PAYABLE

First Column Nature of Injury		Second Column
		Percentage
Loss of one eye, with serious diminution of the sight of the other	75
Loss of one eye	40
Loss of hearing	70
Complete deafness of one ear	20
Loss of right arm or greater part of right arm	80
Loss of left arm or greater part of left arm	72
Loss of lower part of right arm, right hand or five fingers of right hand	70
Loss of lower part of left arm, left hand or five fingers of left hand	63
Loss of right thumb	30

	First Column							Second Column Percentage
	Nature of Injury							
Loss of left thumb	27
Loss of right forefinger	20
Loss of left forefinger	18
Loss of right middle finger	16
Loss of left middle finger	15
Loss of right ring finger	14
Loss of left ring finger	13
Loss of right little finger	13
Loss of left little finger	12
Loss of total movement of joint of right thumb	14
Loss of total movement of joint of left thumb	13
Loss of distal phalanx or joint of right thumb	16
Loss of distal phalanx or joint of left thumb	15
Loss of portion of terminal segment of right thumb involving one-third of its flexor surface without loss of distal phalanx or joint	14
Loss of portion of terminal segment of left thumb involving one-third of its flexor surface without loss of distal phalanx or joint	13
Loss of two phalanges or joints of right forefinger	12
Loss of two phalanges or joints of left forefinger	11
Loss of two phalanges or joints of right middle or ring finger	11
Loss of two phalanges or joints of left middle or ring finger	10
Loss of two phalanges or joints of right little finger	10
Loss of two phalanges or joints of left little finger	9
Loss of distal phalanx or joint of right forefinger	10
Loss of distal phalanx or joint of left forefinger	9
Loss of distal phalanx or joint of other finger of right hand	8
Loss of distal phalanx or joint of other finger of left hand	7
Loss of leg above knee	75
Loss of leg below knee	65
Loss of foot	60
Loss of great toe	20
Loss of any other toe	8
Loss of two phalanges or joints of any other toe	7
Loss of phalanx or joint of great toe	10
Loss of phalanx or joint of any other toe	6

I move:

1. In clause 2, omit the clause, insert the following clause:

'2. This Act shall be deemed to have come into operation on the twenty-seventh day of September, One thousand nine hundred and sixty-seven.'

2. In clause 4, omit "One thousand dollars", insert "Two thousand five hundred dollars".

3. In clause 9, omit the table, insert the following table:

Provision amended	Omit—	Insert—
Paragraph (1.) (a) (i) ..	Four thousand three hundred pounds	Ten thousand dollars
Paragraph (1.) (a) (iii)	Sixty pounds	Two hundred dollars
Paragraph (1.) (b) ..	Eleven pounds eleven shillings	Twenty-nine dollars ten cents
Paragraph (1.) (b) (i) ..	Two pounds fourteen shillings and sixpence	Six dollars
Paragraph (1.) (b) (ii) ..	One pound two shillings and sixpence	Two dollars forty-five cents
Paragraph (1.) (c) (i) ..	Eleven pounds eleven shillings	Twenty-nine dollars ten cents
Paragraph (2.) (a) (ii) ..	Seven hundred pounds	One thousand six hundred and fifty dollars
Paragraph (2.) (b) (iii)	Eight pounds thirteen shillings and threepence	Twenty-one dollars eighty cents
Paragraph (3.) (a) (i) ..	Eleven pounds eleven shillings	Twenty-nine dollars ten cents
Paragraph (10A.) ..	Forty-five shillings than One hundred pounds and One hundred pounds	Four dollars fifty cents than Two hundred and twenty dollars and Two hundred and twenty dollars

4. In the Schedule, omit Part II. of the Third Schedule to be inserted in the Principal Act, insert the following Part:

PART II.

INJURIES IN RESPECT OF WHICH A PERCENTAGE OF THE AMOUNT OF COMPENSATION SPECIFIED IN SECTION 5B (1.) IS PAYABLE

Nature of Injury	First Column			Second Column Percentage
Loss of one eye, with serious diminution of the sight of the other	75
Loss of one eye	40
Loss of hearing	70
Complete deafness of one ear	20
Loss of either arm or greater part of either arm	80
Loss of lower part of either arm, either hand or five fingers of either hand	70
Loss of either thumb	30
Loss of either forefinger	20
Loss of either middle finger	16
Loss of either ring finger	14
Loss of either little finger	13
Loss of total movement of joint of either thumb	14
Loss of distal phalanx or joint of either thumb	16
Loss of portion of terminal segment of either thumb involving one-third of its flexor surface without loss of distal phalanx or joint	14
Loss of two phalanges or joints of either forefinger	12
Loss of two phalanges or joints of either middle or ring finger	11
Loss of two phalanges or joints of either little finger	10
Loss of distal phalanx or joint of either forefinger	10
Loss of distal phalanx or joint of other fingers of either hand	8
Loss of leg above knee	75
Loss of leg below knee	65
Loss of foot	60
Loss of great toe	20
Loss of any other toe	8
Loss of two phalanges or joints of any other toe	7
Loss of phalanx or joint of great toe	10
Loss of phalanx or joint of any other toe	6

I do not want to take up the time of the Committee, because these amendments are similar to amendments that were proposed when we were dealing with the Commonwealth Employees' Compensation Bill. I am pleased to see that the Seamen's Compensation Bill amends section 3 of the principal Act, which contains the definition of 'seaman'. The definition will now include a master, mate, engineer and radio officer. This amendment was made at the request of the Australian Institute of Marine and Power Engineers. As the Minister for Shipping and Transport (Mr Freeth) pointed out, there was some doubt as to the legal position of these officers. It will be remembered that the Leader of the Opposition (Mr Whitlam) dealt very extensively with this subject during the debate in 1964. His remarks appear at page 2807 of Hansard of 11th November 1964.

