**PARLIAMENT OF THE COMMONWEALTH**

**TWENTY-EIGHTH PARLIAMENT**

**FIRST SESSION: SECOND PERIOD**

**Governor-General**

His Excellency the Right Honourable Sir Paul Meernaa Cawdwalla Hasluck, a member of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, 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 30 April 1969.

**Second Whitlam Ministry**

(From 5 March to 8 October 1973)

<table>
<thead>
<tr>
<th>Position</th>
<th>Minister</th>
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</thead>
<tbody>
<tr>
<td>Prime Minister and Minister for Foreign Affairs</td>
<td>The Honourable Edward Gough Whitlam, Q.C.</td>
</tr>
<tr>
<td>Deputy Prime Minister, Minister for Defence,</td>
<td>The Honourable Lance Herbert Barnard</td>
</tr>
<tr>
<td>Minister for the Navy, Minister for the Army,</td>
<td></td>
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<tr>
<td>Minister for Air and Minister for Supply</td>
<td></td>
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<tr>
<td>Minister for Overseas Trade and Minister for Secondary Industry</td>
<td>The Honourable James Ford Cairns</td>
</tr>
<tr>
<td>Minister for Social Security</td>
<td>The Honourable William George Hayden</td>
</tr>
<tr>
<td>Treasurer</td>
<td>The Honourable Frank Crean</td>
</tr>
<tr>
<td>Leader of the Government in the Senate, Attorney-General and Minister for Customs and Excise</td>
<td>Senator the Honourable Lionel Keith Murphy, Q.C.</td>
</tr>
<tr>
<td>Special Minister of State, Vice-President of the Executive Council, Minister Assisting the Prime Minister and Minister Assisting the Minister for Foreign Affairs</td>
<td>Senator the Honourable Donald Robert Willesee</td>
</tr>
<tr>
<td>Minister for the Media</td>
<td>Senator the Honourable Douglas McClelland</td>
</tr>
<tr>
<td>Minister for Northern Development</td>
<td>The Honourable Rex Alan Patterson</td>
</tr>
<tr>
<td>Minister for Repatriation and Minister assisting the Minister for Defence</td>
<td>Senator the Honourable Reginald Bishop</td>
</tr>
<tr>
<td>Minister for Services and Property and Leader of the House</td>
<td>The Honourable Frederick Michael Daly</td>
</tr>
<tr>
<td>Minister for Labour</td>
<td>The Honourable Clyde Robert Cameron</td>
</tr>
<tr>
<td>Minister for Urban and Regional Development</td>
<td>The Honourable Thomas Uren</td>
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<tr>
<td>Minister for Transport and Minister for Civil Aviation</td>
<td>The Honourable Charles Keith Jones</td>
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<tr>
<td>Minister for Education</td>
<td>The Honourable Kim Edward Beazley</td>
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<tr>
<td>Minister for Tourism and Recreation and Minister Assistant the Treasurer</td>
<td>The Honourable Francis Eugene Stewart</td>
</tr>
<tr>
<td>Minister for Works</td>
<td>Senator the Honourable James Luke Cavanagh</td>
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<td>Minister for Primary Industry</td>
<td>Senator the Honourable Kenneth Shaw Wriedt</td>
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<tr>
<td>Minister for Aboriginal Affairs</td>
<td>The Honourable Gordon Munro Bryant, E.D.</td>
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<td>Minister for Minerals and Energy</td>
<td>The Honourable Reginald Francis Xavier Connor</td>
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<td>Minister for Immigration</td>
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<tr>
<td>Minister for Housing</td>
<td>The Honourable Leslie Royston Johnson</td>
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<tr>
<td>Minister for the Capital Territory and Minister for the Northern Territory</td>
<td>The Honourable Keppel Earl Enderby</td>
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<tr>
<td>Postmaster-General</td>
<td>The Honourable Lionel Frost Bowen</td>
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<td>Minister for Health</td>
<td>The Honourable Douglas Nixon Everingham</td>
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<tr>
<td>Minister for the Environment and Conservation</td>
<td>The Honourable Moses Henry Cass</td>
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<tr>
<td>Minister for Science and Minister for External Territories</td>
<td>The Honourable William Lawrence Morrison</td>
</tr>
</tbody>
</table>

**Second Whitlam Ministry**

(From 9 October to 18 October 1973)

<table>
<thead>
<tr>
<th>Position</th>
<th>Minister</th>
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<tbody>
<tr>
<td>Prime Minister and Minister for Foreign Affairs</td>
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<td>Special Minister of State, Vice-President of the Executive Council, Minister Assisting the Prime Minister and Minister Assisting the Minister for Foreign Affairs</td>
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</table>
Parliament of the Commonwealth

Minister for the Media ... ... ... ... Senator the Honourable Douglas McClelland
Minister for Northern Development ... ... The Honourable Rex Alan Patterson
Minister for Repatriation and Minister Assisting the Minister for Defence Senator the Honourable Reginald Bishop
Minister for Services and Property and Leader of the House The Honourable Frederick Michael Daly
Minister for Labour ... ... ... ... The Honourable Clyde Robert Cameron
Minister for Urban and Regional Development ... ... The Honourable Thomas Uren
Minister for Transport and Minister for Civil Aviation The Honourable Charles Keith Jones
Minister for Education ... ... ... ... The Honourable Kim Edward Beazley
Minister for Tourism and Recreation and Minister Assisting the Treasurer The Honourable Francis Eugene Stewart
Minister for Aboriginal Affairs ... ... ... ... Senator the Honourable James Luke Cavanagh
Minister for Primary Industry ... ... ... ... Senator the Honourable Kenneth Shaw Wriedt
Minister for the Capital Territory ... ... ... ... The Honourable Gordon Munro Bryant, E.D.
Minister for Minerals and Energy ... ... ... ... The Honourable Reginald Francis Xavier Connor
Minister for Immigration ... ... ... ... The Honourable Albert Jaime Grassby
Minister for Housing and Minister for Works ... ... The Honourable Leslie Royston Johnson
Minister for Secondary Industry, Minister for Supply and Minister for the Northern Territory The Honourable Keppel Earl Enderby
Postmaster-General ... ... ... ... The Honourable Lionel Frost Bowen
Minister for Health ... ... ... ... The Honourable Douglas Nixon Everingham
Minister for the Environment and Conservation ... ... The Honourable Moses Henry Cass
Minister for Science and Minister for External Territories The Honourable William Lawrence Morrison

Second Whitlam Ministry

(From 19 October to 5 November 1973)

Prime Minister and Minister for Foreign Affairs ... The Honourable Edward Gough Whitlam, Q.C.
Deputy Prime Minister, Minister for Defence, Minister for the Navy, Minister for the Army and Minister for Air The Honourable Lance Herbert Barnard
Minister for Overseas Trade ... ... ... ... The Honourable James Ford Cairns
Minister for Social Security ... ... ... ... The Honourable William George Hayden
Treasurer ... ... ... ... The Honourable Frank Crean
Leader of the Government in the Senate, Attorney-General and Minister for Customs and Excise Senator the Honourable Lionel Keith Murphy, Q.C.
Special Minister of State, Vice-President of the Executive Council, Minister Assisting the Prime Minister and Minister Assisting the Minister for Foreign Affairs Senator the Honourable Donald Robert Willessee
Minister for the Media ... ... ... ... Senator the Honourable Douglas McClelland
Minister for Northern Development and Minister for the Northern Territory The Honourable Rex Alan Patterson
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Minister for Minerals and Energy ... ... ... ... The Honourable Reginald Francis Xavier Connor
Minister for Immigration ... ... ... ... The Honourable Albert Jaime Grassby
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Minister for Health ... ... ... ... The Honourable Douglas Nixon Everingham
Minister for the Environment and Conservation ... ... The Honourable Moses Henry Cass
Minister for Science and Minister for External Territories The Honourable William Lawrence Morrison

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Parliament of the Commonwealth

Second Whitlam Ministry
(From 6 November to 29 November 1973)

Prime Minister ........ The Honourable Edward Gough Whitlam, Q.C.
Deputy Prime Minister, Minister for Defence, Minister for the Navy, Minister for the Army and Minister for Air ........ The Honourable Lance Herbert Barnard
Minister for Overseas Trade ........ The Honourable James Ford Cairns
Minister for Social Security ........ The Honourable William George Hayden
Treasurer ........ The Honourable Frank Crean
Leader of the Government in the Senate, Attorney-General and Minister for Customs and Excise ........ Senator the Honourable Lionel Keith Murphy, Q.C.
Minister for Foreign Affairs, Special Minister of State, Vice-President of the Executive Council and Minister assisting the Prime Minister ........ Senator the Honourable Donald Robert Willessee
Minister for the Media ........ Senator the Honourable Douglas McClelland
Minister for Northern Development and Minister for the Northern Territory ........ The Honourable Rex Alan Patterson
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Minister for Urban and Regional Development ........ The Honourable Thomas Uren
Minister for Transport and Minister for Civil Aviation ........ The Honourable Charles Keith Jones
Minister for Education ........ The Honourable Kim Edward Beazley
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Minister for Aboriginal Affairs ........ Senator the Honourable James Luke Cavanagh
Minister for Primary Industry ........ Senator the Honourable Kenneth Shaw Wriedt
Minister for the Capital Territory ........ The Honourable Gordon Munro Bryant, E.D.
Minister for Minerals and Energy ........ The Honourable Reginald Francis Xavier Connor
Minister for Immigration ........ The Honourable Albert Jaime Grassby
Minister for Housing and Minister for Works ........ The Honourable Leslie Royston Johnson
Minister for Secondary Industry and Minister for Supply ........ The Honourable Keppel Earl Enderby
Postmaster-General ........ The Honourable Lionel Frost Bowen
Minister for Health ........ The Honourable Douglas Nixon Everingham
Minister for the Environment and Conservation ........ The Honourable Moses Henry Cass
Minister for Science and Minister for External Territories ........ The Honourable William Lawrence Morrison

Second Whitlam Ministry
(From 30 November 1973)

Prime Minister ........ The Honourable Edward Gough Whitlam, Q.C.
Deputy Prime Minister and Minister for Defence ........ The Honourable Lance Herbert Barnard
Minister for Overseas Trade ........ The Honourable James Ford Cairns
Minister for Social Security ........ The Honourable William George Hayden
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Minister for Labour ........ The Honourable Thomas Uren
Minister for Urban and Regional Development ........ The Honourable Charles Keith Jones
Minister for Transport ........ The Honourable Kim Edward Beazley
Minister for Education ........ The Honourable Francis Eugene Stewart
Minister for Tourism and Recreation, Vice-President of the Executive Council and Minister Assisting the Treasurer ........ Senator the Honourable James Luke Cavanagh
Minister for Aboriginal Affairs ........ Senator the Honourable Douglas McClelland
### Parliament of the Commonwealth

<table>
<thead>
<tr>
<th>Minister for Primary Industry</th>
<th>Minister for the Capital Territory</th>
<th>Minister for Minerals and Energy</th>
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Postmaster-General, Special Minister of State and Minister Assisting the Prime Minister

<table>
<thead>
<tr>
<th>Minister for Health</th>
<th>Minister for the Environment and Conservation</th>
<th>Minister for Science and Minister Assisting the Minister for Foreign Affairs in matters relating to Papua New Guinea</th>
</tr>
</thead>
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<tr>
<td>The Honourable Douglas Nixon Everingham</td>
<td>The Honourable Moses Henry Cass</td>
<td>The Honourable William Lawrence Morrison</td>
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MEMBERS OF THE SENATE

TWENTY-EIGHTH PARLIAMENT—FIRST SESSION: FIRST PERIOD

President—Senator the Honourable Sir Magnus Cameron Cormack, K.B.E.

Leader of the Government in the Senate—Senator the Honourable Lionel Keith Murphy, Q.C.

Chairmen of Committees—Senator Edgar Wylie Prowse


Leader of the Opposition—Senator Reginald Greive Withers

Deputy Leader of the Opposition—Senator the Honourable Ivor John Greenwood, Q.C.

Leader of the Australian Democratic Labor Party—Senator the Honourable Vincent Clair Gair

Deputy Leader of the Australian Democratic Labor Party—Senator Francis Patrick McManus

Leader of the Australian Country Party in the Senate—Senator the Honourable Thomas Charles Drake-Brockman, D.F.C.

Anderson, Hon. Sir Kenneth McColl, K.B.E. (N.S.W.);†
Bishop, Hon. Reginald (S.A.);†
Bonner, Neville Thomas (Qld);†
Brown, William Walter Charles (Vic.);†
Buttfield, Dame Nancy Eileen, D.B.E. (S.A.);†
Byrne, Condon Bryan (Qld);†
Cameron, Donald Newton (S.A.);†
Cant, Hartley Gordon James (W.A.);†
Carrick, John Leslie (N.S.W.);†
Cavanagh, Hon. James Luke (S.A.);†
Cormack, Hon. Sir Magnus Cameron, K.B.E. (Vic.);†
Cotton, Hon. Robert Carrington (N.S.W.);†
Davidson, Gordon Sinclair (S.A.);†
Devitt, Donald Michael (Tas.);†
Drake-Brockman, Hon. Thomas Charles, D.F.C. (W.A.);†

Drury, Arnold Joseph (S.A.);†
Durack, Peter Drew (W.A.);†
Fitzgerald, Joseph Francis (N.S.W.);†
Gair, Hon. Vincent Clair (Qld);†
Georges, George (Qld);†
Gietzelt, Arthur Thomas (N.S.W.);†
Greenwood, Hon. Ivor John, Q.C. (Vic.);†
Guiffoye, Margaret Georgina Constance (Vic.);†
Hannan, George Conrad (Vic.);†
Jessop, Donald Scott (S.A.);†
Kane, John Thomas (N.S.W.);†
Keefe, James Bernard (Qld);†
Laucke, Condor Louis (S.A.);†
Lawrie, Alexander Greig Ellis (Qld);†
Lillico, Alexander Elliott Davidson (Tas.);†

Little, John Albert (Vic.);†
McAuliffe, Ronald Edward (Qld);†
McClelland, James Robert (N.S.W.);†
McClelland, Hon. Douglas (N.S.W.);†
McLaren, Geoffrey Thomas (S.A.);†
McManus, Francis Patrick (Vic.);†
Marriott, Hon. John Edward (Tas.);†
Mansell, Charles Ronald (Qld);†
Milliner, Bertie Richard (Qld);†
Mulvihill, James Anthony (N.S.W.);†
Murphy, Hon. Lionel Keith, Q.C. (N.S.W.);†
Negus, Sydney Ambrose (W.A.);†
O'Byrne, Justin (Tas.);†
Poke, Albert George (Tas.);†
Poyser, Arthur George (Vic.);†
Pruimmer, Cyril Graham (Vic.);†
Prowse, Edgar Wylie (W.A.);†
Rae, Peter Elliot (Tas.);†
Sim, John Peter (W.A.);†
Townley, Michael (Tas.);†
Turnbull, Reginald John David (Tas.);†
Webster, James Joseph (Vic.);†
Wheeldon, John Murray (W.A.);†
Wilkinson, Lawrence Degenhardt (W.A.);†
Willessee, Hon. Donald Robert (W.A.);†
Withers, Reginald Greive (W.A.);†
Wood, Ian Alexander Christie (Qld);†
Wriedt, Hon. Kenneth Shaw (Tas.);†
Wright, Hon. Alexander Christie (Tas.);†
Young, Harold William (S.A.);†

THE COMMITTEES OF THE SESSION

(FIRST SESSION: SECOND PERIOD)

STANDING COMMITTEES

DISPUTED RETURNS AND QUALIFICATIONS—Senator Drury, Senator Fitzgerald, Senator Mulvihill, Senator O'Byrne, Senator Sim, Senator Rae, Senator Webster.


LIBRARY—The President (Chairman), Senator Davidson, Senator Gair, Senator Milliner, Senator Mulvihill, Senator Wheelond, Senator Young.

PUBLICATIONS—Senator Milliner (Chairman), Senator Cameron, Senator Cant, Senator Davidson, Senator Drury, Senator Little, Senator Lawrie.

PRIVILEGES—Senator Cant, Senator Devitt, Senator Greenwood, Senator Murphy, Senator O'Byrne, Senator Withers, Senator Wright.

REGULATIONS AND ORDINANCES—Senator Devitt (Chairman), Senator Brown, Senator Durack, Senator James McClelland, Senator Wheelond, Senator Wood, Senator Wright.

STANDING ORDERS—The President, the Chairman of Committees, the Leader of the Government in the Senate, the Leader of the Opposition in the Senate, Senator Brown, Senator Cant, Senator Drake-Brockman, Senator Gair, Senator Greenwood, Senator Wheelond, Senator Wilkinson.

LEGISLATIVE AND GENERAL PURPOSE STANDING COMMITTEES

CONSTITUTIONAL AND LEGAL AFFAIRS—Senator James McClelland (Chairman), Senator Brown, Senator Byrne, Senator Durack, Senator Wheelond, Senator Wright.

EDUCATION, SCIENCE AND THE ARTS—Senator James McClelland (Chairman), Senator Carrick, Senator Davidson, Senator Georges, Senator Hannan, Senator Milliner.

FINANCE AND GOVERNMENT OPERATIONS—Senator Gietzelt (Chairman), Senator Cotton, Senator Devitt, Senator Guilfoyle, Senator Lawrie, Senator McAuliffe.

FOREIGN AFFAIRS AND DEFENCE—Senator Drury (Chairman), Senator Carrick, Senator Devitt (from 25 October), Senator Gietzelt (to 25 October), Senator Kane (from 23 October), Senator McManus (to 23 October), Senator Maunsell, Senator Pake (from 25 October), Senator Primmer, Senator Sim, Senator Wheelond (to 25 October).

HEALTH AND WELFARE—Senator Brown (Chairman), Senator Sir Kenneth Anderson, Senator Dame Nancy Butfield, Senator Donald Cameron, Senator Fitzgerald, Senator Townley.

INDUSTRY AND TRADE—Senator Wilkinson (Chairman), Senator Lillico, Senator McAuliffe, Senator McLaren, Senator Webster, Senator Young.

SOCIAL ENVIRONMENT—Senator Keeffe (Chairman), Senator Bonner, Senator Davidson, Senator Georges, Senator Little, Senator Mulvihill.

SELECT COMMITTEES

CIVIL RIGHTS OF MIGRANT AUSTRALIANS—Senator Townley (Chairman), Senator Durack, Senator Georges (from 13 to 19 August), Senator Kane, Senator James McClelland (to 13 August and from 19 August), Senator Mulvihill, Senator Webster, Senator Wheelond.