Question put:

That the amendments (Mr Webb's) be agreed to.
The Committee divided.

(The Chairman—Mr P. E. Lucock)

Ayes	30
Noes	64
Majority	34

AYES

Barnard, L. H.	Fraser, J. R.
Beaton, N. L.	Griffiths, C. E.
Beazley, K. E.	Hayden, W. G.
Birrell, F. R.	Luchetti, A. S.
Cairns, J. F.	McIvor, H. J.
Cameron, Clyde	Minogue, D.
Collard, F. W.	Nicholls, M. H.
Connor, R. F. X.	O'Connor, W. P.
Cope, J. F.	Patterson, R. A.
Costa, D. E.	Peters, E. W.
Courtney, F.	Uren, T.
Crean, F.	Webb, C. H.
Cross, M. D.	
Curtin, D. J.	Tellers:
Devine, L. T.	Hansen, B. P.
Everingham, D. N.	Stewart, F. E.

NOES

Allan, Ian
 Anthony, J. D.
 Armstrong, A. A.
 Arthur, W. T.
 Barnes, C. E.
 Bate, Jeff
 Bosman, L. L.
 Bowen, N. H.
 Bridges-Maxwell, C. W.
 Brownbill, Miss K. C. M.
 Buchanan, A. A.
 Bury, L. H. E.
 Cameron, Donald
 Chaney, F. C.
 Chipp, D. L.
 Cleaver, R.
 Corbett, J.
 Cramer, Sir John
 Dobie, J. D. M.
 Drury, E. N.
 England, J. A.
 Erwin, G. D.
 Fairhall, A.
 Forbes, A. J.
 Fox, E. M. C.
 Fraser, Malcolm
 Freeth, G.
 Gibson, A.
 Graham, B. W.
 Hallett, J. M.
 Haworth, W. C.
 Hoitton, R. M.
 Howson, P.

Tellers:
 Cairns, Kevin
 Turnbull, W. G.

PAIRS

Whitlam, E. G.
 Calwell, A. A.
 Clark, J. J.
 Bryant, G. M.
 Daly, F. M.
 Davies, R.
 Fulton, W. J.
 Harrison, E. James
 James, A. W.
 Jones, Charles
 Scholes, G. G. D.

Holt, Harold
 McEwen, J.
 McMahon, W.
 Hasluck, P. M. C.
 Fairbairn, D. E.
 Adermann, C. F.
 Maisey, D. W.
 Gibbs, W. T.
 Whittorn, R. H.
 Bonnett, R. N.
 Pettitt, J. A.

Question so resolved in the negative.

Original question resolved in the affirmative.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by Mr Freeth)—by leave—read a third time.

AIR NAVIGATION (CHARGES) BILL 1967

Second Reading

Debate resumed from 4 October (vide page 1684), on motion by Mr Swartz:

That the Bill be now read a second time.

Mr CREAN (Melbourne Ports) [11.31]—The intention of this Bill, as announced in the Budget, is to go somewhat further in making the operators of airways pay more towards the costs of certain facilities than has currently been the case. The details of what are known as air charges are contained in the annual report of the Depart-

ment of Civil Aviation for 1966-67 in appendix 38 at page 97. It is stated there that the total cost for air navigation purposes was \$52,863m. The word 'cost' is in inverted commas, I suppose because it is a difficult term to define. The amount which is currently borne by the air navigation charges is set out in the Report of the Auditor-General which shows that a sum as small as \$6,888,000 was recovered in 1965-66 as against the estimated costs in 1966-67 of \$46,447,000. It shows that the users of airways—the internal airways of Trans-Australia Airlines and Ansett-ANA and certain charter groups together with certain transport flights and the overseas operators—in aggregate are subsidised by about \$40m a year. This, of course, raises quite a serious problem. We can see that the same degree of subsidy in terms of volume of traffic is not available to railways on one hand or road transport industries on the other. Nowadays we get a rather finely balanced argument about this. In the case of the Post Office for instance, we use an interest charge to make it bear what some economists call its 'true cost'. Yet, we find that this degree of subsidy in respect of air navigation charges is quite blithely accepted.

I remember many years ago the late Sir Arthur Warner, a former Victorian Minister for Transport, suggested that each person who flew from Sydney to Melbourne or from Melbourne to Sydney was subsidised, in those days, at the rate of \$4 per single ticket because a lot of the cost that another operator would have to pay himself was in fact met by this type of subsidy. Air navigation charges have been progressively increased over a period of time. However, they have been increased in such a way that the burden is fairly small in each year.

The Report of the Auditor-General sets out the details of this. On page 41 of the latest report it is stated:

Provision is made in the Air Navigation (Charges) Act 1952-1966 for charges to be payable, in accordance with the Schedules to the Act, in respect to the use by aircraft of aerodromes, air route and airway facilities, meteorological services and search and rescue services maintained, operated or provided by the Commonwealth.

The report further states:

As a first step in the implementation of the policy of eventual full recovery of costs over a

period of years, the Air Navigation (Charges) Act 1960 increased air navigation charges payable by operators of regular public transport by up to 81%. Charges payable by other operators were also increased to a lesser extent.

Under the Agreement ratified by the Airlines Agreement Act 1961, the Commonwealth, in implementing its policy of full recovery of the cost of facilities properly attributable to civil air transport, undertook to take into account the level of air fares, the rate of growth of the industry and the requirements of the airlines to provide a reasonable return on capital. The Commonwealth also undertook not to increase the rate of air navigation charges payable by the Australian National Airlines Commission and Ansett Transport Industries Limited by more than 10% in any period of twelve months.

Of course, at this rate of progress it is going to take a long time before operators bear anything like the full cost of aviation services. The deficiency in 1965-66, as I mentioned, was of the order of \$40m. This year the estimated costs have gone up from \$46.4m to \$52.8m and the estimated revenue is not much above \$7m. So, there is a good degree of leeway still to be made up.

Mr Swartz—This is only one item covered.

Mr CREAN—That is right. I shall come to this in a moment. The Minister for Civil Aviation (Mr Swartz) has said that this is only part of the story. It is pretty hard to get the story intact. I do not know why all of these things are not brought together in one table. This would save us from having to dash between several places to find what the unrecouped part is. I think this was contained on page 5 of the annual report of the Department of Civil Aviation. There is still a considerable way to go before this deficiency is made up. I do not know what the degree of unrecouped cost is in terms of a particular flight. I have quoted a former Victorian Transport Minister who said that a passenger was subsidised \$4 for a single journey to Melbourne or vice versa. Of course, he regarded it as an unfair form of competition as far as passenger traffic was concerned.

I think that these matters have to be borne in mind when introducing legislation. I can understand the difficulty of inflicting all the increases on the airline operators in one year, though of course they have had quite a time to meet the position. Perhaps later in the debate the

Minister will indicate what percentage has been recouped. I find it hard to ascertain, from the information that is available to me, what the difference is. The Auditor-General's report simply shows an amount of \$46,447,000 for air navigation costs and an amount of \$6,888,000 for air navigation charges. There is no illustration there of any other way in which the difference is bridged.

Mr Swartz—I think the honourable member could take a broad figure of about 43%.

Mr CREAN—That would mean that about \$25m is unrecouped. Again it would be hard to put that figure in perspective without having some idea of the total turnover of internal and external operators. That is very difficult to assess. The other day I read an interesting 'Penguin' book titled 'Paying for Roads—The Economics of Traffic Congestion' where an interesting suggestion is made by the author, Gabriel Roth, that just as people pay for motor cars perhaps they should pay for their own roads. I do not go along very far with his theory, but nevertheless it is an interesting exercise in what could be asked from those who use the airlines as passengers or to ship freight. I suggest that at the moment airline operators are receiving a subsidy which to a great extent is concealed. I have no objection to subsidies as long as they are revealed and not concealed. In this instance the subsidy is concealed. Perhaps a little more information should be made available so that we could estimate the advantage to these operators for a passenger flight of a certain distance or the advantage for each ton of freight because they do not have to meet the full annual cost of providing the service.

I have made a comparison before with the railways. The railways not only provide the rolling stock but build the railway stations and the railway lines. All the airways have to do is provide the aircraft and a terminal in the city and the rest of the facilities are provided by the Government at the airport. Part of the argument for their not recouping the full cost is that it is claimed to be necessary to have airport facilities for defence purposes regardless of commercial use.

Mr Swartz—And for development.

Mr CREAN—And for development. Of course the same consideration applies to the railways. I suggest that there should be more co-ordination than there is. In many respects the air travel has become rather an exotic form of transport. It is certainly time saving and convenient. Sometimes I think it is too convenient when one can fly from Sydney at 8 o'clock in the morning to attend a meeting in another State and arrive back in Sydney at 6 o'clock in the afternoon. I sometimes wonder how any business can arrive at a costing to show that a meeting of that kind is worth \$40 or \$50. Nevertheless we support this measure because at least it goes somewhere along the path of bridging the difference between the revenue received and the cost of maintaining aerodromes and other aviation facilities. Perhaps the Minister for Shipping and Transport (Mr Freeth), who is responsible for transport as a whole, rather than the Minister for Civil Aviation, might consider providing, in a more compact form than we now have, a breakdown of the cost of providing aviation facilities to various users.

I have had some difficulty in ascertaining the degree of subsidy provided in relation to these charges. I can understand the difficulty of imposing increased charges all at once. As indicated in the Auditor-General's report, there seems to be difficulty also in respect of amounts payable for the use of terminal facilities. The Auditor-General notes at page 42 of his report:

The work involved in assessing charges results in a considerable period between the time they are incurred and the issue of accounts.

Presumably the accounts are issued by the Department of Civil Aviation to the commercial airline companies. The companies do not pay automatically.

Mr Swartz—Action is being taken to close the gap.

Mr CREAN—I see that. The report continues:

As at 30 June 1967, accounts had been issued, in most instances, to 31 March 1967.

They were 3 months behind. It continues:

Charges incurred to 30 June 1967, for which accounts had not been issued at that date, aggregate an estimated \$2,200,000. Of this amount, an estimated \$1,830,000 relates to the five major users of airport facilities. Following Audit representations in

this matter, the Department has advised that the legal and practical possibilities of effecting earlier collection of this revenue are being studied.

The Minister has indicated that perhaps the possibilities have been more than studied, that action is now being taken to ensure that collections are made closer to the time when they become liable to be paid. I suggest that that is a good thing also. I realise that this presents some difficulty. It is necessary to count the flow of passenger traffic and of freight and make allowances of one kind or another for weight of aircraft and discounts and exemptions according to the type of aircraft, and so on. I have tried to read the technicalities involved but I am afraid I am not an expert on types of aircraft. However, I can appreciate the difficulties involved. It would seem that if we could get a simpler formula the collections would not only be greater but perhaps would also be made more quickly. Apart from those observations the Opposition offers no objection to the passage of the measure.