FOREIGN OWNERSHIP AND CONTROL—Senator Cant (Chairman), Senator Byrne, Senator Cotton, Senator Guilfoyle, Senator McAuliffe, Senator Maunsell, Senator Pake, Senator Wilkinson.

SECURITIES AND EXCHANGE—Senator Rae (Chairman), Senator Durack, Senator Georges, Senator Lawrie, Senator Little, Senator Sim, Senator Wheelond, Senator Wriedt.

SHIPPING SERVICES BETWEEN KING ISLAND, STANLEY AND MELBOURNE—Senator Wright (Chairman), Senator Rae, Senator Townley.

ESTIMATES COMMITTEES

ESTIMATES COMMITTEE A (Attorney-General's, Customs and Excise, Parliament, Prime Minister and Cabinet, and Science)—Senator James McClelland (Chairman), Senator Gair, Senator Georges, Senator Greenwood, Senator Guilfoyle, Senator McLaren, Senator Wheelond, Senator Wright.

ESTIMATES COMMITTEE B (Special Minister of State, Foreign Affairs, Treasury, Services and Property, Capital Territory, and External Territories)—Senator Drury (Chairman), Senator Cotton, Senator McManus, Senator Maunsell, Senator Milliner, Senator Primmer, Senator Sim, Senator Wheelond.

ESTIMATES COMMITTEE C (Media, Social Security, Education, Tourism and Recreation, Immigration, Postmaster-General's, and Health)—Senator Mulvihill (Chairman), Senator Cant, Senator Carrick, Senator Laucke, Senator Lawrie, Senator McAuliffe, Senator Townley, Senator Wilkinson.
ESTIMATES COMMITTEES—continued

ESTIMATES COMMITTEE D (Repatriation, Defence, Navy, Army, Air, Supply, and Labour)—Senator Donald Cameron (Chairman), Senator Sir Kenneth Anderson (to 13 August), Senator Dame Nancy Butfield (from 13 August), Senator Byrne, Senator Devitt, Senator Georges, Senator Hanna, Senator Keeffe, Senator Marriott.

ESTIMATES COMMITTEE E (Works, Urban and Regional Development, Transport, Civil Aviation, Aboriginal Affairs, Housing, and Environment and Conservation)—Senator McAuliffe (Chairman), Senator Bonner, Senator Davidson, Senator Jessop, Senator Keeffe, Senator Little, Senator McLaren, Senator Poyser.

ESTIMATES COMMITTEE F (Primary Industry, Overseas Trade, Secondary Industry, Northern Development, Minerals and Energy, and Northern Territory)—Senator Cant (Chairman), Senator Devitt, Senator Durack, Senator Lillico, Senator Primmer, Senator Webster, Senator Wilkinson, Senator Young.

JOINT STATUTORY COMMITTEES

BROADCASTING OF PARLIAMENTARY PROCEEDINGS—Mr Speaker (Chairman), the President, Senator Hanna, Senator Poke, and Mr Donald Cameron, Mr Coates, Mr Duthie, Mr England, Mr Sherry.

PUBLIC ACCOUNTS—Senator McAuliffe (Chairman), Senator Fitzgerald, Senator Guilfoyle, and Mr Ademan, Mr Collard, Mr Hurford (to 30 August), Mr Jarman, Mr MacKellar, Mr Martin, Mr Morris (from 30 August), Mr Reynolds.

PUBLIC WORKS—Mr Fulton (Chairman), Senator Georges, Senator Jessop, Senator Poyser, and Mr Corbett, Mr Keith Johnson, Mr Kelly, Mr Keogh, Mr Whitton.

JOINT COMMITTEES

AUSTRALIAN CAPITAL TERRITORY—Senator Milliner (Chairman), Senator Sir Kenneth Anderson (from 17 October), Senator Devitt, Senator Hanna (to 17 October), Senator Marriott and Mr Cooke, Mr Hallet, Mr Kerin, Mr Olley, Mr Whan.

FOREIGN AFFAIRS AND DEFENCE—Senator Wheldon (Chairman), Senator Carrick, Senator Drury, Senator McManus, Senator Maunsell, Senator Milliner, Senator Primner, Senator Simon and Mr Berinson, Mr N. H. Bowen (to 21 August), Mr Coates, Mr Cross, Mr Duthie, Mr Forbes, Mr Hamer, Mr Katter, Mr Kerin, Dr Klugman, Mr Luchetti, Mr Lucock, Mr MacKellar, Mr Oldmeadow, Mr Peacock (from 21 August).

NORTHERN TERRITORY—Mr James (Chairman), Senator Keeffe, Senator McLaren, Senator Marriott, Senator Webster and Mr Calder, Mr Fitzpatrick, Mr Kelly, Mr Wallis.

PRICES—Mr Hurford (Chairman), Senator Gietzelt, Senator Guilfoyle, Senator O’Byrne, Senator Prowse, and Mr Garland, Mr Gorton, Mr Nixon, Mr Riordan, Mr Whan, Mr Willis.
PARLIAMENTARY DEPARTMENTS

SENATE

Clerk—J. R. Odgers, C.B.E.
Deputy Clerk—R. E. Bullock, O.B.E.
First Clerk-Assistant—K. O. Bradshaw
Clerk-Assistant—A. R. Cumming Thom
Principal Parliamentary Officer—H. C. Nicholls
Usher of the Black Rod—H. G. Smith

HOUSE OF REPRESENTATIVES

Clerk of the House—N. J. Parkes, O.B.E.
Deputy Clerk of the House—J. A. Pettifer
First Clerk Assistant—D. M. Blake, V.R.D.
Clerk Assistant—A. R. Browning
Senior Parliamentary Officers:
Table Office—L. M. Barlin
Bills and Papers Office—I. C. Cochran
Serjeant-at-Arms Office—D. M. Piper
Committee Office—B. M. Chapman

PARLIAMENTARY REPORTING STAFF

Principal Parliamentary Reporter—W. J. Bridgman
Assistant Principal Parliamentary Reporter—K. R. Ingram
Leader of Staff (House of Representatives)—G. R. Fraser
Leader of Staff (Senate)—J. F. Kerr

LIBRARY

Parliamentary Librarian—A. L. Moore, O.B.E.

JOINT HOUSE

Secretary—R. W. Hillyer
THE ACTS OF THE SESSION

(FIRST SESSION: SECOND PERIOD)

Aboriginal Affairs (Arrangements with the States) Act 1973 (Act No. 115 of 1973)—
An Act providing for Arrangements with the States with respect to Aboriginal Affairs.

Aged Persons Homes Act 1973 (Act No. 128 of 1973)—

An Act to make provision with respect to the Liability in relation to Air Accidents of certain Authorities of Territories.

Air Navigation Act 1973 (Act No. 130 of 1973)—

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

Airlines Agreements Act 1973 (No. 178 of 1973)—

Albury–Wodonga Development Act 1973 (Act No. 189 of 1973)—
An Act relating to the Development of the Albury–Wodonga Area.

An Act to provide Financial Assistance to the States of New South Wales and Victoria for Purposes connected with the Development of Albury–Wodonga.

Aliens Act 1973 (Act No. 132 of 1973)—

Apple and Pear Export Charges Act 1973 (Act No. 196 of 1973)—

Apple and Pear Stabilisation Act 1973 (Act No. 197 of 1973)—

Apple and Pear Stabilisation Export Duty Collection Act 1973 (Act No. 197 of 1973)—
An Act to amend the Apple and Pear Stabilisation Export Duty Collection Act 1971 in relation to the Australian Apple and Pear Board and the Australian Apple and Pear Corporation.

Appropriation Act (No. 1) 1973–74 (Act No. 157 of 1973)—
An Act to appropriate certain sums out of the Consolidated Revenue Fund for the service of the year ending on 30 June 1974.

Appropriation Act (No. 2) 1973–74 (Act No. 158 of 1973)—
An Act to appropriate a sum out of the Consolidated Revenue Fund for certain expenditure in respect of the year ending on 30 June 1974.

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Seas and Submerged Lands Act 1973 (Act No. 161 of 1973)—
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Sewerage Agreements Act 1973 (Act No. 204 of 1973)—
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States Grants (Home Care) Act 1973 (Act No. 127 of 1973)—
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Constitution Alteration (Mode of Altering the Constitution) Bill 1973—
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Representation Bill 1973 (No. 2)—
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Tuesday, 27 November 1973

The PRESIDENT (Senator the Hon. Sir Magnus Cormack) took the chair at 11 a.m., and read prayers.

DEATH OF THE HONOURABLE
J. J. DEDMAN

Senator MURPHY (New South Wales—Attorney-General and Minister for Customs and Excise)—I move:

That the Senate expresses its deep regret at the death on 22 November of this year of the honourable John Johnstone Dedman, a member of the House of Representatives for the Division of Corio from 1940 to 1949, and a Minister of the Crown from 1941 to 1949, places on record its appreciation of his long and meritorious public service and tenders its profound sympathy to his widow and family in their bereavement.

John Dedman died last Thursday, aged 77. He was elected to the House of Representatives for the Division of Corio in the by-election in 1940 and he became Minister for War Organisation of Industry in 1941, Minister for Post-war Reconstruction in 1945 and Minister for Defence in 1946. He was defeated in the general swing against the Government in the 1949 general election. He was a great figure in the Australian Labor Party, best known for his able leadership, his great endeavours to bring Australia out of the difficulties of the Second World War into an area of prosperity and to overcome the social difficulties which had arisen to allow the young men who had had their lives disrupted to find their way back into society and to make it easier for families to be founded, and for society to re-establish itself in Australia after that terrible war.

John Dedman lived in Canberra and was a regular visitor to this Parliament House. I think it is correct to say that everyone here knew him and everyone loved him. He was a great father figure. He often had lunch with us and came to chat about the various views he had on what was happening in politics, what was happening in society and especially about what was happening in the Australian National University. Often, I think, he came to lobby those of us who were representatives on the Council of the University which he loved so well. He completed a degree of Bachelor of Arts at that university in 1966 at the age of 70 years and had an honorary Doctorate of Laws conferred on him by the ANU in 1965. He is survived by his widow, a son and 2 daughters.

Mr President, we may say that here is a man who lived life well. He served the Australian Labor Party. He served the Government. He served the Australian National University. He served this country well. His life was one of service which he enjoyed. If ever a man lived life to the full, enjoyed what he was doing, gave of his best, kept his interest in life, in education, in learning and contributing right to the end of his life it was John Johnstone Dedman. I ask the Senate to join with me in supporting this motion.

Senator WITHERS (Western Australia—Leader of the Opposition)—I associate the Opposition with the words of the Leader of the Government in the Senate (Senator Murphy) and his message of condolence to Mrs Dedman and her family. For many men in public office, one action or one label can overshadow much of the good they have done. John Dedman was such a man. The labels imposed upon him by politicians and the media have often overshadowed what was perhaps his greatest work, that of putting into institutional form, through the creation of the Snowy Mountains scheme and the Australian National University, some of Australia’s most ambitious aspirations for a national unity and identity.

John Dedman was not Australian born. But, after arrival here in 1922, he adopted this country as his own and for the rest of his life worked for his adopted country. He entered the Federal Parliament in 1940 and concentrated on economic issues. He was installed as Minister for War Organisation of Industry in the Curtin Ministry, a portfolio which was perhaps the most thankless task in government. It was in this role that Mr Dedman first became nationally well known when he prohibited the manufacture of a large number of non-essential but popularly valued goods. However, as a Minister he combined a willingness to make hard decisions and a zeal for the war effort. After the war he remained in politics, holding the portfolios of Post-war Reconstruction and Defence.

Following his retirement from politics in 1949, John Dedman recommenced for the third time his personal university career, this time at the university he had helped to establish. He earned the unique distinction of being awarded an honorary degree by that university while still one of its undergraduates. In his later years he combined scholarship and his former vocation of politics through research and writing about the difficult wartime and post-war years during which he had served. Although John Dedman’s political career was not, by some standards, a long one, it was an energetic and effective one. The Opposition joins with the Leader of the Government in the Senate.
Senator DRAKE-BROCKMAN (Western Australia—Leader of the Australian Country Party in the Senate)—I join with the Leader of the Government in the Senate (Senator Murphy) and the Leader of the Opposition (Senator Withers) in associating the Australian Country Party with the motion of condolence and with the tributes that have been paid to John Dedman. Twenty-five years ago he was a most unpopular man by any judgment and in the eyes of the community. The reason for this was simply that as Minister for Post-war Reconstruction he was responsible for a number of decisions that were considered harsh and penny-pinching by people seeking to return to normal life and the customary pleasures after the austerity of war. That generation, with no small degree of bitterness, was quick to call John Dedman 'Mr Austerity'. It is unfortunate that a man who made many major and enduring contributions to Australia's advancement was remembered best for the less important decisions. The calibre and quality of the man have no identification with the undeserved nom-de-plume.

John Dedman's frequent visits to Parliament House in recent years enabled many present-day senators and members of the House of Representatives to make his close acquaintance. It was an enriching experience. The tributes expressed yesterday in the House of Representatives and those expressed here today by the Leader of the Government and the Leader of the Opposition are among the most glowing and sincere that I have heard of any parliamentarian. They were spoken of the real John Dedman, and I believe that he deserved each one of them. In his 10 years in Parliament he held a number of senior ministerial portfolios with distinction, reflecting qualities of skill, determination and dedication linked with a tremendous capacity for hard work and study. I believe Australia can be proud of the memory not only of John Dedman the Government Minister but also of John Dedman the citizen and the man. I am pleased to associate my Party and myself with the motion of condolence, and I extend sympathy to Mrs Dedman and her family.

Senator McMANUS (Victoria—Leader of the Australian Democratic Labor Party)—The Australian Democratic Labor Party joins with other Parties in this motion commemorating the service of John Dedman to his country and expressing our sympathy to his relatives. I knew John Dedman very well. I remember when he was first elected. He had a distinguished career over some 9 years in the Federal Parliament. I have always believed that his career would have been longer had he not sacrificed himself by undertaking most onerous tasks as a Minister, tasks which to a degree caused some unpopularity and also prevented him from giving that attention to the seat of Corio which would have enabled him to retain it. As I said, he was prepared to sacrifice himself in the interests of the country and of his Party.

I was associated with John Dedman on the Executive of the Victorian Branch of the Australian Labor Party and I had also something to do with his later electoral campaigns. He was a very honourable man as he showed in one action. At the time of the unfortunate division in the Victorian Labor Party an allegation was made against me and others that the full weight of the Party's support had not been put behind John Dedman in Corio. I remember to his credit that he made a special trip to Melbourne to see me and said that he was prepared to issue a public statement that the campaign over which we had been criticised was in fact the best campaign that had ever been run for him and that he believed that at no time had a candidate been given more assistance than on that occasion. I think that action of John Dedman shows what an honourable man he was.

After the division in the Party he disagreed politically with me and others but the difference was a political one, not a personal one. When we met he was always friendly. We spoke often of old times and it was one of my pleasures to vote for him on every occasion when he stood for the Council of the Australian National University and I was always delighted when he achieved election on those occasions. I have very happy memories of John Dedman and I join with all the others who have expressed sympathy with the relatives of a man who was a great servant of his country.

Senator POYSE (Victoria)—I would like to add my tribute to the late John Dedman. He was a personal friend of mine since 1943. As Senator McManus would know, I was active on John Dedman’s campaign committees for a number of years. In fact, I held office on those committees. He was always a man of great integrity and I believe that the philosophy and orientation that I have in politics are mainly due to the influence that John Dedman had on me in my early years in the Australian Labor Party. Right up until the last week that he was in this building he took a keen interest in the seat of Corio and he was always seeking information about the many friends that he still had living in the electorate. Both John and Mrs Dedman were very great
Australians and I add my tribute to him and express my sincere sympathy to Mrs Dedman and their children.

Senator O'BYRNE (Tasmania)—I associate myself with the motion of condolence on the death of John Johnstone Dedman. I am the only senator in this place today who was a contemporary of John Dedman when he was in the Parliament. I would like to pay a tribute to the dedicated service that he gave to his fellow men and to the nation, and to express my very deep sympathy to his widow and his family. John Dedman was one of the rare people in Australian public life. He was a man with very high ideals who had the opportunity to implement them. In his position as Minister for War Organisation of Industry he had to cut across the traditional Australian attitude towards regimentation. During war time, with its pressures and with the enemy at our very gates, the Australian as a rule felt that he wanted to carry on his ordinary life as much as possible and John Dedman as the Minister had the odious task of arranging for people to do the jobs which were most effective and would do the most good for our country in war time.

On my return from the war I joined his department of Post-war Reconstruction and was able there to get first hand knowledge of the tenacity and singleness of purpose of John Dedman when he had to turn around on an opposite tack and bring back into civilian life as smoothly as possible the 750,000 people who had been engaged in the armed forces and unwind the war effort that had built up and redirect that effort in peace time. This was an amazing task and, having been associated with it as a district officer of the Department of Post-war Reconstruction in Tasmania, I realised the great thought that had gone into the plan for the rehabilitation of people in industry. The whole concept of apprenticeship, the organisation of war service land settlement, war service homes and the various schemes that were devised very smoothly brought people out of the armed services back into civilian life. I was also associated with John Dedman as a foundation member of the interim council of the Australian National University. I was appointed by John Dedman to that office and held that office until 1949 when I was succeeded by Senator Dame Dorothy Tangney, who had a university degree. It was thought at the time that it was very desirable to have a woman representative on the interim council.

However, I saw some of the scope of vision of John Dedman when he wanted to reverse the brain drain that had gone on for so long. Some of our most notable men had gone overseas and he saw the opportunity to bring them back to Australia—men such as Sir Howard Florey, Professor Stanner and Sir Marc Oliphant. Great men like these were brought back to Australia and were able to contribute to the cultural and intellectual life of this country. I would like to place on record my appreciation of the great service rendered by John Dedman to this country and his fellow men. His great idealism and his rapport with the ordinary people of this country are something for which he will always be remembered. I pay tribute to his great work and express my sympathy to his widow and family.

Senator DAVIDSON (South Australia)—I take this opportunity of placing on record a tribute to Mr Dedman for his work in the resettlement department of the Australian Council of Churches in which he had a very active involvement after his parliamentary career. I had some association with him in this very extensive, complex and involved program and was able to see the way in which he used his talents and the opportunities available to him for the welfare of a host of unfortunate and distressed people from overseas who were seeking resettlement in this country. Today these people are very grateful for the practical and personal interest he took in them. The churches associated with the ventures were also extremely appreciative of the service which Mr Dedman rendered on their behalf. I and others particularly remember his sense of dedication and his humanitarianism in this sphere.