Mr BOSMAN (St George) [11.49]—I support the Bill. As has been said, this is a Bill for an Act to amend the Air Navigation (Charges) Act 1952-1966 for the purpose of securing an increase in the revenue from the various operators and owners of aircraft who make use of aerodromes and other aviation facilities provided, maintained and operated by the Commonwealth. The Bill has five clauses. The first two are purely preamble. In sub-clause (1.) of clause 3, proposed sub-paragraph 1 (d) deals with navigation charges to which the honourable member for Melbourne Ports (Mr Crean) has directed his attention. Clause 4 amends the Schedule in relation to the factoring of airline routes. This affects the system of computing air navigation charges. Clause 5 relates to a special section whereby the Director-General of Civil Aviation and the Government agreed that Australia should be associated with the International Civil Aviation Organisation regulations covering international airports. Indeed, this affected domestic airports also. This relates to a standard agreed to by all the members of the Organisation. When any airports fall below this standard the Organisation requires that certain alleviation with respect to air navigation charges should be made. Under this agreement the Government would be required to repay approximately \$300,000 over a period of about 18 months.

The Minister for Civil Aviation (Mr Swartz), in his second reading speech, has not estimated the additional revenue which will be raised by these increased charges in this financial year. However, if we refer to the Budget speech of the Treasurer (Mr McMahon), we find he indicated that for the remainder of this financial year the Government would receive, as a result of these increases, an additional \$257,000. The increases are expected to raise \$893,000 in a full year. This would measure up with the 10% increase in air navigation charges, if calculated on the revenue derived in the last financial year. Even so, I wonder whether the estimated increase set out in the document entitled 'Estimates of Receipts and Summary of Estimated Expenditure for 1967-68' will only be from \$8,183,852 to \$8,857,000. I think the Treasurer was a little modest in his estimate. There may be factors associated with this matter with which the Minister for Civil Aviation is more familiar.

There is no tendency for air traffic to decrease. Improvements in air transport are taking place all the time. We saw what happened in the last 2 years when air navigation charges were increased. In 1964-65 revenue from this source was \$4,436,000, which was an improvement of \$2,452,000 on the previous year. Last year there was an increase of \$1,304,000. This year the predicted increase is \$676,000. Probably the figures are more comparative with a complete year than with this financial year.

It may be of interest to the House to know how these charges are computed. Firstly, all aircraft registered by the Director-General of Civil Aviation are categorised and given an all-up weight loading. The Air Navigation (Charges) Act contains provision for aircraft to be placed in one of four different categories. Those categories are, firstly, aircraft with an all-up weight of 25,000 lb; secondly, aircraft with an all-up weight of from 25,000 lb to 50,000 lb; thirdly, aircraft with an all-up weight of from 50,000 lb to 100,000 lb; and finally, aircraft with an all-up weight in excess of 100,000 lb. Air navigation charges are calculated on the basis of so many cents per 1,000 lb or part thereof. Until this Bill was introduced the charges were as follows: 6.04c for the first category; 9.39c for the second category; 12.08c for the third category; and 14.09 for the

last category, the very heavy aircraft. Under this Bill the Government proposes to increase the charge for the first category to 6.64c; for the second category to 10.33c; for the third category to 13.29c; and for the last category, to 15.50c. The Government has also instituted a factoring system associated with each of the major routes. On the Brisbane to Sydney run, for instance, the factor is 4. On the Melbourne to Perth run it is 12; on the Adelaide to Alice Springs run it is 5; and on the Alice Springs to Darwin run it is 4. On the Adelaide to Darwin run the factor is 9. If we bring the three features together—the all up weight of the aircraft, the rate for each 1,000 lb, and then multiply by the factor—we arrive at the charges for the flight.

As an example, let me take a Friendship, which is categorised as having a 42,000 lb all-up weight, on a flight from Sydney to Wagga. That is a routine flight. The factor is 2. With the 42,000 lb all-up weight, the rate works out at about \$3.94c. Until the time when this Bill becomes law, the charges for this flight from Sydney to Wagga will total \$7.88. Under the new legislation they will become \$8.68. In other words, it will cost 80c more to fly this Friendship from Sydney to Wagga. As another example I refer to a Boeing 727 which has an all-up weight of 160,000 lb. The new charges for this aircraft will be \$15.50 per 1,000 lb. On a flight from Sydney to Melbourne the charges will amount to \$99.20, which is an increase of \$9.84. This gives some indication of the impact which these charges will have upon the airlines. In the case of a Boeing 727 flight from Melbourne to Perth, the increase will be \$29.52.

It would be quite wrong to assume that these charges are directed only at airline companies. Indeed, they are directed at general airline operators, both private and those operating in aerial work. Here the aircraft are allocated into categories according to their weight. To make the calculation the first figure in the category is multiplied by six and then by fifty-two. This means that it is fifty-two times 6.64c multiplied by six. This gives the registration fee for an aircraft under 1,000 lb. It would cost \$38.70 to register this aircraft. If the weight was between 1,000 lb and 2,000 lb it would cost \$77.40 to register the aircraft. There is a different category again for aircraft engaged in aerial work. The people who

receive a remuneration from the industry have to pay double the charge paid by the private operator. Instead of using a factor of six, a factor of twelve is used.

This is the background to the situation. The big question in the minds of a lot of people associated with the industry is whether the Government should be increasing the charges to the extent that it is. I was interested to hear the sound argument which the honourable member for Melbourne Ports put forward. Extensive moneys are being expended in the civil aviation field. In fact, this year the amounts provided under the Appropriation Bill (No. 1), the Appropriation Bill (No. 2), and the civil works programme total \$84m. A large amount of money has to be recovered. One can respect the several points of view which airline operators and other participants in this industry advance. One point of view relates to the system of accounting which we adopt in the Commonwealth for capital expenditure under the Appropriation Bill (No. 1) and the civil works programme. This matter could be debated in the broad scheme of things for hour after hour. Even when we consider the capital expenditure provided for in the Appropriation Bill (No. 2) and the civil works programme, we are still not within reach of achieving any sort of parity. An examination of the Budget papers indicates that the estimated income of the Department for the 1966-67 financial year was about \$14,800,000. This amount was less than the income for the previous year because of the uncertainty about whether Qantas would return to the dividend paying list.