Question resolved in the affirmative, honourable senators standing in their places.

TRANS-AUSTRALIA AIRLINES PILOTS' DISPUTE

Senator WITHERS—I ask the Minister representing the Minister for Transport: What constructive steps is the Government taking to resolve the dispute between Trans-Australia Airlines and its pilots so that the Australian travelling public will not be needlessly inconvenienced?

Senator CAVANAGH—Two questions are involved in this industrial dispute. The first question is whether the penalty was too harsh and the second question involves a safety issue which the Government thinks is most important. The Government believes that proper disciplinary action should be taken against anyone who infringes safety provisions. The 2 Ministers concerned in this matter—the Minister for Transport and the Minister for Labour—confessed with the pilots yesterday, I understand without reaching
any solution, but they have the matter under continuous consideration and negotiation. I do not want to say anything which may jeopardise any possibility of a settlement of this dispute.

**INCREASE IN TOTAL WAGE**

Senator GREENWOOD—My question is directed to the Minister representing the Prime Minister. Has the Government noted the decision of the Executive of the Australian Council of Trade Unions to apply next month for an increase of about $10 a week in the total wage? Will the Government assure the people of this country that just as it vigorously criticises any price increases so it will criticise and oppose this increase in the price of labour? If it is not prepared to give that assurance, is it because the Government believes that such an increase would not have an inflationary effect?

Senator MURPHY—The Government does not oppose price increases where they are warranted. In fact, it has set up the Prices Justification Tribunal in order that the increases in prices by very large corporatations may be brought before it for examination. That is the kind of thing which has been happening for years in regard to wages in hearings before the Commonwealth Conciliation and Arbitration Commission. An application will be made to that Commission just as applications have been made throughout the years. There the whole matter will be examined. This Government is endeavouring to extend the principle of justification not only to wage increases but also to other increases.

Senator GREENWOOD—I ask for leave to ask a supplementary question on the basis that the question was not answered.

The PRESIDENT—I call Senator Greenwood.

Senator GREENWOOD—I ask: Will the Government assure the people of this country that it will oppose this increase which is sought by the Executive of the Australian Council of Trade Unions? In elaboration of the question, by virtue of what the Minister has just said, I ask: How does he equate the Prices Justification Tribunal which is concerned only with the maximum price with the Conciliation and Arbitration Commission which is concerned with a fair and minimum wage?

Senator MURPHY—Mr President, it has been pointed out by you on a number of occasions that this is not the time to indulge in speeches or debate. Therefore I do not propose to answer the second part of the honourable senator’s question. If he wants to have a debate on the subject, plenty of procedures are open to him. As to the first part of the question—on what the Government’s attitude will be—that is a matter for the Minister for Labour.

**WOOL MARKETING**

Senator DRAKE-BROCKMAN—My question is addressed to the Minister for Primary Industry. When does the Government intend to announce a positive decision on wool marketing reform based on the report from the Australian Wool Corporation? Can the Minister say why the report, which he hoped would be available months ago, still has not been submitted? How does the Minister reconcile the urgency expressed by the Labor Party before it became the Government with the inaction of the past 12 months with Labor in office? Is this not a further instance of Labor’s double standards?

Senator WRIEDT—I am not on record at any time as having indicated that I wished the report to be tabled at an early stage; in fact, I think I have expressed on numerous occasions my desire for this report to be properly documented and not to be a hurried document. In retrospect, I think it is good that that policy has been adopted. It is true that the report has been somewhat longer in being brought forward than was anticipated by the Corporation. This has been due to the fact that those in the Corporation who are responsible for its preparation are endeavouring to exhaust every avenue in preparing the report. At the moment the report, to all intents and purposes, is completed. However, I have been advised by the Chairman of the Corporation that there are one or two important points which he wishes to investigate before presenting the report to me. I have agreed to that and, as a result, it probably will be another 3 or 4 weeks before the report is available.

As to the suggestion of double standards, I do not really think that is relevant to the matter. What we are concerned to establish is that when that report does come forward it will have been properly thought through and that whatever action the Government takes, which almost certainly will be based on that report, will be to the benefit of the wool industry.

**GRANTS COMMISSION: QUEENSLAND**

Senator McAULIFFE—My question is addressed to the Special Minister of State. Is it a fact that Queensland, as a claimant State, recently received $10m from the Grants Commission in the way of special financial assistance?
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Is the Minister aware that the Queensland Premier, Mr Bjelke-Petersen, is squandering thousands of dollars of taxpayers' money by using a State Government aircraft—the only one in Australia—to tour Queensland advocating a 'no' vote in the forthcoming referendum? Could this huge and improper expenditure of Government funds weaken Queensland's case for future grants from the Commission and thereby work to the detriment of all Queenslanders by reducing the amount available for expenditure on roads, schools, housing and so on?

Senator WILLESEE—I think the figure is correct. As I remember it, $10m was given to Queensland. As to the rest of the question, the final decision will have to rest with the Grants Commission. I am not quite sure of the position. I suppose that it is a little unusual to take into account referendum expenditure; On the basis of what some of the States' representatives have told me, the Grants Commission is pretty eagle-eyed in watching what the States spend in other areas.

COMMONWEALTH RAILWAYS

Senator JESSOP—I direct my question to the Minister representing the Minister for Transport. I refer to a recent Press statement attributed to the Commonwealth Railways Commissioner in which he disclosed Federal Government plans for the purchase of a fleet of luxury suburban rail cars, costing millions of dollars, which will bring a boom era in urban rail travel, and also that a national study team has been set up to design new carriages which will be coming off the assembly lines in 4 or 5 years. I do not expect the Minister—-

The PRESIDENT—Order! Please ask the question.

Senator JESSOP—I think it is in order to phrase it that way, Mr President, if you do not mind. I ask this question: Does this pre-empt a Government decision concerning the amalgamation of Commonwealth and rural railways? Does it suggest that the Commonwealth will be absorbing urban railways? Who authorised the establishment of this study team? What are the names of the members? How many rail cars have been ordered? What is the anticipated cost? Where are they to be built? Will the Minister table a full and detailed report in the Senate, for the information of honourable senators, before the end of this session?

Senator CAVANAGH—I do not think many senators would expect me to have that knowledge in my head to answer a question without notice. I ask that the question be put on notice.

SOUTH AUSTRALIAN WINE INDUSTRY

Senator LAUCKE—I address a question to the Minister for Customs and Excise. I refer to the reply which I received from the Minister to question on notice No. 380 in which I asked whether the Government, when in Opposition, had asserted that if elected to the Treasury bench it would promptly remove the existing 25c per gallon excise charge applicable to wine and would not impose any alternative form of taxation on the wine industry. I then referred to the steep—

The PRESIDENT—Order! You need not refer to it in this question. Just ask the question.

Senator LAUCKE—I ask: Has the Minister noted that the Premier of South Australia has referred to the fact of the alternative imposition on the industry in terms that he has been "put in a position of personal dishonour and bitterly resents it'? He also said: 'I have been put in a position I would not have believed possible. I express my sense of shame at what has happened. No one can say that the removal of the brandy differential and the revaluation of wine stocks are not new impost. I ask: How does the Minister reconcile this reply with the reply in which he said that there was no election promise to be honoured?

Senator MURPHY—I have read the newspapers, and I have also read what has been said by the Premier of South Australia. I do not have anything to add to what was said by me. I understand that there has been discussion on this matter between the Prime Minister and the Premier of South Australia.

Senator LAUCKE—Mr President, I wish to ask a supplementary question.

The PRESIDENT—If you consider that the Minister has not answered your question fully, you may ask a supplementary question.

Senator LAUCKE—My question has not been answered at all.

The PRESIDENT—Very well.

Senator LAUCKE—Will the Minister for Customs and Excise take action to give effect to an honourable promise—a promise of honour—which was given in this matter?

Senator MURPHY—I do not have anything to add to what was said by me. The honourable senator is well aware of the public discussion
which has taken place on this matter. Any decision in this affair is a matter for the Cabinet.

INVESTMENT IN COMPANIES

Senator DEVITT—Is the Attorney-General aware that particularly over the past decade many thousands of investors have suffered substantial financial losses through the collapse of companies in which they have invested, despite assurances which were given at the time of their buying the shares that the venture was underwritten and that the return of capital was thereby guaranteed? Ought it not to be a requisite when soliciting subscriptions to guarantee the total amount subscribed, not merely the amount sought? In other words, if a company seeks an investment of $2m and if $3m—

The PRESIDENT—Order! You must not introduce argument. Just ask your question.

Senator DEVITT—I wish to clarify the point because it is necessary to the question.

The PRESIDENT—Just ask the question.

Senator DEVITT—Where $2m is sought and a greater amount is subscribed, the guarantee should apply to the greater amount rather than to the amount originally sought. Could the appropriate law be amended to contain a provision similar to that which can be found in the law relating to estate agents’ guarantees, solicitors’ trust funds and other areas in which fidelity guarantee bonds are required? Will the Attorney-General favourably consider such a proposal?

Senator MURPHY—Yes, I will. It is obvious that the law is deficient. The administration of such laws as exist is not enough to protect the people when those who are attracting large sums of money from the public are either negligent or dishonest. It is clear that Australia should long ago have had a securities and exchange commission, and I hope that we will have one before long and that it will be operating on laws which will ensure a great deal more protection for the public than presently exists.

OVERSEAS TRADE: FUEL CUT-BACKS

Senator LAWRIE—I ask the Minister representing the Minister for Overseas Trade: What action does the Government propose to take to maintain our overseas trade, both in exports and imports, in view of the cut-back in the amount of fuel available to some shipping lines?

Senator WRIEDT—I really think this question should be answered by the Minister for Overseas Trade, but I will say this much to the honourable senator: I do not think that at this stage the Government would be in a position to make any judgment. We do not know what the effects of shortages of fuel to shipping around the world will be, but I think it is fair to say that the steps that have been taken so far by the Government to maximise Australia’s trade stand to its credit. Nevertheless, to get a more detailed answer I will refer the question to the Minister.

GREECE: DUAL NATIONALITY

Senator MULVIHILL—I direct a question to the Minister for Foreign Affairs. As the price of recognition of the new Government of Greece will the Australian Government insist that the Greek Government adopt a much more flexible attitude to dual nationality?

Senator WILLESEE—Certain parameters are laid down in relation to the recognition of any country. Whether the matter of dual nationality can be taken out of context like that, I am not sure. I do not think it can be. We have discussed the whole matter of dual nationality in this chamber on several occasions. We know the difficulties in relation to it, and there are international conventions applying to it. It does cause tremendous problems not only in regard to Greece but also other countries. As I have said many times, in spite of the international convention, we have always insisted on humanitarian grounds that our officers should have access to anybody in trouble, particularly if a person is under arrest in any country, irrespective of how minor or how major the charge against that person may be.

AUSTRALIAN COUNCIL FOR THE ARTS

Senator McMANUS—My question is directed to the Minister representing the Prime Minister and it concerns matters related to the arts. Will the Minister refer to the Prime Minister the very serious allegations made in the Melbourne ‘Herald’ of last Saturday, 24 November, first of all by Mr Clifton Pugh, a well known artist who is a member of the Australian Council for the Arts but who declares that he is appalled at what is going on and who says that there is waste, inefficiency and lack of control in the Council? He is supported in the same newspaper in a statement made by Mr Harry Bluck, a well known artist, who says that in his view excessive appointments of staff are being made to the Arts Council and who considers also that there is lack of control.

Senator MURPHY—I have just been informed that Senator McManus has already moved to refer a similar matter to the Senate Standing
Committee on Education, Science and the Arts. The reference concerns the measures necessary to ensure that the Australian Council for the Arts and its Boards carry out their task of overall promotion of the arts in Australia.

Senator McManus—I am merely asking that these statements be referred to the Prime Minister.

Senator MURPHY—Yes, I will do that for the honourable senator.

SOLAR ENERGY

Senator POYSER—My question is directed to the Minister representing the Minister for the Environment and Conservation. I refer the Minister to an address delivered to the International Solar Energy Society in Melbourne last week by Mr R. N. Morse, Director of Solar Studies of the Commonwealth Scientific and Industrial Research Organisation, in which Mr Morse is reported to have called for the expenditure of $40 billion on the development of solar energy in Australia. Will the Minister advise the Senate whether he is in agreement with this proposal? If so will he advise the extent to which the Department of the Environment and Conservation has investigated the economics and environmental advisability of adopting the use of solar energy in this country?

Senator CAVANAGH—The Minister for the Environment and Conservation is on record as having expressed already his interest in the large scale use of solar energy in Australia as an alternative source of power. Solar energy appears to be pollution free and is in vast supply. It is noted that the money spent on solar energy investigation in Australia is insignificant in comparison with the money spent on the investigation of other energy sources such as nuclear power. Because of this the Government could, perhaps, support making some change in the priority of expenditure of money on future power resources. The Minister for the Environment and Conservation has recently engaged a consultant to advise him on the future uses and development of solar energy. The consultant's report is expected soon and it is expected to pinpoint where money should be spent on necessary research into solar energy.

DAIRYING INDUSTRY ASSISTANCE PROGRAM

Senator DURACK—My question is directed to the Minister for Primary Industry. I refer to the decision of the Government to give some alternative assistance to the dairying industry as a result of the withdrawal of the bounty and also to an answer which the Minister gave me some weeks ago saying that he hoped to announce such an assistance program by, I think, the end of October. Is he aware of the importance of such a decision being made public well before the commencement of the next production season which in Western Australia commences in March or April next year? How soon can one expect an announcement by the Government on this assistance program?

Senator WRIEDT—This is a fair question. Having been overseas for the last couple of weeks, as the honourable senator would be aware, I must confess that I have had this on my mind also. Before I left I checked with my Department to see that it was furthering the research it had been doing into alternative forms of assistance to the dairying industry. A decision had not been taken quickly on this matter because we wanted to make sure that we got a complete cross-section of opinion not only from the States but from the industry as well as to what efforts should be made, because the requirement will vary from State to State. I will be looking at this matter this week. I hope that, certainly before the Parliament rises, I will be able to make a statement of a fairly detailed nature as to what the alternative assistance will entail.

MIDDLE EAST

Senator LILICO—I ask the Minister for Foreign Affairs: Is it not a fact that the real aggressor in the Middle East is the Soviet Union and that it has supplied and is supplying Arab nations aggregating 100 million or more people with the latest weapons and technical advice as to how to use them in an attempt to subdue a tiny nation of 2.5 million to 3 million people. Is it not time that this Government and the rest of the free world abandoned its policy of cowardly neutrality in view of the despicable attempt on the integrity of the small nation that I have mentioned? Is it not also true that the supply of arms by the United States of America to Israel was entirely necessary because it enabled that country to resist this aggression? Will the Government give fresh consideration to its attitude in this matter?

Senator WILLESEE—The honourable senator asked me whether the real aggressor in the Middle East is the Soviet Union. I do not think that the position is quite as simple as that.

Senator Lillico—Oh, yes.

Senator WILLESEE—There is a difference of opinion. The honourable senator thinks that the real aggressor, wholly, and solely, is the Soviet
Union. I think that there is a much more complicated situation. There is no doubt that for a long time the Soviet Union has been backing the Arab States and has given some war materials to them. Also, the Americans have flown materials into Israel. These are the facts of the case. There are rights and wrongs on both sides involved in this conflict. Until those rights and wrongs are removed completely we will not have peace in the Middle East. I made it very clear, as the platform of the Australian Labor Party makes it very clear, in my speech the other night on the motion moved by Senator Kane that there are 2 main ingredients to a solution of the Middle East situation: Firstly, the countries in that area must realise that Israel has a perfect right to live in peace and harmony behind secured borders. Secondly, Israel must leave the occupied territories which she holds at the present moment.

TRUNKLINE TELEPHONE CALLS

Senator COTTON—I direct a question to the Minister representing the Postmaster-General. Will the Minister advise the Senate why so much difficulty is being encountered in Sydney by people who are trying to make trunkline telephone calls by dialling 011? For the information of the Minister and the Postmaster-General, I recite the circumstances of one occasion involving myself. The elapsed time in trying to make the call was 10 minutes which was taken up as follows: 5 diallings with no response; 3 diallings to which I received an engaged signal; 2 diallings to which I received a recorded voice saying that I should check the telephone number and ring somebody else again; and on the final dialling it took 2 1/4 minutes to obtain an answer.

Senator Mulvihill—ASIO again?

The PRESIDENT—Order! Senator Mulvihill, you must not anticipate the Minister's answer.

Senator DOUGLAS McCLELLAND—I know from my personal experience that there have been problems with the interstate telephone exchange. I do not know whether they still exist, but I assume from what Senator Cotton has said that they do. I will take up the matter with the Postmaster-General to see what can be done about it.

PEOPLE'S REPUBLIC OF CHINA

Senator SIM—In directing this question to the Minister for Foreign Affairs I refer once again to the expression used by the Prime Minister, namely, that Australia's new aspiration is symbolised more in our relations with China than with any other country. Does the Minister agree with the Prime Minister's statement? If so, will he make a statement to the Senate as to his interpretation of what is Australia's new aspiration and why it is symbolised more with China than with any other country?

Senator WILLESEE—I think that the remark to which Senator Sim has referred ought to be put into proper context. It was made in Peking on 31 October in response to a toast by Premier Chou En-lai at his welcoming banquet for the Australian party. As I understand it, the criticism that arises is that there seems to be an insinuation that the Prime Minister's remark implies uncritical support and gives undue weight to our relations with the People's Republic of China. I have been trying to analyse the remark and people have asked me to analyse it. I have been asked questions on what was in the Prime Minister's mind. I am afraid that I still cannot answer that. But I can give the honourable senator some information that has relationship to the matter. I think that the criticisms ignore the context of the Prime Minister's statement. The Prime Minister's preceding remarks included the following observations:

Our concern is no longer exclusively with nations in far removed areas of the globe. Now it is with all nations and particularly those with whom we share a common environment and common interests and with whom we seek relationships of equality. In Peking today we give expression to our new international outlook. With no nation is our new aspiration symbolised more than it is with China, a power not only in our region but in the world.

It is clear from the context of the Prime Minister's remarks that the Government's concern is to seek relationships of equality with all nations rather than to concentrate on relations with just a few. The establishment of diplomatic relations with China was one of the first foreign policy initiatives of the new Government and it is thus a convenient symbol of this new international outlook.

TRANS-AUSTRALIA AIRLINES: SALARIES OF PILOTS

Senator WRIGHT—Can the Minister representing the Minister for Transport and the Minister for Civil Aviation inform the Senate of the salary range of the pilots involved in the present Trans-Australia Airlines dispute? Can he tell the Senate the order of the amount of superannuation to which they are entitled on retirement?

Senator CAVANAGH—I ask that the honourable senator put his question on the notice paper. A reply will be obtained.
NATIONAL ABORIGINAL CONSULTATIVE COMMITTEE ELECTION

Senator BONNER—I ask the Minister for Aboriginal Affairs the following question: Owing to the utter confusion in relation to the National Aboriginal Consultative Committee election last Saturday and in view of the lack of training of Aboriginal enrollers and co-ordinators and the limited time allocated for the setting up of the necessary mechanics, will the Government accept the responsibility for the outcome rather than passing the blame on to the employed Aborigines?

Senator CAVANAGH—We know nothing about utter confusion. This is the first time I have heard of it. We are very proud to accept the responsibility for the election, which was well conducted and in which there was great interest in most areas, shown by the numbers of Aborigines who voted. We will accept responsibility for those who are elected to the National Aboriginal Consultative Committee. We are very proud that we will now have a truly representative voice of the Aboriginal people speaking to the Department and the Minister.

ABORIGINES: ACCOMMODATION

Senator MAUNSELL—My question is directed to the Minister for Aboriginal Affairs. Is it a fact that officers of his Department recently visited Lavarack Barracks at Townsville to assess the availability of Army accommodation for unemployed civilians? Was the visit made prior to a recommendation to the Minister that portion of the barracks area be taken over as a hostel for single Aborigines from Palm Island? Has the Minister received any complaints from Army personnel about the placing of civilians on an important military base? Is it a fact that the Army in Townsville has had difficulty in adequately housing its troops? In view of future cuts in the defence forces of Australia, is the Government now contemplating converting important military bases into hostels for unemployed civilians?

Senator CAVANAGH—My Department is responsible for a company called Aboriginal Hostels Ltd which has been formed for the purpose of securing suitable hostels for the housing of Aborigines, especially single Aborigines who come to towns or areas for the purpose of schooling or employment. The company has looked at many localities and places for the purpose of finding such accommodation. I have received no representations to take over any Army barracks for Aboriginal housing. Therefore, what is put in the honourable senator’s question is not so. I do not know whether the Army in Townsville has any problems in housing its personnel. The responsibility in this area is not with my Department or any Department that I represent. If, because of a reduced vote or for any other reason, an Army establishment was not required by the Army, then I could think of no better use for it than the housing of Aborigines who want homes.

RESOURCES DIPLOMACY

Senator CARRICK—I ask the Minister for Foreign Affairs the following question: Does the Government support the principle of resources diplomacy—the withholding or supplying of scarce national resources in world trade in order to achieve political ends?

Senator WILLESEE—The resources policy that we have outlined has been a fairly broad one. It was talked over with Japan on the recent visit of the Prime Minister to that country. There is no question of politics in our resources policy. What we said was that our minerals ought to be sold at somewhere near world prices, that wherever possible we ought to have a greater proportion of Australian equity in our minerals industry and, where possible, have a processing of those into secondary and tertiary levels of export. That is a very clear understanding and I do not see any politics in it at all. I think that we are entitled to use our resources for the benefit of Australians.

QUEENSLAND PARLIAMENT: SALARY INCREASES

Senator MILLINER—I direct my question to the Attorney-General in his capacity as Minister representing the Prime Minister and it follows the question asked by Senator Greenwood this morning. Did the Australian Government oppose the recent decision by the Queensland Nationalist Party-Liberal Party coalition government to increase salaries of members of that Parliament by 14 1/2 per cent retrospective to 1 July 1973, the increases being awarded by way of Order-in-Council and not by way of legislation or arbitrated decision?

Senator MURPHY—What is done in Queensland is not only outside our competence but often outside our understanding. The practice in this Parliament—and I understand it is the practice in most parliaments—is to have increases in parliamentary or ministerial salaries determined by the Parliament itself after due consideration. I cannot say any more than that it is a matter for the Queensland Parliament to determine what it does in relation to such affairs.
there is any criticism of its procedures the Government parties in Queensland should bear the burden of that criticism.

VIP AIRCRAFT: REDUCTION OF USE

Senator YOUNG—My question is directed to the Leader of the Government in the Senate. Following the Government’s decision on the drastic and dangerous cutback in defence Services, will the further 20 per cent reduction in flying time for the Royal Australian Air Force also apply to RAAF VIP aircraft? If so, will the Prime Minister and his Ministers also apply a 20 per cent reduction in their use of VIP aircraft?

Senator MURPHY—This is simply a political question. What the Government has done in relation to the Royal Australian Air Force is what any government in our situation ought to do and that is to introduce efficiency. As far as I am aware every step taken by the Minister for Defence, who is also the Minister for Air, has been in the interests of Australian defence. As to the usage of VIP aircraft, many times there have been explanations of how the planes are there, how training has to be done, how time has to be built up by pilots and how it is much better that the aircraft be used in this way rather than be left to be wasted. Time and time again I heard when in Opposition the explanation of how wonderful it was and how much it was in the interests of the Air Force and of Australia that these VIP aircraft be used. I ask honourable members opposite to look at the explanations given by their own Ministers in the former Government of how important this is and how well it fits in with the training requirements of the Air Force.

ANTI-DUMPING CODE

Senator GUILFOYLE—My question is directed to the Minister for Customs and Excise. In consequence of his announcement that Australia will adopt the anti-dumping code of the General Agreement on Tariffs and Trade, and having regard to the strong protests being lodged by manufacturing industry, will the Minister make an early statement to the Senate setting out the grounds on which the Government has rejected the industry’s protests? I understand that a week or so ago he stated to a group of overseas businessmen that Australia would adopt the Brussels Convention on Customs Valuation. Has such a decision been taken? If so, will he similarly make a statement to the Senate setting out the grounds on which the Government has rejected the claims by manufacturing industry that such a move will be damaging to industry? If the decision has not been taken, will he make a statement to the Senate setting out the issues for and against an affirmative decision? Will he hold over any decision for a sufficient time to allow any necessary representations to be made?

Senator MURPHY—I accept the honourable senator’s invitation. I shall make a statement to the Senate on all the matters which she has raised.

CALLS FROM THE CHAIR

The PRESIDENT—Senator Davidson, you have not asked a question.

Senator Rae—I have not asked a question either.

The PRESIDENT—No, but Senator Davidson has been sitting here since the beginning of question time. You understand, Senator Rae, that I try to farm out the questions equally between the 4 different parties in this place, alternating between each party and according some sort of priority to honourable senators of each party in order to maintain the balance. I am aware that each honourable senator regards himself or herself as having a priority over every other honourable senator when it comes to asking questions. I maintain my fairness as best I can. I would be grateful if you would acknowledge that.

Senator Rae—I would like to acknowledge it and indicate that I was drawing your attention to something and not in any way challenging what you had said. That was my sole purpose in doing what I did.

The PRESIDENT—I am sorry, Senator Rae. I am grateful to you. I call Senator Davidson.

MASS PRODUCED HOUSES

Senator DAVIDSON—My question is directed to the Minister representing the Minister for Housing and Minister for Works. I refer to the announcement of plans for a scheme to provide cheap, mass-produced houses. Can the Minister advise whether the scheme provides for a suitable variation in style and design of the houses? Does the Minister know whether there has been consultation with the Department of the Environment and Conservation and also the Department of Urban and Regional Development? If not, will he press for such consultations and ensure that cheaper mass-produced houses will not become soulless areas or degenerate into slums?

Senator CAVANAGH—The question of factory produced houses, which I think would be a more appropriate term—I do not know on what
scale they are to be produced—at a cheaper cost is now under study. I do not think there has been any final decision. There has been no final Government decision to go ahead with this proposal. There has been some criticism of the idea. I agree that if the scheme is to become a reality it must provide for the individuality of people who take some pride in their homes. They must not become soulless homes and lose all their character. I think the Minister for Housing is well aware of the position and that he will foresee these problems. What may evolve out of the matter is that many components for houses may be constructed in factories in situ. But there has been no finality on the whole matter.

CALLS FROM THE CHAIR

The PRESIDENT—Senator Webster, are you trying to attract my attention to ask a question?

Senator WEBSTER—My main interest is to know, Mr President, whether you would be prepared to put down a statement in the Senate indicating the manner in which you will call on questions in future?

The PRESIDENT—In reply to the honourable senator I shall repeat the statement which I have put down 4 times already in the last 12 months. But, Senator Webster, if you felt that I should have called you earlier I point out that I have just made a calculation from my list. In this place there are 21 Liberal Party honourable senators and 5 Australian Country Party honourable senators. The ratio of liberal Party honourable senators to Country Party honourable senators getting the call has been maintained all the way through.

INTEREST RATES

Senator RAE—I ask a question of the Minister representing the Treasurer. I refer to a question asked by me on 8 November seeking consideration of means of assisting local government bodies with heavy and unusual fund raising needs for programs such as sewerage to obtain loans without entering into long term commitments at abnormally high interest rates. Is it a fact that the Tasmanian Government has turned down an offer of approximately $1m from the Commonwealth Government for sewerage works? Was this an offer of a grant or a loan? If it was a loan can the Minister indicate what was the interest rate? If interest rates fell, could it have been repaid and other, lower interest rate, loans obtained?

Senator WILLESEE—I will find out what I can and I will let Senator Rae know as soon as possible.

VIP FLIGHTS

Senator McLAREN—I ask a question of the Special Minister of State. It follows a question asked recently by Senator Young about the use of Royal Australian Air Force aircraft by Government members. Has the Minister’s attention been drawn to an article in the ‘National Times’ of 19-24 November which refers to the fact that the Deputy Leader of the Opposition, Mr Phillip Lynch, used a light aircraft to fly to the town of Pinaroo in South Australia to attend a Liberal Party dinner? Will the Minister investigate the cost of using this aircraft and also the whole cost of the trip by Mr Lynch to attend a Liberal Country League dinner?

Senator WILLESEE—I will refer it to the Minister whom I represent in this place and find out for the honourable senator.

The PRESIDENT—I think it should be referred to the Minister for Defence. He has control of these aircraft.

Senator Cavanagh—No, it concerns a chartered aircraft.

HOUSING IN BRISBANE

Senator McAULIFFE—My question is directed to the Minister representing the Minister for Housing and Minister for Works. In view of Sir Albert Jennings’ apparent interest in reducing the cost of housing will the Minister inquire why A. V. Jennings Industries in Brisbane has increased its house prices by over 40 per cent in the last year? As this company is a price leader in Brisbane, will the Minister ascertain the effect which this massive price increase has had on housing prices in Brisbane? Is it true to say that builders’ margins have accounted for over 50 per cent of house price rises because neither wages nor materials have increased by anywhere near 40 per cent in price in the last year?

Senator CAVANAGH—A. V. Jennings Industries claims that the cost of houses which it has built in the Brisbane area over the past 12 months to the same plans and specifications has increased by 14 per cent and not the percentage mentioned. Some 90 per cent of the homes built in Brisbane by A. V. Jennings Industries are under firm contract price before construction and the company keeps somewhat to that price. I recognise that it is one of the successful builders, as its profits, which increased last year, would show. Of course, the claim is that about 50 per cent of house price rises at present are due to the time lag which is necessary today in building. Over the last 12 months the building of cottages has taken double the time that it took previously.
and this could create price increases in the building of them. I think that the whole question of housing construction is not satisfactory and it may be necessary to bring some factory made processes into the building field.

COUNCIL FOR THE ARTS

Senator LAUCKE—I address my question to the Attorney-General as the representative of the Prime Minister in this place. In view of the widespread criticism of the conduct of the affairs of the Council for the Arts and to give credence to the much vaunted claim of the Government that it supports and practises the principle of open government and more consultation, will he ask the Prime Minister to table Mr Peter Hall’s letters of resignation from the Council for the Arts that were addressed to the Prime Minister and the Chairman of the Council?

Senator MURPHY—There has been some criticism of the Government’s actions in relation to the arts. There has been far more favourable comment on what the Government has done for the arts by financial and other encouragement. Daily I see evidence of what the Government is doing for the arts—statement after statement by the Prime Minister on what is being done by way of the provision of moneys, and persons who once were critical of the Government now praising it. However that may be, I will pass the honourable senator’s request on to the Prime Minister.

WOOL MARKETING

Senator DRAKE-BROCKMAN—Would the Minister for Primary Industry say that the proportion of wool sold by private treaty in Australia is increasing sharply? Is this not reflected in the growing number of leading agencies which are being forced into private selling to meet competition? Does this trend affect orderly marketing through the auction system, even to the point at which a complete breakdown of the system is possible? Does this situation not emphasise very strongly the need for wool marketing reform which has been promised by the Government?

Senator WRIEDT—Whether the selling of wool by private treaty is increasing sharply is a matter of conjecture. The only figures which I have available show that across the whole of the Commonwealth 15 per cent to 20 per cent of the clip is sold by private treaty. I understand that in Senator Drake-Brockman’s home State, where the bulk of private treaty selling is done, the amount sold by private treaty is as high as one-third of the clip. It is true that there is an increase in the proportion sold by private treaty. This tends to create an alternative system to the auction system. Whether this is breaking down the orderly marketing of wool, as the honourable senator described it, is a question which could be argued. Whether the auction system could be described as orderly is a question which could be debated. However, this is all part of the matters to which the Government will be giving consideration when the wool marketing report is made available to it.

AUSTRALIA’S FOREIGN POLICY

Senator SIM—I direct a question to the Prime Minister representing the Prime Minister. The Prime Minister having, with customary immodesty, declared himself the greatest—the new Cassius—and also having expressed great admiration for Mao Tse-tung, I ask: Will the Minister draw the attention of the Prime Minister to one of Mao’s thoughts: ‘We should be modest and prudent. We should guard against arrogance and rashness and serve the people heart and soul’? Will he advise the Prime Minister that those who ignore these thoughts are likely to be regarded by Mao as bourgeois revisionists?

Senator MURPHY—The Prime Minister, in his role as Minister for Foreign Affairs, has done a great deal for Australia. He has created friendships around the world. He has opened up a vision of Australia which is a far greater vision than that which existed under the previous Government. I know that many Australians were ashamed of Australia’s role in foreign affairs under the previous Government. The previous Government refused to recognise the existence of Communist China and refused to treat with reason and tolerance various countries, the doors to which have now been opened. It was regrettable to hear the honourable senator speak of the Prime Minister in the way that he did. Recalling the honourable senator’s contribution to foreign affairs, I think he should remember some other Chinese proverbs, including the one which is translated as: ‘Those who live in glass houses should not throw stones’.

RACIAL DISCRIMINATION

(Question No. 223)

Senator WEBSTER asked the Attorney-General, upon notice:

Do any laws of the Commonwealth, in any way, contain elements of racial discrimination? If so, which laws.

Senator MURPHY—The answer to the honourable senator’s question is as follows:

The Removal of Prisoners (Territories) Act excludes from the category of persons who may be removed under the Act from a Territory to undergo imprisonment in a State or another
Proposed Referendum on Prices and Incomes

Territory, persons who are "aboriginal natives" of that Territory. It does therefore contain an element of differentiation on the basis of ethnic origin.

The Act applies to all Territories, including Papua New Guinea. It is under review in consultation with the Papua New Guinea Government, so far as it applies to Papua New Guinea. With regard to its operation in relation to the Northern Territory, I have taken up with my colleague, the Minister for the Northern Territory, who is responsible for the administration of the Act in relation to that Territory, the matter of reviewing the whole operation of the Act.

I am not aware of any other laws of the Commonwealth which contain elements of racial discrimination.

I should add that, as is referred to in the various international conventions, there are laws, which confer some benefit or advantage on, for example, Aborigines or Torres Strait Islanders under the laws of the Commonwealth. These are not referred to as being in the category of racially discriminatory laws.

ASSENT TO BILLS

Assent to the following Bills reported:

Wine Overseas Marketing Bill 1973;
Wine Grapes Charges Bill 1973;
Diesel Fuel Tax Bill (No. 1) 1973;
Diesel Fuel Tax Bill (No. 2) 1973;
Excise Bill (No. 2) 1973;
Excise Tariff Bill (No. 3) 1973;
Customs Tariff Bill 1973;

PROPOSED REFERENDUM ON PRICES AND INCOMES

The PRESIDENT—I wish to inform honourable senators that I have received the following letter from the Speaker of the House of Parliament, Queensland, as follows:

Dear Mr President,

On the 21st November, 1973, the Parliament of Queensland adopted a Resolution in relation to the proposed Referendums on the Control of Prices and Incomes.

I have been authorised to advise you of the terms of this Resolution, and accordingly a copy is enclosed herewith.

I have advised the Party leaders of the receipt of this information from the House of Parliament in Queensland. I have given consideration to it and I feel it is my duty to respond by reading the resolution of the Queensland Parliament to honourable senators.

Senator Georges—Is it open to debate?

The PRESIDENT—We can deal with that matter after I have read it. That is something for honourable senators to decide. The resolution is as follows:

That the Legislative Assembly of Queensland in Parliament assembled, having regard to the fact that proposed laws for the alteration of the Constitution of the Commonwealth by conferring on the Parliament of the Commonwealth power to make laws with respect to prices, or prices and incomes, will be submitted to electors as required by section 128 of the Constitution, and recognizing—

(1) that the proposed alterations of the Constitution have grave implications for the citizens of the State of Queensland;
(2) that the proposed alterations would seriously impair the powers of the legislature of the State to legislate for the peace welfare and good government of the citizens of this State;
(3) that the acquisition of these powers by the Parliament of the Commonwealth would constitute a major step towards the achievement of the obvious objective of the present Federal Government—the eventual abolition of the States;
(4) that the acquisition of these powers by the Parliament of the Commonwealth by reason of the lack of definition as to their scope and use would be a source of confusion and uncertainty to, and could be a source of oppression against, the citizens of the State in the conduct of their affairs;

therefore doth agree and resolve—

that the conferring of powers on the Parliament of the Commonwealth as proposed is inimical to the welfare of the citizens of Queensland and that accordingly the Assembly is totally and irrevocably opposed to such conferment;

and further doth agree to authorise

(a) the Honourable the Premier and Ministers of the State, on behalf of the citizens of the State of Queensland, to take whatever action they consider necessary or desirable to safeguard and protect the sovereign rights of the citizens of the State of Queensland from any unwarranted intrusion or invasion by the Government of the Commonwealth of Australia;
(b) the Speaker of this Assembly to advise the President of the Senate of this Resolution.