Interested parties have made several suggestions concerning departmental income and expenditure. One is that the duty on aviation fuel should be credited to the Department's account. A similar argument has been used in relation to the petrol tax; it is claimed that that tax should be devoted to the construction and maintenance of roads or to other activities associated with motor vehicles. I do not accept the argument. I believe that the duty on aviation fuel and petrol tax should be paid into general revenue as are moneys derived from other taxing measures. The net duty on aviation fuel totals \$7,854,000. To this we could add the gross customs duty on aircraft, aircraft parts and so forth. This

amounts to \$7,232,000. If these two amounts were added to the estimated income of the Department the total revenue of the Department would be almost \$29m. It can be seen that this amount nowhere approaches the estimated expenditure of \$48m.

It has been argued that as a big percentage of the \$48m is for capital expenditure this could be regarded as assisting national development and so could be entitled to some contra from general revenue. It is difficult for the airline people to make this argument sufficiently convincing. In Appropriation Bill (No. 1) is a category concerned with national development and, to some extent, this is related to airline development. Even if we were to accept the argument and allocate \$10m as an appropriate amount for assistance to national development and credit the Department with that amount the total estimated income would still be only about \$38m. If we apply to the Department's credit all the amounts I have mentioned it is appropriate that interest be charged on expenditures in respect of capital works. If the interest rate were 6%, then in respect of the expenditure under Appropriation Bill (No. 2) the interest charge would be about \$443,000 on an expenditure of \$7,300,000. Similarly, if a 6% interest charge were applied on the \$28m contemplated for works this year, it would total about \$1,680,000. If we add all these expenditure charges we arrive at a total of about \$40,770,000, and if this is compared with the total income of almost \$29m I mentioned earlier it can be seen that there is a shortage of about \$12m, even adopting all the accountancy practices I have instanced.

Other duties and revenues are associated with the airline industry, but they can hardly be claimed for special allocations. These revenues are no different from revenues received from other departments. I instance customs duty, sales tax, income tax and payroll tax. It would be difficult to calculate what these would represent to the Department. As I see it, the Government, after carefully reviewing the situation in the industry, determines what will be the air navigation charges for the ensuing 12 months. I believe that the proposal before the House is justified. The honourable member for Melbourne Ports advanced an argument in support of what might be

termed a subsidy. This was a solid argument, but it is an argument that must be considered in relation to the facts. I believe that the Commonwealth is acting fairly. It has encouraged the development of airlines at the domestic and the international levels most generously. Indeed, sometimes we have been criticised on the ground that we have been over-generous. To say the least of it, our airlines development has now reached substantial proportions. On recent figures, which, I think, were mentioned in the last annual report of the Minister for Civil Aviation (Mr Swartz), Australia now holds the proud position of fifth largest air transport operator in the world. This ranking is not based on a pro rata assessment according to population: It is based on the sheer, solid, workload carried by air transport in this country. This is a tremendous achievement for a country of Australia's size. I submit that this attainment is due to the policies that the present Government has pursued over a number of years. Air transport in this country has now attained a substantial basis. It has successfully passed through the difficult era of the 1950s. It is now time that we had a look at the possibility of regaining for the Treasury on behalf of the people some of the moneys that have been disbursed by it and time also that the industry was let stand on its own feet and allowed to return to the Treasury the revenue that the continued patronage justifies.

My contemporary here, the honourable member for Melbourne Ports, mentioned the use of air transport by business today. I do not necessarily agree with him that an expenditure of \$30 or \$40 on air fares to attend a meeting is extravagant. I think that the important issue rests on something else. A great proportion of air passengers today are business people. Whether or not they are travelling on charge accounts, they are members of the business community going about their affairs. Today, a businessman can leave, say, Sydney, travel interstate to Melbourne by air and negotiate a deal worth thousands or even millions of dollars in one day at a cost of only about \$28 and he gets two meals at no extra cost into the bargain. Let us compare this with the situation of the commercial traveller in the old days who

had to travel interstate. Certainly, compared with travel costs in present times, his rail fares were pretty modest. But there were big differences in other ways because he had to be away from his home, family and business office for extended periods. So there is a lot to be said for the value of air travel to business. I submit that it pays them very handsomely to use the airlines. Consequently, the Commonwealth and the taxpayers benefit. Business is well catered for in air transport today and it is capable of absorbing more of the costs of the airline industry by paying more in passenger fares. Up to the present we have not been able to return a sufficiently high proportion of revenue to the Treasury, and the Minister and the Government will have to look to means of recovering in quicker time than has been possible so far a greater percentage of the money that has been laid out.

Moving towards the close of my remarks, I just want to point out that we have undertaken fantastic expenditure on airport and air navigation facilities and on aircraft. However, when we look back on this expenditure and look forward to the future, we realise that, compared to what we must expect in civil aviation in the next 10 years, we have not seen anything yet. A responsible government has to look at this situation, and I believe that this Government is looking at it in a fair and just manner. By the manner in which it has brought about improvements over recent years, it has given the air transport industry an opportunity to settle down. I realise that many sections of the industry are perturbed. I suppose that if we were in their position in a business that requires very large capital investment, we would be perturbed also. Here, I am talking not only about the major airline operators, but also about the charter operators and others engaged in the general aviation field. The purchase of even a small, light aircraft today, is a big venture, because the expenditure is large. One can imagine the large measure of uncertainty in the minds of those who have those big overheads as they wonder whether they will recover their expenditure.