Senator Withers—I ask leave to move a motion that the Senate take note of the paper.

The PRESIDENT—Is leave granted? There being no objection, leave is granted.

Senator WITHERS (Western Australia—Leader of the Opposition) (12.24)—I move:

That the Senate take note of the paper.

I ask leave to continue my remarks.

Leave granted; debate adjourned.

Motion (by Senator Withers) agreed to:

That the resumption of the debate be made an order of the day for the next day of sitting.

Senator Georges—I rise to order, Mr President.

The PRESIDENT—What is the point of order?

Senator Georges—In my experience, short though it may be, it is rather an unusual procedure to receive a message of this sort and to bring it into the area of debate by the Senate. Mr President, have you sought advice on this? Is it permissible that this should be done? Are we likely to be faced with receiving messages from a variety of governments both within Australia?
and without which may lead to considerable controversial debate at great length, taking up the time of the Senate?

The PRESIDENT—I do not think that there is any substance in the point of order. The honourable senator obviously is addressing a question to me to which he asks me to respond. The facts are that I received this resolution under the hand of the Speaker of the House of Parliament in Queensland addressed to the President of the Senate requesting that the Senate be informed of this resolution of the Queensland Parliament. I received it on my desk on Sunday. I spent some time on Monday examining the constitutional propriety involved and I came to the conclusion that I had a duty, whatever the politics of it were, to table a message from a parliament to the Senate of Australia which constitutionally was created to represent the States. I then went further and addressed information to the leader of every party in the Senate advising that it was my intention to read this statement. What action the Senate takes in relation to this matter is of course for the Senate to decide. I remind honourable senators that we have received messages, for example, from the Legislative Council of the Northern Territory, which have been placed before the Senate. How the Senate resolves these matters is a matter for the Senate and not for the President.

Senator Devitt—May I address a question to you, Mr President? I am wondering whether you have considered the appropriateness of referring the question generally to the Standing Orders Committee or whether that move could be facilitated in some way?

The PRESIDENT—I can answer that question with great speed. My endeavours to gain a meeting with the Standing Orders Committee are nil.

Senator Murphy—If I may speak, I think I should correct you, Mr President. I do so with great deference. I think your endeavours to get a meeting of the Standing Orders Committee have been very great but your success has been nil. I think there are certain implications in this matter. I think there is a difference between the position of the Queensland Parliament in relation to us and that of the Northern Territory Legislative Council which was established by this Parliament. I think the preferable course for us at this stage is to say as little as possible about this strange communication.

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### Proposed Referendum on Prices and Incomes

**TARIFF BOARD**

**Reports on Items**

Senator MURPHY (New South Wales—Attorney-General and Minister for Customs and Excise)—For the information of honourable senators I present the report by the Tariff Board on the following subjects:

- Engines, motors, pumps, valves, etc. and fire hoses.

**POWER OVER PRICES AND INCOMES**

Senator MURPHY (New South Wales—Attorney-General and Minister for Customs and Excise)—For the information of honourable senators I present the report by T. C. Winters—'Power over Prices and Incomes'.

**HANSARD: FREE COPIES**

The PRESIDENT—Honourable senators will recollect that last week in responding to a request that had been made by Senator Milliner, I think, as to whether I would agree to increase the number of free copies of Hansard issued to honourable senators, I informed the Senate that I was prepared to increase the number of free copies to fifty. Subsequent to that the Chairman of the Publications Committee, Senator Milliner, wrote me a letter which stated:

That the Committee respectfully request the Presiding Officers to give consideration to increasing the number of Hansard extracts available to senators and members of the House of Representatives of speeches delivered by them in Parliament to 100 copies.

That is the end of Senator Milliner’s letter which was written in response to the statement I made in the Senate. I now advise honourable senators that I find that the Government Printer is able to supply 40 additional copies to each senator at a minimal cost; that is, the cost of the paper. Therefore, I have authorised the Principal Parliamentary Reporter and the Government Printer to increase the entitlement of honourable senators to copies of Hansard by that number; that is, to 100.

### WHEAT INDUSTRY STABILIZATION BILL 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Wriedt) read a first time.

**Second Reading**

Senator WRIEDT (Tasmania—Minister for Primary Industry) (12.32)—I move:

That the Bill be now read a second time.
The purpose of this Bill is to provide for an extension of the wheat industry stabilisation arrangements, currently scheduled to expire with the disposal of the 1972-73 season’s wheat crop, to cover the marketing of wheat of the 1973-74 season. The first wheat industry stabilisation plan was introduced by the Labor Government in 1948. Stabilisation arrangements have since then been continued in 5-yearly rests, the existing plan covering the wheat crops of the 5 seasons 1968-69 to 1972-73 inclusive. All of these plans have followed a general pattern, inasmuch as they have contained provision for wheat growers to contribute to a wheat prices stabilisation fund a proportion of their returns from export sales in seasons when prices have been in excess of a pre-determined level, the moneys so contributed being returned to the growers to supplement their returns in the market place when prices have fallen below that level.

The Australian Government has been a party to these arrangements by its agreement to provide funds to subvent growers’ returns whenever the stabilisation fund has not contained sufficient moneys from industry contributions to lift prices to the specified level. The State governments are party to the orderly marketing and stabilisation arrangements in that, under law, they vest the ownership of wheat produced within their borders in the hands of the Australian Wheat Board and authorise the Board to market wheat within the Australian States at uniform home consumption price levels. The States have always complemented the Federal legislation to give effect to the marketing and stabilisation arrangements and have agreed to continue to do so for the purpose of the 1973-74 season’s extension of the existing arrangements.

The Government is providing for this extension pending the outcome of a thorough-going review of the operation of the wheat industry stabilisation plan. Under direction of the Government a review group in the Department of Primary Industry has presented a preliminary report for the Government’s consideration. Formal discussions with the wheat industry and the States on stabilisation arrangements to apply for the period beyond 1973-74 are expected to commence very shortly. With the present benefit of hindsight, it is of interest now to reflect upon some aspects of the second reading speech by the then Minister for Primary Industry when he introduced the enabling legislation in 1968 to implement the existing stabilisation plan. In that speech the Minister drew attention to the amount of money that had been contributed by the taxpayers under the terms of the Government’s guarantee for stabilisation purposes in the period up to 1968. As he stated at the time, that amount of money was $156m, of which $95m was provided during the 5 years ended 1967-78. He suggested that this was a considerable sum to provide to one of the most prosperous rural industries and would of itself be sufficient justification for changes in important features of the stabilisation plan.

The then Minister indicated that the stabilisation proposals put forward by the industry at the time would have cost an amount estimated at $250m over 5 years and said that this would have been an intolerable position and could not be justified. He said that the shape of the guaranteed price arrangements on wheat exports being provided by the Government would cost at least $68m over the 5 years, if the cost experience in the ensuing 5 years and the level of export prices turned out to be much the same as in the previous 5 years. It eventuated that in the first 4 years of the current 5-year plan the price of wheat in the international market place consistently weakened. The reason for this was, of course, an over-supply of wheat in the main producing countries with severe competition between exporters for markets. But these recurring problems of divergence between supply and demand cannot be avoided, at least in total. In the event the current stabilisation plan in the first 4 years of its operation has cost the taxpayer $219m—a figure substantially more than anticipated by the then Government at the time of its introduction.

This Government shares the concern of the previous Administration that stabilisation provisions which would leave the way open for potential subvention to the wheat industry of the magnitude that has occurred in the last decade or so cannot be allowed to continue. I might mention that, whereas in the earlier years of wheat stabilisation, the stabilisation fund was self-supporting and there was no call on the Treasury prior to the 1959-60 season, the Government has since been required to contribute in every year up to the 1971-72 season. Thus, as I have already indicated, the Government has moved for an in-depth review of the arrangements that might apply beyond the 1973-74 season. It is an approach which has been accepted by the State governments which are party to any arrangements and by the wheat industry through its central spokesman, the Australian Wheatgrowers Federation. Pending the negotiation of new arrangements with the industry and the States, this
Bill seeks to continue the existing stabilisation provisions for next year. Without attempting to prejudice the outcome of these negotiations, I must express the view that a strong case seems to exist for future stabilisation arrangements, and the guaranteed price provisions of such arrangements, to have regard to realistic market forces.

Turning to the main substance of the Bill, the measure provides for the guaranteed price on exports of 5,443,108 tonnes or 200 million bushels of wheat from the 1973-74 season's crop—the same guaranteed quantity as at present—to be set at $58.79 per tonne or $1.60 per bushel f.o.b. This figure has been accepted by the States and the industry, as indeed have all other features of the Bill. The other basic provisions of the Bill are: That, in line with the existing arrangements, the home consumption price for the 1973-74 season will be determined according to movements in cash costs, in rates of interest and in rail freight and handling charges; that the 1973-74 season be defined as a 'quota season'; and that the legislative arrangements for the marketing of wheat, that is, those excluding the guaranteed price and stabilisation arrangements, be extended for one season to cover the 1975-76 season. This continues existing arrangements whereby the Wheat Board is empowered to carry out its functions relating to the marketing of wheat for 2 seasons beyond the end of the period of stabilisation.

The opportunity has been taken by means of the Schedule to the Bill to convert all quantities in the principal Act to their metric equivalents. It seems probable that the existing high and abnormal value of wheat in the market place will not recede in the next year or so to a level which would require any call on Treasury funds in terms of the Government's price guarantee. On the other hand, the likelihood is that the industry could contribute the maximum amount, set under the terms of the scheme, to the stabilisation fund, that is, $5.51 per tonne. On anticipated exports from the 1973-74 season's deliveries to the Australian Wheat Board of 8.4 million tonnes this contribution would be of the order of $46m. I have said that the extension of the plan as proposed for one year has the support of the industry and State governments. The passage of the legislation by the Australian and State Parliaments will provide the industry with the security afforded by orderly marketing and stabilisation while arrangements for the future are being formulated. I commend the Bill to the Senate.

Debate (on motion by Senator Laucke) adjourned.

WHEAT EXPORT CHARGE BILL 1973

Bill received from the House of Representatives.

Suspension of Standing Orders

Motion (by Senator Wriedt) proposed:

That so much of the Standing Orders be suspended as would prevent the Bill from passing through all its stages without delay.

Senator WRIGHT (Tasmania) (12.41)—It occurs to me when Bills are being introduced like this without any notice at all that if we are to suspend Standing Orders some notice should be given of those Bills which are money Bills and might occasion debate on the first reading. I do not wish to interrupt this debate further but I think that we in the Opposition are entitled to know at least 5 minutes in advance what the Bill is and whether it is a money Bill so that it can be debated, if necessary, on the motion for the first reading.

The ACTING DEPUTY PRESIDENT (Senator Wood)—The suggestion made by Senator Wright will be looked into. I inform honourable senators that for purposes of debate the Bill before the Senate is a money Bill.

Question resolved in the affirmative.

Bill (on motion by Senator Wriedt) read a first time.

Second Reading

Senator WRIEDT (Tasmania—Minister for Primary Industry) (12.42)—The purpose of this Bill is to amend the Wheat Export Charge Act 1968 to extend its application by one year to cover the 1973-74 season. It is complementary to the Wheat Industry Stabilisation Bill 1973. A basic feature of succeeding wheat stabilisation schemes has been that growers contribute a proportion of their returns from export sales to a stabilisation fund, the wheat prices stabilisation fund, when prices exceed a pre-determined level. In particular, the Wheat Export Charge Act 1968 imposes a charge on all exports of a pool when the export return exceeds the guaranteed price plus $1.84 per tonne, that is 5 cents per bushel up to a maximum charge of $5.51 per tonne, that is 15 cents per bushel.

Moneys contributed by growers as an export charge are thereafter available for withdrawal from the stabilisation fund to raise the return on exports to the level of the guaranteed price on a specified quantity of the pool's exports. Once growers' moneys in the fund are exhausted there is an obligation upon the Australian Government to provide from Consolidated Revenue the funds
necessary to return growers the guaranteed price. Growers' moneys in the stabilisation fund were exhausted before the closure of the 1959-60 season's pool and since then the Government has been obliged to meet its commitment on the export guarantee.

It is well known that there has been a dramatic change in the world wheat market over the past 12 months or so. Prices are now very much in excess of any previous level and are almost 3 times the depressed levels of 1972. As a result, it seems very likely that growers will be required to contribute to the fund in respect of exports from the 1973-74 pool to the full extent of the export charge, that is, $5.51 per tonne. I commend the Bill.

Debate (on motion by Senator Laucke) adjourned.

INCOME TAX ASSESSMENT BILL (No. 4) 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Willesee) read a first time.

Second Reading

Senator WILLESEE (Western Australia—Minister for Foreign Affairs and Special Minister of State) (12.43)—I move:

That the Bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard:

Mr ACTING DEPUTY PRESIDENT (Senator Wood)—Is leave granted? There being no objection, leave is granted.

(The speech read as follows)—

The main purpose of this Bill is to put an end to the use of Norfolk Island as a tax haven. The Treasurer (Mr Crean) announced earlier in the year that this legislation would be brought in and that it would be the same as legislation announced by his predecessor on 19 July 1972. The Bill I now present fully accords with the former Treasurer's plans. With the unanimity of purpose that is thus implied, and because fuller explanations are given in an explanatory memorandum that is being made available to honourable senators, I think I can be fairly brief in what I say about the Bill.

It may be useful if I begin by saying something about what a tax haven is. It is a place that levies little or no income tax of its own, whether generally or in particular circumstances, and which has banking, commercial and communication facilities, and a legal system, conducive to resort to it by people and companies wishing to minimize or eliminate tax they would otherwise have to pay.

In the Norfolk Island context the absence of income tax is due to the fact that the Island is not treated as part of Australia for general tax purposes, although it is for some special purposes, such as the rebate that frees inter-company divi-

dends from tax. Income that has, or is given, a technical legal source on Norfolk Island is not subject to Australian tax if it is derived by an individual or company qualifying as a resident of the Island. A company can be resident of the Island by being incorporated and managed and controlled there, even though its ownership is wholly vested elsewhere.

Before the former Treasurer's announcement in July of last year there had been highly complex tax avoidance arrangements designed chiefly to convert Australian income of Australian residents into income with a technical source on the Island derived by an entity that was technically an Island resident. In a fairly typical situation money would be made available from Australia on interest-free terms to a company resident in Norfolk Island. The money would be on-lent through a series of companies resident in the Island and ultimately find its way back to Australia as an interest-bearing loan to the company that provided it in the first place. The object of the scheme was to give the interest received by the Island companies the flavour of income with a source on the Island so that it was free of Australian tax, while the interest paid by the Australian company was a tax deduction in its own assessments.

As honourable senators will know, the Full High Court recently decided in the Esquire Nominees case that particular arrangements involving dividends that had their origin in Aus-

tralia were effective to give the dividends the legal character of income with a source on the Island. Additionally, it is known that the Island's tax haven status has been used by non-residents to avoid Australian tax and, it is believed, foreign taxes as well. It has not been established that all of the schemes based on Norfolk Island effectively avoid tax. The application on the present law in the immense variety of factual situations that can be contrived is, nevertheless, uncertain and difficult. It is necessary therefore both to tighten up and clarify the law.

The amendments in the Bill aim at a fair balance between the interests of islanders and the
Australian tax-paying community. The key provision will make the income tax law apply as if Norfolk Island were part of Australia. This would in itself stop the tax avoidance. However, if no more than that were done all residents of Norfolk Island, including the Pitcairners who have lived there on tax-free terms for so long, would be subject to tax on their Island income. The Bill does not have this extreme effect. It proposes new provisions which will continue to exempt from tax the Island and other ex-Australian income of people who live on the Island and are not resident in Australia for tax purposes. These kinds of income will also be exempt when derived by companies wholly owned and controlled by such Island residents.

This limited exemption of company income was clearly foreshadowed in the July 1972 statement on the matter. Since the legislation was introduced, there have been some representations for a change in this part of it, and these have been carefully considered. The Government has concluded, however, that the Bill should not be changed in this respect. An exemption confined to Island-owned companies is still regarded as sufficient to meet justifiable claims to tax exemption. Another exemption is provided in the Bill for certain trust income, accumulating under the terms of an Island trust in which the beneficiaries are Island people. For people who are not entitled to the full exemption that will be available for permanent residents of the Island, there will be an exemption for employment income earned on the Island where the period of time to be spent there is over 6 months.

These are the main provisions but the Bill contains a variety of supplementary measures, mostly in the form of safe-guards against exploitation of the new provisions. For example, there are detailed rules to protect the condition that companies wholly or partly owned outside the Island are not to be exempt. Conversely, the Bill provides authority for the Commissioner of Taxation to disregard a temporary failure to meet the Island-ownership test where it would be appropriate in special circumstances to do so. Against the background of arrangements that have been made in the past to give income an artificial Island source, the Bill provides rules specifying when income such as dividends, interest and royalties are to be treated as having an Island source.

As the former Treasurer announced, the new provisions will have effect in relation to income derived after 19 July 1972. However, as a transitional measure to assist Island companies that now have some degree of non-Island ownership but wish to re-arrange their affairs so as to retain tax exemption, the Bill provides for an appropriate partial exemption for income derived up to the end of the 1973-74 income year for a company that becomes fully Island-owned and controlled during the last 6 months of 1973-74. There has been little, if any, use of the Territories of Cocos (Keeling) Islands or Christmas Island for tax haven purposes. The tax law relating to them is, however, the same as that applying to Norfolk Island. If the law were left unchanged, there could be resort to these Territories for a tax haven. The Bill accordingly makes the same amendments for the two territories as it does for Norfolk Island.

I turn now to a part of the Bill that is concerned with tax haven resort to Papua New Guinea. These measures were also foreshadowed in the former Treasurer's statement in July 1972. Broadly speaking, private company groups are given a choice by the income tax law of paying dividends to individual shareholders, which are then taxed at the shareholders' personal rates, or of paying an undistributed profits tax. Recent tightening of the law to uphold that principle has led to a situation where some private company groups have been paying dividends to so-called 'repository' companies in Papua New Guinea. Papua New Guinea does not tax the dividends and arrangements have been made in the past with the objective that no Australian tax would be paid on them either. The dividends received by the repository company in Papua New Guinea would in due course be used in ways that would benefit the Australian shareholders without exposing them to liability to tax at the later time.

I interpolate here that the proposal in a subsequent Bill to levy a withholding tax of 15 per cent on dividends paid from Australia to Papua New Guinea will result in there being some Australian tax on dividends paid in further to repository companies in Papua New Guinea. It would not however be enough to deter the practice. To correct the situation, the Bill proposes basically that where dividends were, or are, paid after 19 July 1972 by a private company in Australia to another private company in Papua New Guinea, they will not be taken into account in determining whether the paying company has made a distribution of profits sufficient to avoid payment of undistributed profits tax. This is the basic provision but there are measures to the effect that it is to apply to dividends that are held in Papua New Guinea on behalf of Australian individual shareholders.
This Bill does not deal with the problem of tax havens outside Australian jurisdiction. This is a most difficult matter to which the Treasurer and his advisers have been devoting some attention. As the Treasurer has pointed out, it is necessary that action be taken to prevent or minimize as fast as possible successful use of such havens by Australian taxpayers, because the result of the tax avoidance efforts is a heavier tax burden on their fellow citizens and companies. I assure the Senate that the Government will, as soon as, and wherever practicable, be taking whatever steps are open to it to prevent loss of revenue through the use of tax havens. I commend the Bill to the Senate.

Debate (on motion by Senator Cotton) adjourned.

INCOME TAX ASSESSMENT BILL (No. 5) 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Willessee) read a first time.

Second Reading

Senator WILLESSEE (Western Australia—Minister for Foreign Affairs and Special Minister of State) (12.47)—I move:

That the Bill be now read a second time.

I ask leave to incorporate the second reading speech in Hansard.

The PRESIDENT—Is leave granted? There being no objection, leave is granted.

(The speech read as follows):

This Bill will give effect to taxation proposals announced in the budget speech and to several other such proposals. The Bill will withdraw some taxation concessions that have been allowed to primary producers, manufacturers and shareholders in mining companies. These proposals result from a careful review by the Government, aided by the Coombs Report, of a number of revenue concessions which can fairly be categorised as disguised expenditures and which result in additions to the burdens on other taxpayers. Since the proposals were announced in the Budget Speech the Government has received and carefully examined representations on most of them. The Bill reflects the results of this examination. Two proposals relating to tax exemption for mining profits have been deferred and other proposals affecting the taxation of aged persons and the valuation for tax purposes of wine and brandy stocks have been modified. With these exceptions, this Bill and an associated Bill that I shall introduce shortly will implement the Government’s budget proposals which have been put forward in the interests of taxpayers generally and to achieve a measure of rational tax reform.

The Budget Speech indicated that we have decided to end a number of concessions subsidising capital expenditures or encouraging investment which would otherwise be uneconomic. These include the investment allowances which provide a special income tax deduction of 20 per cent of capital expenditure on specified new manufacturing and primary production plant. The special deduction is not to be available in respect of expenditure after Budget day unless it is incurred under a pre-existing contract and, in the case of manufacturing plant, not later than 30 June 1975. Other proposed measures in this class will terminate provisions which allow some capital expenditures by primary producers to be wholly deductible in the year in which they are incurred and others to be subject to accelerated depreciation over 5 years. It is proposed that the concessions will not apply to capital expenditures incurred after Budget day unless under a contract entered into before then. In future, deductions will be allowed as ordinary depreciation on plant and structures and over 10 years for other items. I stress that these measures affect only capital expenditures. They do not change the basis of deduction of running expenses of established farming or grazing businesses. The Bill also deals with the Budget proposals on private rates and land tax and gifts to war memorial funds. As to the first matter, it is proposed that, for the income year 1973-74 and subsequent years, an overall ceiling of $300 be placed on the deduction allowable and that it be limited to the taxpayer’s home. As to the second matter, it is proposed to remove deductions for gifts to the funds, except where the fund was established before Budget day. Gifts to war memorial funds will not in any event be allowable if made after 30 June 1974.

I turn now to the amendments affecting life insurance companies. A life insurance company is allowed a deduction from its assessable income of a proportion of calculated liabilities. In effect, the deduction frees from tax a basic 3 per cent return on policyholders’ funds, and this ultimately goes to policyholders in a non-taxable form. If a company’s holdings of public securities rise above, or fall below, the 30/20 investment ratio, the deduction is varied upwards or downwards. One amendment will reduce the deduction based
on calculated liabilities by one-third, so that the basic deduction will become 2 per cent. Corresponding reductions will apply if the deduction allowable is higher or lower than the basic allowance. The bill also provides for a reduction in the amount of dividend income of a life insurance company on which a rebate of tax is allowed. Part of the deduction based on calculated liabilities is attributable to the value of shares which produce rebatable dividends included in a company’s assessable income. Similarly, part of the deduction allowed for general management expenses is attributable to the amount of rebatable dividends so included. However, following interpretations by the courts, these deductions, while they reduce taxable income, cannot reduce rebatable dividends. This quite unjustifiably inflates the amount of the rebate.

Broadly stated, the Bill provides for a part of each deduction to be set off against dividends. These parts are the amounts by which the deductions are increased through the inclusion of dividends in assessable income and the inclusion of the value of shares on which dividends are paid in the value of assets producing assessable income. A further proposal announced in the Budget Speech relates to the taxation of casual profits from the sale of property within the year following its acquisition. The Bill contains provisions to treat such profits on property purchased after 21 August 1973 as assessable income. These short-term profits are essentially in the nature of income and ought to be subject to tax as such. The provisions give expression to this concept. An exemption is proposed to meet the case where a person finds it necessary to quickly sell a home because of a change in place of business or employment. An associated provision will limit the application of measures enacted last year which freed individuals from any liability to tax on profits on stock exchange transactions if the shares had been held for 18 months or more. This will in future apply only to shares acquired no later than 21 August 1973.

This bill and the Income Tax Bill 1973 will give effect to the taxation side of the package of pension and taxation measures associated with the phased abolition of the means test for people aged 65 years or more. Partial effect has been given to the pension side of the new arrangements, and there will be further pension increases enacted in the autumn. The Bill will withdraw the tax exemption for social service and repatriation pensions, but not war pensions, paid to men aged 65 years or more and women aged 60 or more. Pensions paid to women less than 60 years of age by reason of their being wives of men aged 65 years or more will also become taxable. I think it is generally acknowledged that free of means test pensions must be exposed to tax. Otherwise, aged people in the higher income groups would be put in a privileged position as compared with other aged people who have little income and with young people bringing up families. Means tested age pensions can be paid to people with substantial amounts of other income, for example, superannuitants. For similar reasons to those I have mentioned, and to avoid larger transitional problems later, taxation must extend to age pensions that remain means-tested. Details of the categories of taxable and exempt pensions are given in the explanatory memorandum that is being circulated. Some elements of taxable pensions, such as allowances for the payment of rent or for the support of children, will remain exempt and, in the latter case, concessional deductions will also be allowed in assessments for the maintenance of children.

Although some pensions are to become assessable income, another part of the package—the special rebate of tax for aged persons proposed by the Income Tax Bill 1973—will have the effect that appreciably more than 80 per cent of aged pensioners will not have to pay any tax or lodge tax returns. The rebate allowance will be $156 for persons with taxable incomes of up to $3,224, reducing thereafter by 25c for each dollar by which taxable income exceeds $3,224. Aged people whose taxable income—that is, after all allowable deductions—does not exceed $1,921 will not have to pay tax. Those whose taxable incomes are between $1,921 and $3,847 will pay less than younger people with the same taxable income. The existing age allowance is being abolished. It was introduced in 1951-52 for the specific purpose of removing an anomaly which existed then. Aged persons in receipt of the full pension and the maximum permissible income allowed by the means test at that time paid no tax, while those with larger amounts of other income suffered a $1 loss of pension for each extra $1 of other income under the non-tapered means test then applying, and also paid tax on the extra income. If the latter group from becoming absolutely worse off than the full pensioner with maximum permissible income, it was necessary for all aged persons to be exempted from income tax if their total income did not exceed the sum of the full pension and the maximum permissible income. Above that point it was necessary for tax to be shaded in to normal tax rates and, while aged persons with incomes within this shading-in range paid less
than tax at normal rates, the shading-in provisions were designed purely for the purpose of easing the transition from complete exemption to normal tax rates, and not for the purpose of placing aged persons in a more favourable tax position than people below pensionable age on the same or lower incomes.

With the introduction of the tapered means test in 1969, the situation which the age allowance was designed to alleviate ceased to exist, though this does not seem to have been acknowledged until the 1971-72 Budget when, apparently in recognition of the stark anomalies it generated, the allowance was for the first time left unchanged at a time when pensions were being increased. The proposed phasing out of the means test would make the age allowance even more anomalous, and the benefits which it now provides to some aged persons with quite large incomes even more inequitable by comparison with the position of young married couples setting up home and raising families on the same or smaller incomes. As I have said, the package of measures I have referred to will leave more than 80 per cent of aged pensioners free of tax. Most of the minority with higher incomes who will pay tax will still pay less than younger people with the same incomes. No aged person will pay more tax than a younger person having the same income. The great majority will pay no tax or less tax. Added to this, pensions will be paid at higher rates and the means test will be phased out. Altogether, what the Government proposes must, when judged fairly, be acknowledged as more equitable and generous than the largely ad hoc and unco-ordinated measures of the past.

A further budget measure in the Bill will require a company to pay—not earlier than 31 December 1973—as an instalment of the tax to be assessed on its 1972-73 income an amount equal generally to one-quarter of its 1971-72 tax or, at the company's option, of its estimated 1972-73 tax. This is the first step towards a system of quarterly payments of company tax to be phased in over 3 years. An important purpose of the scheme is to alleviate problems of economic management associated with the high level of liquidity in the banking system in the first half of the financial year and the run down, largely due to payment of company tax, in the last quarter of the financial year. Quarterly payments by companies will not mean that they will pay tax on a pay as you earn basis. Company tax for a financial year will still be calculated on taxable income of the preceding year. The quarterly payments will, however, mean that companies will make payments progressively throughout

the later year. To some extent, therefore, the system will reduce the existing inequity between companies and individuals who are on the P.A.Y.E. basis. As a sanction against over-retention of profits taxed at a rate lower than personal progressive rates, a private company that does not distribute a sufficient proportion of its after-tax income is liable to pay tax at the rate of 50 per cent on the amount by which dividends paid fall short of a sufficient distribution. In determining whether a sufficient distribution is made, the company may deduct a retention allowance of 50 per cent of the first $10,000 of after-tax income other than property income, 45 per cent of the next $10,000 and 40 per cent of the balance. It may also deduct 10 per cent of after-tax property income other than dividends from other private companies. It is proposed to increase the retention allowance on income other than property income to a flat rate of 50 per cent. No change is proposed for property income.

It is also proposed to eliminate an anomaly in the basis of valuation of trading stock manufactured from grapes which, of course, includes wine and brandy. This stock has in the past been valued by some manufacturers of these commodities on a remarkably generous basis differing considerably from what is required of other manufacturers. The change to valuation in accordance with the general law is to be phased in over a period of 5 years beginning with end-1973-74 valuations. This is a modification of the 3 year phasing-in period mentioned in the Budget Speech and has been made in consequence of representations received from the industry. Having considered these representations with the utmost care, we have decided that, with the modification mentioned, it is right to hold to the principle involved. The last of the budget matters concerns the taxation of dividends paid in respect of mining profits that have been freed from tax either under specific exemptions in the law or, in the case of profits from mining oil and natural gas, by reason of the deductions allowable for capital expenditures on exploration and development. Dividends declared and paid after Budget day in respect of these profits will no longer be exempt from tax in shareholders' hands.

One measure that does not arise from budget decisions is designed to ensure that companies that are essentially public in character, but fail in some insignificant way to qualify as public companies under specific tests in the law, will not be taxed as private companies by reason of a restriction on the circumstances in which the Commissioner of Taxation may exercise a relevant
discretionary power. This amendment is to apply for the 1972-73 and subsequent income years and was foreshadowed in a statement made by the Treasurer (Mr Crean) on 28 June 1973 following the decision of the Full High Court in the Stocks and Holdings (Constructors) Pty Ltd case. The effect of the Court's ruling was that the Commissioner's discretionary power to treat a company as public for income tax purposes cannot be invoked unless the company would, as a consequence, be relieved from a liability for additional tax on undistributed income.

The proposed amendment will restore to the discretionary provision the scope it was intended by the legislature to have and will avoid anomalous and inappropriate consequences that would occur if the limitation imposed by the Court's decision were allowed to remain. In forming an opinion whether it would be reasonable to treat a company as public, the Commissioner will be able, as had been his practice until the adverse court decision, to reach his conclusion on the basis of factors relevant to the true character of a company. The Bill will also extend the withholding tax provisions of the income tax law to dividends and interest flowing from Australia to Papua New Guinea which have, up to now, been taxed on an assessment basis. The rate of withholding tax on interest will be 10 per cent. This is the withholding rate uniformly applied to interest paid to non-residents. The rate on dividends paid to residents of Papua New Guinea will be 15 per cent, the same rate as is imposed by Papua New Guinea on dividends flowing to Australia. The withholding tax will be payable on dividends and interest paid to residents of Papua New Guinea, including companies, after 25 October last. This income will no longer be included in assessable income and the rebate on inter-company dividends will no longer be available to Papua New Guinea companies. Papua New Guinea has withdrawn a corresponding rebate from Australian companies.

Provisions in the Income Tax Assessment Bill (No. 4) 1973 are designed to frustrate tax avoidance through the payment of dividends by Australian private companies to so-called repository companies owned by Australians but set up in Papua New Guinea. Further investigations have shown that repository companies in other countries, and especially in tax havens, would be used for the purpose of avoiding Australian tax if the new rules were applied only to Papua New Guinea. It is proposed, therefore, to extend the relevant provisions of the Assessment Bill (No. 4) to dividends paid to private companies in any country. Another non-budgetary measure contained in the Bill relates to the income tax rebate on expenditure to develop export markets. In accordance with the Treasurer's announcement of 10 September 1973, it is proposed that the rebate no longer be available for expenditure incurred after that date in the development of export markets for meat, unless incurred in pursuance of a pre-existing contract. With the present buoyant demand for meat there is, of course, no reason why the Australian taxpayer should continue to subsidise its export.

The last proposal concerns the application of the pay as you earn system to weekly payments of workers' compensation made to an employee who is away from work because of an injury or accident. Those payments form part of his income and are subject to tax but, unlike ordinary payments of salary or wages, are not subject to deduction of tax instalments unless the insurer paying the compensation agrees to an employee's request to make the deductions. This has produced situations in the past where employees have been faced with large income tax bills after lengthy periods on compensation. To avoid these situations both employer and employer bodies have asked that tax instalments be made deductible from workers' compensation payments in the same way as they are from salary and wages. The Bill contains provisions to give effect to these requests. The Bill will give effect to a considerable number of proposals. Its provisions are explained in detail in a memorandum being circulated to honourable senators and I do not need to say more about the provisions at this stage. I commend the Bill to the Senate.

Debate (on motion by Senator Cotton) adjourned.

INCOME TAX BILL 1973

Bill received from the House of Representatives.

Standing Orders suspended.

First Reading

Motion (by Senator Willesee) proposed:
That the Bill be now read a first time.

Senator WRIGHT (Tasmania) (12.47)—I wish to take the opportunity of this Income Tax Bill to raise a point which I have been raising repeatedly over recent weeks. I shall be very brief. It is a small matter but it is one which, in the interests of the persons concerned, I am in duty bound to press. I ask the Government for a decision urgently. It is the matter involving
revaluation compensation to a group of small tin miners in north eastern Tasmania. They are a group of small miners who have wages to pay at an increasing rate. They tell me that bulldozing and other costs have gone up so as to almost put them out of business. It is now many months since revaluation has imposed upon them a reduction in the price obtained for the small quantity of tin which they produce. I have brought this matter up now I think 3 times as questions. I understand that an officer of the Department of Mines and Energy has been to Hobart to check with the Mines Department there on prices and statistics of quantities produced. Those figures have been available in Canberra for some weeks. I raise this point with a request that the Minister responsible do everything possible to get a decision giving these people proper revaluation compensation for the price reduction which was enforced upon their produce by these decisions.

Senator WILLESEE (Western Australia—Minister for Foreign Affairs and Special Minister for State)—in reply—I just tell Senator Wright that I shall make a point of drawing the attention of the Minister for Minerals and Energy (Mr Connor) to his remarks.

Question resolved in the affirmative.

Bill read a first time.

Second Reading

Senator WILLESEE (Western Australia—Minister for Foreign Affairs and Special Minister of State) (12.49)—I move:

That the Bill be now read a second time.

I ask leave to incorporate the second reading speech in Hansard.

The PRESIDENT—Is leave granted? There being no objection leave is granted.

(The Speech read as follows)—

The purpose of this Bill is to declare the rates of income tax for the 1973-74 financial year. The rates for individual taxpayers are the same as those applied for the previous year. However, as explained in the speech on the Income Tax Assessment Bill (No. 5) 1973, some changes are proposed in the arrangements for the relief from taxation of aged persons with low or modest incomes. Briefly put, these arrangements are firstly that the age allowance is not to be re-enacted and secondly that a rebate of tax is to be allowed where a taxpayer's taxable income is $3,847 or less. The rebate is to be $156 less 25c for each $1 by which the person's taxable income is greater than $3,224. The rates of tax for companies proposed in the Bill will apply to income derived in the 1972-73 income years. The general rate of tax payable by public companies—47.5 per cent—remains unchanged as do the rates payable by co-operative companies, non-profit companies and friendly society dispensaries. There are, however, changes in the rates of tax payable on the income of private companies, on the mutual income of life assurance companies and on dividend income on non-resident companies.

As was said in the Budget Speech there is no reason why private companies and public companies should not pay tax at corresponding rates. Notions of capacity to pay based on level of income have a place in the personal income tax system, but not the company tax system. Private companies may be owned by taxpayers on very high incomes who can obtain a number of tax benefits by using the company form of operation. It is proposed, over a period of 2 years, to bring the private and public company rates into line. As a first step, private companies are to be taxed on income of the 1972-73 income year at the single rate of 45 per cent. Previously the rates were 37.5 per cent on the first $10,000 of taxable income and 42.5 per cent on the balance. It is notorious that this encouraged tax avoidance by company splitting.