What I would say to these people, for what it is worth, is that I believe they have a tremendous future in this country not

only in straight airline operations but also in freight operations, especially as these are rapidly expanding. In addition, the tourist industry has a vast potential, aided by positive moves by the Commonwealth, and indeed all State governments, for they too appreciate the value of this industry. Light aircraft, charter aircraft and the new feeder services to which the Minister has referred in recent months will play an increasingly important part in the fabric of the aviation industry. Therefore, I say to these people that they should look forward with tremendous confidence to the future. The application of good business principles coupled with close co-operation with the Government should assure their future. The Government continually reviews the position and appreciates the problems of this industry. If we can work together with the future interests of the aviation industry and the taxpayer in mind, I am sure that small and big operators will be even more successful than they have been up to now. I have great pleasure in supporting this measure.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Swartz) read a third time.

Thursday, 19 October 1967

BANKRUPTCY (VALIDATION) BILL 1967

Second Reading

Debate resumed from 4 October (vide page 1687), on motion by Mr Bowen:

That the Bill be now read a second time.

Mr CONNOR (Cunningham) [12.12 a.m.]—The Opposition does not oppose this Bill. It understands the reasons for its introduction and it is quite happy about the action that has been taken. It is understandable that a scapegoat had to be found for the shortcomings of the proclamation. In the circumstances this Bill was the only action that could be taken, so we do not oppose it.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Snedden), read a third time.

AUSTRALIAN CAPITAL TERRITORY COMMITTEE

Mr SPEAKER (Hon. W. J. Aston)—The Senate acquaints the House of Representatives that Senator Branson has been discharged from attendance as a member of the Joint Committee on the Australian Capital Territory.

ADJOURNMENT

Telephone Services—Aid for India

Motion (by Mr Snedden) proposed:

That the House do now adjourn.

Dr PATTERSON (Dawson) [12.15 a.m.]—I hesitate to speak at this hour of the night but I wish to raise a matter which is, unfortunately, of some urgency. Although what I have to say might seem incredible, nevertheless it is true and it is extremely important that some action be taken by the Postmaster-General (Mr Hulme) to alleviate the serious problems that are occurring on the Bruce Highway in an area between Rockhampton and Mackay. This highway is one of the most important in Australia as a tourist highway and it is now being referred to in many quarters as death alley. In the last 18 months there have been three murders by shooting and four woundings by shooting from ambush. As I say, this is a very urgent matter.

One of the most serious aspects is that there is a deficiency of telephones in this area. In fact for over 130 miles between Maribourough to Sarina there are no public telephones on the highway. This is a major problem to the police and it is certainly a major problem to the people who are using this highway. As I said before, it is incredible that this number of shootings can take place in this area on the Bruce Highway, perhaps the most important tourist highway in Australia. Last year two men were shot dead. Their bodies were wrapped in chicken wire and thrown into Funnel Creek. At the end of the last year three people were shot. One was shot dead and one of the other two was seriously wounded. Only last month a husband and wife travelling from South Australia were camped just off this highway and a sniper shot both of them. The

husband today is paralysed from the waist down. The wife is now recovering satisfactorily.

The important point is that there is a paucity of effective telephones in this area. There are, of course, telephones located at cattle stations off the road but anybody who knows and travels the area thinks twice about getting off the highway to go into bush country looking for homesteads. I have a letter from one of my constituents which I shall read. I shall not mention his name but the letter is here for anybody who wants to read it. It reads:

You are no doubt well aware of the shooting episode which took place last Saturday night. . . . This was 3 weeks ago. The letter continues.

These people managed to make to my place in a state of distress and were subsequently given attention and care by my wife and myself along with some of our staff.

The writer conducts a cafe. He continues:

My reason for contacting you is to comment on the deplorable state of affairs concerning the lack of communication in Marlborough at the weekend and especially from my place where we seem to be the first place of call for accident cases and cases like this. We average about three accidents a week on the road, one fatal only 3 or 4 weeks ago. This is the second shooting which has taken place and I have been involved in some way because most of these things, for some unknown reason, always seem to happen at the weekend when we have no phone due to the exchange closing at 1 p.m. Saturday until 8 a.m. Monday. In all cases I have to leap in a car and go into town . . .

Sometimes, of course, 'town' is Rockhampton, 60 miles away:

. . . to enlist help and contact police and ambulance etc. The tragedy on Saturday night was no exception. It was fully 30 minutes before we could contact Rockhampton. The position of the couple appeared serious and the chain of events followed:

- (a) The local policeman was out of town.
- (b) The Marlborough ambulance was in Ogmore and we could not contact it by phone.
- (c) The policeman's wife finally contacted Rockhampton by phone from the station.
- (d) The condition of the couple got steadily worse and it was one and one-third hours before the ambulance and police arrived.
- (e) If this gunman had elected to carry on up this way . . .

He was roaming the area and this was at night:

. . . it would have been impossible for me to leave my premises as you can well imagine and just leave the women here. Hence the delay would have been longer and perhaps more tragedy would have occurred.

Here is the remarkable thing:

A multi coin phone booth is allocated to Marlborough and has been sitting behind the Repeater Station here for 2 months along with a new switch board for the local exchange line. Nothing has been done to install same because I am told, those concerned with these installations are on leave from the P.M.G.

I tried to raise the Postmaster but no response and on approaching him on Sunday morning he informed me that he has to turn the switch board off at the main switch because the shutters have a habit of falling down and disturbing his sleep.

He says that the last fatal accident was 10 miles south when a Mackay man was killed a few weeks ago. People lie on the road seriously hurt. Sometimes it takes up to 3 hours before the police and ambulance arrive.

The 'Courier Mail' reported this about the latest shooting:

Police are to-day searching for a mystery sniper who shot a married couple in quiet bush country near Marlborough at the weekend. The shooting was almost at the same spot where a man was killed and another wounded by a gunman last year. The victims of both attacks were interstate holiday makers.