It is also proposed to do away with the reduced rates of tax on the mutual income of life assurance companies, and on the first $10,000 of dividend income of non-resident public companies. Whatever justification there once may have been for these special rates has long since ceased to exist and it is proposed to tax these classes of income at the general public company rate of 47.5 per cent. In line with the proposed increase in the rates of tax payable by mutual life assurance companies the rate of tax payable on the investment incomes of 1973-74 of superannuation funds which do not invest sufficiently in public securities will be 47.5 per cent. In other respects the provisions of the Bill have the same effect as the corresponding provisions of the Income Tax Act 1972. Further explanations are contained in the explanatory memorandum that is being circulated. I commend the Bill to the Senate.

Debate (on motion by Senator Cotton) adjourned.

INCOME TAX (NON-RESIDENT DIVIDENDS AND INTEREST) BILL 1973

Bill received from the House of Representatives.
Standing Orders suspended.

First Reading
Motion (by Senator Willesee) proposed:
That the Bill be now read a first time.

Senator WRIGHT (Tasmania) (12.50)—I wish to take a brief opportunity on the first reading of this Bill to bring to Senator Wriedt's attention a matter that I have been pressing in his absence. I take this occasion because it is the first time that he has been able to appear in Parliament since his return. It refers to the apple export industry in southern Tasmania. I shall be very brief and not repeat what I said last week at greater length. It will be remembered that the Minister for Primary Industry (Senator Wriedt) has been purporting to justify—

Senator Devitt—He is not in the chamber.

Senator WRIGHT— I have no doubt that he will have ready audience of it. I want to bring it to his attention specifically as an urgent matter. The Minister has been attempting to justify a limitation of $1,500 which has been put upon each exporter's crop as the amount of compensation for revaluation. The Government has assessed the amount for each bushel at 30c and therefore quantifies the upper limit of 5,000 bushels as the only part of the crop for which revaluation compensation will be paid. That has been said to be based upon a policy of paying only those growers exporting apples who are in need of this compensation. I have pointed out the fallacy of that. The payment is payable to a man who exports 5,000 cases even though he has property worth $1m; that was conceded in the Estimates Committee debate on this subject.

It is only a question of whence the Government has taken the false idea that anything over 5,000 cases of apples puts one beyond the category of need. But the same amount of revaluation compensation is payable to an exporter of 5,000 cases as is payable to an exporter of 50,000 cases of apples who owns, say, $1m of assets. So, too, if the exporter of 5,000 cases is engaged in another industry, say, the dairy industry from which he is making an ample income, say, $10,000 or $20,000 net, he is restricted to a revaluation compensation for only 5,000 cases. Consider the case of the man who deals not only in apples but also in beef. A similar situation applies there where the income from the other industry may be much more ample than any income he will get from that part of his apples in excess of 5,000 bushels. I have cited these 3 instances to point out very briefly the fallacy. They expose the error completely. People who have income or capital which puts them outside the category of need are entitled, under the Government's formula, to the same revaluation compensation as the grower whose only income is from a crop of 5,000 cases of apples in respect of which he received compensation of $1,500.

My citing of those 3 instances ought to convince the Government immediately that it has adopted the wrong criterion for paying this compensation and that the only permissible, justifiable or excusable basis for the payment of compensation on an exportable crop is so much per case. I point out the ridiculousness of the partnership formula that the Government issued last week. It relaxes the situation if there is a partnership for the export of a crop of 15,000 cases so that each partner can receive the upper limit of $1,500. The single exporter who grows 15,000 cases may not have 2 partners but he has 2 employees, and their wages must be met out of the price received for the crop. That shows that the only possible basis of equity on which to pay this revaluation compensation is so much per case, being equivalent to the reduction which has been forced upon the grower in respect of the English price that he would have received if there had not been a revaluation.

I intentionally am brief upon this matter because, as I have taken a series of occasions to put it before the Government, I do not wish to be tedious. But I wish to make it quite clear that I want to give the Government, in particular Senator Wriedt as soon after his return as possible, ample opportunity to consider the matter before the appropriate items in the Appropriation Bill come up, when the matter must come up for decision. In my submission, the reasons which I have given afford incontrovertible evidence as to why the formula should be varied. I ask the Government to base its compensation upon a proper formula, as I have requested.

Senator LAWRIE (Queensland) (12.58)—Mr Acting Deputy President, I seek clarification as to the Bill with which we are dealing.

The ACTING DEPUTY PRESIDENT (Senator Wood)—This is the first reading of the Income Tax (Non-resident Dividends and Interest) Bill.

Senator LAWRIE—We have been given material for 3 Bills introduced by Senator Willesee. They are the Income Tax Assessment Bill (No. 4), the Income Tax Assessment Bill (No. 5) and the Income Tax Bill. We have not been given material for the Income Tax (Non-resident Dividends and Interest) Bill. There is some confusion. Mr Acting Deputy President, I
suggest that you look at the matter during the suspension of the sitting and have the proper material distributed.

The ACTING DEPUTY PRESIDENT—The point is that we have reached only the first reading stage of the Bill. The material will be distributed at the second reading stage. You are a bit quick.

Senator WILLESEE (Western Australia—Special Minister of State and Minister for Foreign Affairs) (12.59)—in reply—I promise Senator Wright that, if Senator Wriedt is not aware of the matter which was raised, it certainly will be brought to his attention.

Question resolved in the affirmative.

Bill read a first time.

Second Reading

Senator WILLESEE (Western Australia—Special Minister of State and Minister for Foreign Affairs) (1.0)—I move:

That the Bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

The ACTING DEPUTY PRESIDENT—Is leave granted? There being no objection, leave is granted.

(The speech read as follows)—

The purpose of this Bill is to amend the Income Tax (Non-resident Dividends and Interest) Act 1967, which declares the rates at which withholding tax is payable on dividends and interest paid from Australia to residents of other countries. The Income Tax Assessment Bill (No. 5) 1973 proposes that the withholding tax provisions of the Income Tax Assessment Act be extended to dividends and interest paid from Australia to residents of Papua New Guinea. The rate on dividends is to be 15 per cent and on interest 10 per cent. In the absence of the amendment proposed by this Bill the rate on dividends would be 30 per cent, the rate generally applicable to countries with which we do not have a double taxation agreement. This Bill will charge withholding tax on dividends at the same rate as Papua New Guinea, that is, 15 per cent. Further explanations on the clauses of the Bill are given in a memorandum which is being circulated for the information of honourable senators. I commend the Bill to the Senate.

Debate (on motion by Senator Cotton) adjourned.
Board, Prahran College of Technology and the Emily McPherson College respectively. The other previously listed projects which are specified are those from which the funds are to be withdrawn or other projects which were the subject of funds transfers within the triennium. I would mention for the benefit of honourable senators that, under the terms of the Act, any grant made by the Australian Government in respect of a project listed in the Second Schedule, but not completed by 31 December 1972, is a grant made conditionally upon the State concerned having advanced its share of the cost of that project before the end of the triennium. I commend the Bill to the Senate.

Debate (on motion by Senator Rae) adjourned.

STATES GRANTS (ADVANCED EDUCATION) BILL (No. 3) 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Douglas McClelland) read a first time.

Second Reading

Senator DOUGLAS McCLELLAND (New South Wales—Minister for the Media) (2.2)—I move:

That the Bill be now read a second time.

Again, I seek leave to have incorporated in Hansard the second reading speech.

The PRESIDENT—Is leave granted? There being no objection, leave is granted.

(The speech read as follows)—

The purpose of this Bill is to amend the States Grants (Advanced Education) Act 1972-1973—which deals with the 1973-75 triennium—so as to extend its terms to the provision of financial assistance for all State teachers colleges, and for pre-school teachers colleges, as from 1 July 1973. The Bill also makes provision for special grants in respect of the acquisition of library material, the employment of library staff, the conduct of special education courses, and the allocation of a further special grant of $425,000 to fund in 1973-75 the increased enrolments of pre-school teacher trainees.

In the view of the Government, the high quality and professional skill of the teacher are crucial to the process of education. The Bill now before the Senate demonstrates, in a practical manner, the Australian Government’s concern for enhancing the quality of teacher education for teachers in all Australian schools. Honourable senators will be aware that the Bill has its origin in the recommendations of the Report on Teacher Education prepared by the Australian Commission on Advanced Education. The Commission’s inquiry commenced in October 1972. On assuming office the present Government wished the inquiry to proceed to finality in the belief that it represented a belated recognition by the Commonwealth of the importance of the contribution made by teachers colleges. The Government considered that the scheme for Commonwealth assistance of teachers colleges in the past was little more than a token gesture and believed that it had an obligation to ensure that adequate funds were available to these institutions to meet the costs of their capital development and their recurrent needs.

The Government accepted the Commission’s recommendations in entirety including the recommendations for special grants for the particularly worthy purposes of accelerating the development of teachers college libraries, of fostering research into aspects of teacher education, of increasing the numbers of students undertaking courses to prepare teachers for handicapped children, and, of extending teacher education facilities in existing colleges of advanced education. Moreover, the Government decided to amplify the Commission’s recommendations.

The Report called for a program of $210m for the development of teacher education in the former State teachers colleges, the pre-school teachers colleges and in existing colleges of advanced education during the period July 1973 to December 1975; of this amount the Australian Government contribution under the existing system of matching State-Federal grants would have been $86m. However, following the offer by the Australian Government to the States to finance tertiary education completely from January 1974, our contribution will become one of $188m. Further, by applying to teachers colleges the same arrangements as will apply to universities and colleges of advanced education, the teachers colleges will be brought fully within the community of tertiary institutions.

The Bill before the Senate, in providing for the Government’s decisions, integrates the teachers colleges completely within the framework of the advanced education legislation. I would draw to the attention of honourable senators, the fact that the Bill has been prepared on the basis of existing financial arrangements. Later in the sittings a further Bill will be introduced to provide for the new financial arrangements proposed for implementation from January next.
The $10.29m set down in the Report for pre-school teachers colleges was on the basis that these institutions become self-governing under the general supervision of appropriate coordinating bodies in the States; however, the Government will make available its share of the recommended grants without this qualification. If the Parliament enacts later in this Session the legislation to which I have just referred, the Australian Government will meet $9.17m of this cost.

Earlier this year the Government allocated $100,000 to increase the number of pre-school teachers in training; this grant will meet the cost of the additional trainees from January to July 1973. In conjunction with its decisions on the Commission’s Report the Government agreed to provide a further $425,000 to meet the continuing cost of these additional pre-school teachers in training until December 1975.

Subsequent to the teacher education report the Minister for Education (Mr Beazley) has, at the request of State authorities, agreed to certain revisions to the building and other projects to be supported at Goulburn Teachers College in New South Wales and Secondary Teachers College in Western Australia and the changes are incorporated in the Bill. Further consideration is being given to projects proposed for Sydney Teachers College.

The revised Schedules in the Bill incorporate certain variations to the program for the previously listed colleges of advanced education. These variations have been requested by the States. They involve the transfer of funds rather than additional grants, and they have been approved by the Minister for Education or the Commission under the appropriate sections of the Act. The colleges concerned are—in the First Schedule: Caulfield, Footscray, Gordon, Preston and Royal Melbourne Institutes of Technology; Gippsland and Warrnambool Institutes of Advanced Education; and the Victorian College of Pharmacy; and—in the Second Schedule: Mitchell College of Advanced Education, The New South Wales College of Paramedical Studies, Footscray and Gordon Institutes of Technology, Gippsland and Warrnambool Institutes of Advanced Education, Victorian College of Pharmacy and, Torrens College of Advanced Education.

In commending this Bill to honourable senators I would advise them of 2 other developments in teacher education likely to lead to other measures that will be presented for their consideration in due course. First, consequent upon the Commission’s Report on Teacher Education and the Report of the Interim Committee for the Australian Schools Commission the Minister for Education has written to the Chairman of the Australian Commission on Advanced Education and the Australian Universities Commission asking them to report on the grants that should be made to ensure that adequate provision is made for the training of handicapped children. Second, honourable senators are aware that the Commission’s Report on Teacher Education was limited to a consideration of the needs of the former State teachers colleges and pre-school teachers colleges. As teachers colleges are now becoming autonomous the desirability of a diversity of basic approach to education makes it opportune to consider the value of private teachers colleges. Pre-school teachers colleges are private institutions in many cases. The Australian Government’s policy of full financial support for tertiary education makes the support of private teachers colleges a logical step. I commend the Bill to the Senate.

Debate (on motion by Senator Rae) adjourned.

STATES GRANTS (ADVANCED EDUCATION) BILL (No. 4) 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Douglas McClelland) read a first time.

Second Reading

Senator DOUGLAS McCLELLAND (New South Wales—Minister for the Media) (2.5)—I move:

That the Bill be now read a second time.

Mr President, I seek leave to have my second reading speech incorporated in Hansard.

The PRESIDENT—Is leave granted? There being no objection, leave is granted.

(The speech read as follows)—

The main purpose of the Bill before the Senate is to amend the States Grants (Advanced Education) Act 1972-73 to enable the Australian Government to assume full financial responsibility for advanced education from 1 January 1974. This is part of the Government’s intention to assume financial responsibility for all tertiary education. The States Grants (Universities) Bill (No. 3) 1973 was introduced into the Senate recently to implement this policy with regard to university education. The assumption of full
financial responsibility for tertiary education includes the abolition of tuition fees at all tertiary institutions including colleges of advanced education. Already this year, grants have been made for financial assistance to students in need at colleges of advanced education and universities, and this legislation will enable the Government to step closer to its goal of promoting equality of educational opportunity for students intending to undergo tertiary education.

The Premiers of all the States have agreed to the major policy change which is incorporated in this Bill. In addition, the Bill provides for a number of other matters which are being implemented as a result of Government decisions. There is provision for supplementary grants to colleges to meet the increased costs of academic salaries resulting from the acceptance by the Government of the recommendations of the report by Mr Justice Campbell, and to meet the cost of increased salaries and wages to college staff following the national wage case decision of May 1973. The Bill enables payment of grants in respect of full-time university students who are resident in a hall of residence at a college of advanced education. In accordance with the Government's plans the Bill provides for grants for special courses in dental therapy, social work and physical education at various colleges of advanced education.

The main amendments to the Act have been to sections 5 and 6, dealing with recurrent and capital expenditure. It is no longer necessary to include provision for State contributions for 1974 and 1975 in section 5. Under section 6 of the principal Act capital projects in colleges are funded in equal proportions by the States and the Australian Government over the whole triennium. Under the new matching arrangements the States have agreed to provide one third of their share of capital expenditure for the 1973-75 triennium. Under section 8 of the principal Act colleges are provided with per capita grants for college students living in, collegiate accommodation. This amendment provides for the allowance to be paid in respect of university students living in college of advanced education residences; an amendment has been included in the recently introduced States Grants (Universities) Bill to provide for advanced education students in university residences.

With the acceptance by the Australian Government of the full responsibility for funding tertiary education from 1 January 1974 the entire cost of construction of a student residence in a country area may be borne by this Government, and in the case of affiliated colleges this Government will now meet 75 per cent of the cost of construction leaving as before, only 25 per cent to be found by the college authority. In addition, where the building of student residences may be funded in part by a repayable loan, this Government is prepared to contribute $2,500 in respect of each place provided so that students may have the benefit of a good standard of accommodation at a reasonable weekly rental.

In accordance with the Government's decisions other grants have been provided. Honourable senators will recall that early in the life of this Government substantial assistance was provided for the extension of training facilities for dental therapists. In some States, the new training schemes are being conducted by the Department of Health. In Western Australia, however, the Western Australian Institute of Technology accepted additional students into its dental therapy course from the beginning of 1973, and provision has been made for $248,000 to be paid for their training. The Government has also agreed to provide $800,000 for courses in social work and physical education at the Institutes of Technology at Preston and Footscray in Victoria.

Apart from providing for Government initiatives in the fields of social work, physical education and dental therapy the basic programs recommended by the Australian Commission on Advanced Education in its third report and the teacher education report remain unchanged. The additional cost to the Australian Government for the 1973-75 triennium resulting from salary increases in the colleges and the assumption of full financial responsibility for the colleges, including the abolition of tuition fees, will be approximately $328m. I commend the Bill to the Senate.

Debate (on motion by Senator Rae) adjourned.

STATES GRANTS (UNIVERSITIES) BILL (No. 3) 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Douglas McClelland) read a first time.

Second Reading

Senator DOUGLAS McCLELLAND (New South Wales—Minister for the Media) (2.7)—I move:

That the Bill be now read a second time.
Mr President, I seek leave to have my second reading speech incorporated in Hansard.

The PRESIDENT—Is leave granted? There being no objection, leave is granted.

(The speech read as follows)—

On 23 August 1973 my colleague the Honourable Kim E. Beazley made a statement to the House of Representatives on Government initiatives in education. At that time he indicated that the Australian Government would assume full financial responsibility for tertiary education from January 1974, and also tuition fees at universities, colleges of advanced education, teachers colleges and technical colleges. The purpose of this legislation is to implement that policy with regard to university education.

In addition, provision is made in the Bill for a number of other matters which are being implemented as a result of Government decisions. In accordance with established practice, provision of supplementary grants to universities is included to meet the costs of academic salary increases from 1 January 1973 as a consequence of recommendations made by Mr Justice Campbell and to allow for salary increases due to the national wage case decision in May 1973. As indicated by my colleague, the Treasurer (Mr Crean), in the Budget Speech, the Australian Government has decided to establish a National School of Management Education at the University of New South Wales, and provision is made for recurrent and building grants. An extension of grants to two more universities to increase the numbers of qualified social workers in the community, which has been announced as Government policy, is included. This is in addition to grants provided in legislation already passed by the Parliament for the University of Sydney and the University of Melbourne. The Premiers of all the States have agreed to the major policy change which is incorporated in this Bill and have been informed of details of additional grants.

Turning to the Bill itself, I should point out that its primary purpose is to amend the existing States Grants (Universities) Act 1972-1973 to remove the need for State Government matching contributions of finance to universities in 1974 and 1975. Section 4 provides, amongst other things, for the abolition of tuition fees. Section 5 outlines new approved rates of remuneration for academic staff. In section 6 of the Bill provision is made, amongst other things, for a capital grant of up to $1.8m to erect buildings to house a National School of Management Education. Recurrent expenditure for this project is provided in the First Schedule to the Bill.