I shall not go on to describe this event. The article goes on to describe how they were shot. This brave woman carried her husband, who was seriously wounded, into the car—she was injured, too—and drove to the first telephone, only to find that the exchange had closed because it happened to be Saturday. The article continues:

This scene is less than three miles from where Robert James Robertson, 25, of Newcastle was shot dead and left in a car off the Bruce Highway last October.

So it goes on. The newspaper describes how other people have been shot in the same locality. This is happening in Australia, not in some wild west town. Luckily, the police have found some suspects in southern Australia who are alleged to have some connection with this crime.

Mr Calder—Why has not this come up before? It is shocking.

Dr PATTERSON—We want telephones on this road. Until we get them, this state of affairs will continue. Telephones and more police patrols are desperately needed along this roadway. During the last elections I was caught on Funnel Creek in a flash flood and had to camp the night there. That is where the two bodies were found wrapped in chicken wire. I assure members that I carry a loaded rifle in my car.

I am not the only one. Many graziers in the area carry a rifle when travelling in this area.

Mr Arthur—Where was the honourable member on the night in question.

Dr PATTERSON—When I camp in the area I sleep with a rifle handy. This is no laughing matter, it is serious. I appeal to the Postmaster-General to do something about it and to install effective telephones strategically located on these highways. What does it matter if vandals wreck 2 or 3 telephones a year? The point is that effective communications could save the lives of people and certainly help when accidents occur. It is most important to provide telephones in this area, which is referred to in such terms as death alley. This is a serious matter; it is the only bitumen road on which tourists can travel from north to south on the coast. It is in the electorate of the honourable member for Kennedy and only a few miles from the Dawson electorate. My electorate has an unusual shape and the roadway runs near its western boundary.

Mr SPEAKER—Order! The honourable member's time has expired.

Mr TURNBULL (Mallee) [12.25 a.m.]—The information I wish to convey to the House is contained in a letter that I intend to read. The subject is aid for India. The letter reads:

9 Wood Street,
Swan Hill, Vic.
14th October, 1967

Dear Mr Turnbull,

It would be greatly appreciated if you would bring this letter to the notice of the Prime Minister and Members of Parliament assembled at Canberra.

In it I refer to the need for the fortunate nations of the earth to devote at least 1 per cent. of their gross national incomes to those nations that are endeavouring to build up the living standards of their people.

I am well aware of the fact that the Australian Government has done much to help less fortunate countries, and this letter is not based on dissatisfaction but the fact that many of us are unsatisfied and believe that still more can be done.

I refer to India specifically as I have definite reliable information of conditions there. I have the privilege of being associated with Aid to India generally and by personal contact since 1920, and am therefore acquainted with the need of these people for tangible assistance.

My sister, Dr Mary Glowrey, M.D., who practised in Collins Street, Melbourne, went to India in 1920 to help with the care of the under-

privileged and under nourished people of Guntur, Andhra Pradesh, South India. In 1924 my sister founded St. Joseph's Hospital at Guntur. This hospital in 1964 treated 49,500 out-patients, 8,150 in-patients, attended to the birth of 1,823 children, and performed 3,000 operations. This, in addition to therapy treatment for over 2,000 and laboratory and blood bank facilities. The hospital is now under the charge of an Indian woman doctor, and five local Indian women are currently studying medicine.

Formerly of Melbourne, Dr Ethel Pitt, now sister Veronica, is on the staff of the hospital at Bangalore. She can, if necessary, supply information of the dire need of the people in that area of assistance, and only recently Sister Veronica visited Swan Hill and spoke of the struggle against malnutrition and sickness, emphasising the urgent need for dried skim milk and ghee.

Only last week I interviewed Mrs. Dynon, National President, Aid for India campaign. This lady has just returned from a tour of India made as a guest of the Indian Government. Her report on assistance to India by Australia is certainly gratifying. She states that there is efficiency in the distribution of wheat and milk powder from Australia, and that the arrival in India of these foodstuffs has created much goodwill.

I have ascertained that dried skim milk in 56 lb bags, and ghee in 4-gall tins, is obtainable in Victoria, and that the Aid For India Campaign Committee is in a position to arrange transport to India.

I am aware of the excellent aid given through the Colombo Plan and by other means by the Australian Government, but suggest that more aid for India may be available by co-operation between those who are prepared to contribute and the Australian Government if an interview could be arranged in Melbourne with an appropriate Minister and a small number of those who are intensely interested in this subject.

Yours faithfully,

Signed G. A. GLOWREY

Mr Glowrey is a personal friend of mine. I have known him for many years. He is a very sincere man. He has contributed financially to aid for India and is dedicated to the proposition that we should give more aid to that country. I have read his letter. I will hand it to the Prime Minister (Mr Harold Holt) and I am hopeful that he will give a lead so that, as stated in the letter, an appropriate Minister may meet a small number of the people who are anxious to co-operate with the Commonwealth Government—they are not asking the Government to do the whole thing—in sending the two special foodstuffs, skim milk and ghee, that they say are urgently required by underfed people, especially in the part of India referred to in the letter.

Question resolved in the affirmative.

House adjourned at 12.30 a.m. (Thursday)

ANSWERS TO QUESTIONS UPON NOTICE

The following answers to questions upon notice were circulated:

Papua and New Guinea : Education

(Question No. 406)

Mr Whitlam asked the Minister for Territories upon notice:

- Territories, upon notice.

 - How many (a) indigenous and (b) non-indigenous children of school age live in the Territory of Papua and New Guinea?
 - How many (a) indigenous and (b) non-indigenous children in the Territory attend (i) Administration (A) primary, (B) secondary and (C) technical schools, (ii) subsidised mission (A)

primary, (B) secondary and (C) technical schools and (iii) unsubsidised mission schools?

3. How many (a) indigenous and (b) non-indigenous children of persons resident in the Territory are assisted to receive (i) primary, (ii) secondary, (iii) university and (iv) other education in Australia or elsewhere and what is the nature and cost of such assistance in each category?

Mr Barnes—The answers to the honourable member's questions are as follows:

* Administration school enrolments are as at August 1967; mission school enrolments are as at 28 February 1967.
† Junior technical schools became vocational schools in 1967. The figure of 2,792 does not contain apprentices in training.

Forestry School and the Goroka Teachers' College (secondary teacher training)

The nature and cost of the assistance for education in Australia and elsewhere is as follows:

Indigenous students—

Secondary: Assistance under Administration Scholarship and Subsidy/Sponsorship Scheme meets the cost of tuition, accommodation and all necessary living expenses, together with one return air fare to the

Territory per annum, estimated to cost in total \$1,250 per student per annum.

University: Administration assistance for 9 Administration sponsored students comprises allowances totalling \$1,800 per student per annum to cover tuition fees, accommodation, clothing and text books, medical and dental expenses, living expenses, and one return air fare to the Territory per annum. Administration assistance for the three private students (under the Walter Strong Trust Fund) is for one return air fare each student per annum.

Non-indigenous students—

Secondary: Parents who live in the Territory and send their children to secondary school in Australia are entitled to the Territory Secondary Education Allowance which stands at \$290 per annum for the first child and \$390 per annum for second and subsequent children at secondary school in Australia at the same time, together with one return air fare to the Territory annually for each child. Students studying outside Australia receive the same allowance together with the equivalent of a return air fare from Sydney to the Territory.

University: The Administration meets the costs of one return air fare per annum as far as Sydney provided that the student is not in receipt of other assistance or fares.

Other education: 10 handicapped children receive a return air fare and up to \$200 each per annum for tuition only; 14 students undergoing agricultural and technical studies receive fares assistance.

Bridge at Mackay, Queensland

(Question No. 495)

Dr Patterson asked the Minister for the Army, upon notice:

As the major concrete bridge spanning the Pioneer River at Mackay on the vital north-south highway is in poor condition and may collapse in the next normal wet season flood, can Army engineers be made available to report on the condition of this bridge, particularly because of its defence value with respect to access to both the port of Mackay and the North Queensland areas?

Mr Malcolm Fraser—The answer to the honourable member's question is as follows:

The bridge is of no greater significance than many others throughout Australia. The construction and maintenance of roads and bridges in the States is the constitutional responsibility of the State governments and their local authorities. To assist the States, however, in carrying out this responsibility, successive Commonwealth governments have provided them with financial assistance for general roads purposes under the terms of the Commonwealth Aid Roads legislation. In the circumstances the employment of Army engineers as proposed by the honourable member is not considered warranted.

Migrant Hostels

(Question No. 592)

Mr Scholes asked the Minister for Immigration, upon notice:

1. Has the Government any plans for the construction in Geelong of the new type of housing for migrants?
2. If not, is it the intention of the Government to renovate the present buildings?
3. Is it a fact that migrants who arrive in Australia from the European winter and are forced to live in the present type of hostel building are subject to extreme discomfort?
4. What is the average time spent in these hostels by newly arrived migrants?
5. Have any migrants left Australia without having lived outside Commonwealth hostels?

Mr Snedden—After consultation with the Minister for Labour and National Service, within whose jurisdiction some of the questions rest, I provide the following answers:

1. Not in the immediate future.
2. During the current financial year, expenditure on structural improvements at the Norlane Hostel will be to the order of \$73,000.
3. No.
4. The length of stay in migrant hostels as a whole currently averages 28 weeks.
5. Some migrants have left Australia before taking up residence outside a hostel. Residents of hostels are given special assistance to help them move into the community as soon as possible. The Commonwealth Hostels Limited Accommodation Advisory Service has, since August 1966, helped 2,633 families involving 12,072 persons, to find accommodation outside hostels.

Relief of Destitute People

(Question No. 593)

Mr Hayden asked the Prime Minister, upon notice:

1. Can he say whether His Holiness Pope Paul VI has called for the establishment of a great world fund to be made up of part of the money spent on arms and to be spent on the relief of the most destitute of this world?
2. If so, has his Government, by statement and action, supported this suggestion?
3. If the Government has supported the suggestion, when and where was this support expressed?

Mr Harold Holt—The answers to the honourable member's questions are as follows:

1. On 26th March 1967 His Holiness Pope Paul VI issued an Encyclical Letter entitled 'On

the Development of Peoples' in which he referred to the appeal he made at Bombay on 4th December 1964 for the establishment of a great world fund for the relief of the most destitute people of the world.

2 and 3. The Australian Government has not made any statements on that encyclical, but has, of course, studied closely the wide range of matters with which it dealt. The Government is firmly committed to the provision of economic and technical aid for the less developed countries of the world. Since 1964 the value of Australia's annual contribution to aid for less developed countries has more than doubled from \$24,600,000 to a total of \$50,100,000 proposed for appropriation in the 1967-68 Budget. A little more than 30% of the 1967-68 total is to be given through international channels, so fitting into the 'framework of world-wide collaboration' which is the essence of His Holiness's appeal. While Australia recognises the need for disarmament to ease international tensions and lessen potential threats to world peace, a move in this direction other than

in the context of a general agreement on disarmament would be in disregard of Australia's vital security interests.

Exports and Imports—New Zealand
(Question No. 644)

Mr Daly asked the Minister representing the Minister for Customs and Excise, upon notice:

What was the value of (a) exports to and (b) imports from New Zealand during 1966-67?

Mr Howson—The Minister for Customs and Excise has furnished the following answer to the honourable member's question:

Australia exported goods to the value of \$A177,271,000 to New Zealand in the year 1966-67. In the same year Australia imported from New Zealand goods valued at \$A47,290,000. These figures were supplied by the Commonwealth Statistician and are subject to revision.