In accordance with this Government’s desire to increase the output of graduate social workers, additional grants to the University of Queensland and Monash University are included at section 15. Apart from the amounts for social work $125,000 and Management Education approximately $2.3m, the additional funds available to the universities $76m are entirely accounted for by salary increases and do not represent an expansion in the universities’ programs of real expenditure. The basic programs as recommended by the Australian Universities Commission in its fifth report of 1972 are unchanged. The assumption of full financial responsibility and the abolition of fees from 1 January 1974 will involve the Australian Government in additional expenditure of $447m for the years 1974 and 1975. I commend the Bill to the Senate.

Debate (on motion by Senator Rae) adjourned.

COMMISSION ON ADVANCED EDUCATION BILL 1973

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator Douglas McClelland) read a first time.

Second Reading

Senator DOUGLAS McCLELLAND (New South Wales—Minister for the Media) (2.9)—I move:

That the Bill be now read a second time.

Mr President, I seek leave to have my second reading speech incorporated in Hansard.

The PRESIDENT—Is leave granted? There being no objection, leave is granted.

(The speech read as follows)—

The purpose of the Bill now before the Senate is to provide for a full-time Deputy Chairman of the Commission on Advanced Education. The Commission was established in 1971 with a full-time Chairman and nine part-time members. The operations of the Commission have increased since 1971 both in volume and complexity. The number of colleges has increased from 48 in 1971 to 83 in 1973, including 39 former teachers colleges. Student enrolments in the colleges have increased from 45,000 in 1971 to 95,000 in 1973. This growth in the colleges of advanced education has substantially increased
the demands made upon the Commission, for all institutions look to it for help and guidance with developmental problems.

A close liaison must be kept with the colleges to maintain the effective work at present being done by the Commission. It is essential in the interests of ensuring the proper development of institutions that regular personal contact be made with State co-ordinating authorities, members of college councils and college staff. Visits to institutions do much to facilitate the Commission's work and are necessary if the Commission is to provide objective advice to this Government on the development of advanced education.

Initiatives of this Government in the fields of health, education and welfare are making heavy demands on the Commission which is actively involved both in the formulation of policy concerning the education of professionals in the areas mentioned, and in the implementation of other decisions and initiatives supported by the Government in respect of the colleges of advanced education. As will recalled, new arrangements will apply to the funding of advanced education from 1 January 1974, and will provide not only for the assumption by the Australian Government of the existing financial commitment of States in respect of approved programs but also will include some innovation in the method of financing which will make allowance for cost rises during a triennium.

The Government recently reviewed the demands upon the Commission and has decided to appoint a Deputy Chairman as an additional full-time member. The Deputy Chairman will assist the Chairman in his program of discussions with State Government bodies and colleges and may co-ordinate a defined area of the Commission's activities. In so doing he will enable the Chairman to devote more time to other areas of policy in the field of advanced education. A full-time Deputy Chairman was appointed to the Australian Universities Commission in 1971 for essentially similar reasons. Provision has been made in the Bill for the Deputy Chairman to chair meetings when necessary, and to act as Chairman, if appropriate, in the Chairman's absence. This will ensure the continuing flow of the work of the Commission at all times. As is the case with the term of appointment of the Chairman, it is envisaged that the Deputy Chairman will be appointed for a term not exceeding 7 years.

The opportunity has also been taken, at this time, to make other minor amendments to the Act. The word 'Australian' is to be removed from the title of the Commission, in line with Government policy, and account has been taken of the inclusion of the remuneration and allowance of statutory officers in the Remuneration and Allowances Act 1973. I commend the Bill to the Senate.

Senator Rae—I simply wish to indicate to the Minister for the Media (Senator Douglas McClelland) that if he wishes to deal with this Bill right now, I think that the Opposition would have no objection. Otherwise, it can be dealt with tomorrow or whenever it comes on for debate in due course.

Senator DOUGLAS McCLELLAND—The Bills all deal with educational matters. I suggest that they be dealt with at the one time.

Debate (on motion by Senator Rae) adjourned.

HIGH COMMISSIONER (UNITED KINGDOM) ACT REPEAL BILL 1973

Message received from the House of Representatives intimating that it had agreed to the Bill without Amendment.

SEAS AND SUBMERGED LANDS BILL 1973 (No. 2)

Second Reading

Debate resumed from 13 November (vide page 1743), on motion by Senator Wriedt:
That the Bill be now read a second time.

Senator KEEFFE (Queensland) (2.11)—Unfortunately there has been a bits and pieces debate on this Bill which has been adjourned on two or three separate occasions. When I was speaking last I pointed out the foolish situation that this country would be placed in if it went to the International Law of the Sea Convention next year as one of the two or three countries throughout the world that is not able to say: 'Yes, we have passed our legislation and we have laws dealing with the sea and the earth under it'. This conference, incidentally, was to be held this year but it was postponed until 1974. Consequently it is unlikely that the conference will be postponed again.

On the first occasion I spoke I pointed out some changes in the Opposition's thinking and quoted a reference to indicate that quite a number of people on the Opposition side of the Parliament believe in legislation that we have placed before the Senate almost in toto. On numerous occasions in the past we have discussed in this House and in the other place the Great Barrier Reef and the Gulf of Carpentaria. I
remember one memorable debate which took place in this chamber as the basis of a matter of urgency that the Gulf of Carpentaria ought to be declared Australian waters. Similiar references have been made on numerous occasions to the waters surrounding the Great Barrier Reef. In fact, a whole chapter in a publication which I have is devoted to the preservation of the Great Barrier Reef. But we are in the unhappy position where we have no control over these waters or the resources beneath the waters. Foreign vessels are able to come almost at will into areas of the Reef. Not only do they take away commercial quantities of fish but they destroy many of the clams and other shellfish in the general area.

I am fortified in my remarks by some of the statements that were made in 1972 at the United Nations Conference on the Human Environment and also at a parliamentary conference that took place a few weeks later. At a meeting in Stockholm from 6 to 15 June 1972 the United Nations Conference on the Human Environment carried the following resolutions:

Having considered the need for a common outlook and for common principles to inspire and guide the peoples of the world in the preservation and enhancement of the human environment,

PROCLAIMS

1. Man is both creature and moulder of his environment which gives him physical sustenance and affords him the opportunity for intellectual, moral, social and spiritual growth. In the long and tortuous evolution of the human race on this planet a stage has been reached when through the rapid acceleration of science and technology, man has acquired the power to transform his environment in countless ways and on an unprecedented scale. Both aspects of man's environment, the natural and the man-made, are essential to the well-being and to the enjoyment of basic human rights—even the right to life itself.

2. The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world; it is the urgent desire of the peoples of the whole world and the duty of all governments.

I want to lay emphasis on that last sentence. When the International Law of the Sea Convention is being held Australia ought to be in a position fortified by legislation at home in which it can adopt positive principles and give support to other nations that have carried similar legislation, in some cases many years ago. The third proclamation of the United Nations Conference on the Human Environment states:

Man has constantly to sum up experience and go on discovering, inventing, creating and advancing. In our time man's capability to transform his surroundings, if used wisely, can bring to all peoples the benefits of development and the opportunity to enhance the quality of life. Wrongly or heedlessly applied, the same power can do incalculable harm to human beings and the human environment. We see around us growing evidence of man-made harm in many regions of the earth:

dangerous levels of pollution in water, air, earth and living beings; major and undesirable disturbances to the ecological balance of the biosphere; destruction and depletion of irreplaceable resources; and gross deficiencies harmful to the physical, mental and social health of man, in the man-made environment; particularly in the living and working environment.

To add a little emphasis to the points I have made, and following on the terms of the proclamation, I point out that around this country there are areas where the sea is being constantly polluted and the Australian Government has little control over what goes into it. Largely this is a State responsibility, but unfortunately not all States are mindful of the great moral and legal responsibility placed upon them to protect this part of man's environment. There are 4 other paragraphs included in the statement from the United Nations conference, and for the sake of posterity I should like to have them incorporated in Hansard. I seek leave to do so.

The PRESIDENT—Is leave granted?

Senator Greenwood—I ask for an opportunity to examine them, although I am sure no opposition will be expressed.

Senator KEEFFE—If that is the way the honourable senator feels about it, I propose to read them into the record.

The PRESIDENT—Order! I think we can get away from that. My rulings on this matter are that there should be a reasonable opportunity for honourable senators to examine matters that are proposed to be incorporated in Hansard. In obedience to the rulings that I have laid down, Senator Greenwood has merely asked for an opportunity to have a look at the paragraphs. I think the Senate would be best served by solving this problem. Senator Keeffe, will you let me have a look at them?

Senator KEEFFE—Mr President, I am prepared to let you have a look at them. I will make them available so that you can examine them now. They are paragraphs 4, 5, 6 and 7 of the proclamation by the United Nations Conference on the Human Environment. They set out a series of proclamations that were issued at the time.

The PRESIDENT—Continue with your speech.

Senator KEEFFE—They ought to be placed on the permanent record of this Parliament as an indication of the belief of people at that conference who adopted a forward looking view towards the protection of the environment generally. I feel that much of it is relevant to the Bill under discussion.
So that Senator Greenwood will not be under any misapprehensions, I shall read each of the 4 or 5 brief paragraphs of this next quotation. They are recommendations that came from the second environmental conference, at which I had the honour to represent this country in company with a member of the present Opposition. Recommendation 132, is that we should:


This was the important conference to which I referred a moment ago. The recommendation states:

In order to safeguard the marine environment and its resources through the development of effective and workable principles and laws, the information and insight of international and regional fishery bodies, as well as the national fishery agencies are essential.

A further recommendation is that we should:

Ensure international co-operation in the research, control and regulation of the side effects of national activities in resource utilisation where these affect the resources of other nations.

As the law now stands, it is not possible for the Australian Government either to co-operate with our neighbours or to point to laws that we already have. The recommendation goes on to state:

Estuaries, inter-tidal marshes, and other near-shore and inshore environments play a crucial role in the maintenance of several marine fish stocks. Similar problems exist in those freshwater fisheries that occur in shared waters.

Whilst that latter sentence is not relevant to Australia it is to other countries. But it is because those countries have a law of the sea that they are able properly to administer control under such legislation. The recommendation continues:

Discharge of toxic chemicals, heavy metals, and other wastes may effect even high seas resources.

Certain exotic species, notably the carp, lamprey, alewife, have invaded international waters with deleterious effects as a result of unregulated unilateral action.

This is another area. Apart from the emphasis placed on minerals and other matters by my colleague, Senator Cant, when he spoke in this debate, there are so many other areas which cannot be controlled or properly administered unless there is a relevant law. The recommendation continues:

Further develop and strengthen facilities for collecting, analysing and disseminating data on living aquatic resources and the environment in which they live.

Data already exist concerning the total harvest from the oceans and of certain regions in respect of individual fish stocks, their quantity, the fishing efforts expended on them, and of their population structure, distribution and changes. This coverage needs to be improved and extended.

Whilst it is true to a limited degree in this country, in my own State of Queensland—and I feel I cannot be contradicted here—there has never been a comprehensive survey of the resources of the sea around the coast. There has been a limited survey made around the Gulf of Carpentaria. The recommendation continues:

It is clear that a much greater range of biological parameters must be monitored and analysed in order to provide an adequate basis for evaluating the interaction of stocks and managing the combined resources of many stocks. There is no institutional constraint on this expansion but a substantial increase in funding is needed by FAO and other international organisations concerned to meet the needs of this expanding need for data.

Full utilisation of present and expanded data facilities is dependent on co-operation of governments in developing local and regional data networks, making existing data available to FAO and to the international bodies and formalising the links between national and international agencies responsible for monitoring and evaluating fishery resources.

Apart from one more quotation I propose to wind up my remarks. Recommendation 135 requires that we—

Ensure full co-operation among governments by strengthening the existing international and regional machinery for development and management of fisheries and their related environmental aspects, and in those regions where these do not exist, encourage the establishment of fishery councils and commissions as appropriated.

The operational efficiency of these bodies will largely depend on the ability of the participating countries to carry out their share of the activities and programs.

Technical support and servicing from the specialised agencies, in particular from FAO, is also required.

The assistance of bilateral and international funding agencies will be needed to ensure the full participation of the developing countries in these activities.

I submit that the argument in favour of this legislation is such that it would be damaging to this country if we were not allowed to pass through this House. We will be in an embarrassing situation in 1974 if the delegates representing Australia have to go to the International Conference and say: 'I am terribly sorry but after 74 years of Federation we have not been able to get such legislation through our 2 Houses of Parliament'. We ought to be in the happy situation where we can give a lead to that limited number of countries which do not currently have this law. We can reach agreement with Indonesia. We have been able to make satisfactory progress with other countries surrounding Australia in other areas. Why can we not do so with respect to the law of the sea? I commend to honourable senators many of the statements made when the Senate Select Committee was investigating the off-shore petroleum resources of Australia. As one of my colleagues mentioned earlier, the mass of data that has been accumulated in this report ought to be a guide to governments in this country for
many years to come. I know that it is a substantial guide to the Government of which I am happy to be a member and that the minority report which we felt impelled to compile at the time is, today, largely legislation. I suggest in all sincerity that if this country is to hold up its head among the nations of the world we ought to pass this legislation without any amendment.

The PRESIDENT—Senator Keeffe, I am now back to this matter which you raised earlier about leave to incorporate a document in Hansard. I have explained the problem of incorporating material. It takes only one voice to refuse leave. The senator who has been refused leave has the right to dictate into the record what he seeks leave to incorporate. I suggest that in the comity of Senate life perhaps you would be agreeable to let Senator Greenwood have a look at the document before he says yes or no. Nobody loses any skin off his nose on that basis.

Senator KEEFFE—Over a period we have established principles here when we seek leave to have a written document incorporated. Mr President, I think if my memory is consistent with your thinking you asked to look at the document to see whether it could be incorporated. No honourable senator on my side of the chamber has ever demanded that a document be passed over for personal inspection before it is incorporated. I do not think that ought to apply on this occasion.

The PRESIDENT—My inspection of the document relates only to matters which lie within the province of the Presiding Officer and that is whether it is technically possible to reproduce the document in Hansard or whether it contains matters which, in the opinion of the President, should not be incorporated in Hansard for a variety of reasons which, Senator Keeffe, you will probably recall. On the surface it seems to me that this is a reasonable document. But if the honourable senator who is leading for the Opposition in this debate wishes to look at the document before he gives leave, I think that is a reasonable request. Perhaps you should permit him to see it.

Senator O'Byrne—I raise a point of order. I believe that a very important principle is involved in this matter. When an honourable senator asks leave to incorporate a document in Hansard he has under consideration the time element. The fact is that the record will be available for honourable senators to read subsequently and, for that purpose, he seeks leave. But when an honourable senator is on his feet he should really know where he stands—whether he should read the details of the document into the record, which he is quite entitled to do within his time limit or whether he should obtain leave of the Senate to incorporate it. We are creating a precedent here where an honourable senator agrees to have a document perused by you and then he runs the risk that leave may not be given and his time for speaking has finished. He has to get leave of the Senate afterwards when the document is not permitted to be incorporated because he loses his opportunity of reading it out, having completed his speech. I would like this matter to be made quite clear and I would like your ruling on it.

Senator GREENWOOD—Every honourable senator has a right, by his voice, to refuse leave for a document to be incorporated in Hansard. In this chamber over the years we have developed a practice that rather than refusal being expressed an opportunity be given to the other side to see the document in advance. When a request was made for leave to be granted for the document to be incorporated I merely expressed a wish to have a look at it without refusing leave. This is the practice which has developed. It is perfectly reasonable. But if Senator Keeffe chooses not to let me have a look at it I will quite readily refuse him leave.

Senator KEEFFE—I regret that this state of affairs has developed. Mr President, will you return the document to me please, and I shall read it into the record?

The PRESIDENT—All right. I return the document to you, Senator, and you may now read the document into the record. You have concluded your speech, you will now read the document.

Senator KEEFFE—I do not know what the Hansard procedure will be but I hope that continuity can be preserved.

The PRESIDENT—That will be arranged.

Senator KEEFFE—I say that because I read and commented on the first 3 paragraphs of the proclamation and I indicated that there were another 4 paragraphs which I felt ought to go into the permanent record for posterity. I proceed now to read the document as a whole including the 3 paragraphs I read previously:

The United Nations Conference on the Human Environment,

Having met at Stockholm from 5 to 16 June 1972, and

Having considered the need for a common outlook and for common principles to inspire and guide the peoples of the world in the preservation and enhancement of the human environment,

PROCLAIMS
1. Man is both creature and moulder of his environment which gives him physical sustenance and affords him the opportunity for intellectual, moral, social and spiritual growth. In the long and tortuous evolution of the human race on this planet a stage has been reached when through the rapid acceleration of scientific and technological man has acquired the power to transform his environment in countless ways and on an unprecedented scale. Both aspects of man’s environment, the natural and the man-made, are essential to his well-being and to the enjoyment of basic human rights—even the right to life itself.

2. The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world; it is the urgent desire of the peoples of the whole world and the duty of all governments.

3. Man has constantly to sum up experience and go on discovering, inventing, creating and advancing. In our time man’s capability to transform his surroundings, if used wisely, can bring to all peoples the benefits of development and the opportunity to enhance the quality of life. Wrongly or heedlessly applied, the same power can do incalculable harm to human beings and the human environment. We see around us growing evidence of man-made harm in many regions of the earth: environmental deterioration, pollution in water, air, earth and living beings; major and undesirable disturbances to the ecological balance of the biosphere; destruction and deploration of irreplaceable resources; and gross deficiencies harmful to the physical, mental and social health of man, in the man-made environment; particularly in the living and working environment.

4. In the developing countries most of the environmental prerequisites to under-development. Millions continue to live far below the minimum levels required for a decent human existence, deprived of adequate food and clothing, shelter and education, health and sanitation. Therefore, the developing countries must direct their efforts to development, bearing in mind their priorities and the need to safeguard and improve the environment. For the same purpose, the industrialized countries should make efforts to reduce the gap between themselves and the developing countries. In the industrialized countries, environmental problems are generally related to industrialization and technological development.

5. The natural growth of population continuously presents problems on the preservation of the environment, but with the adoption of appropriate policies and measures these problems can be solved. Of all things in the world, people are the most precious. It is the people that propel society to progress, create social wealth, develop science and technology and through their hard work, continuously transform the human environment. Along with social progress and the advance of production, science and technology the capability of man to improve the environment increases with each passing day.

6. A point has been reached in history when we must shape our actions throughout the world with a more prudent care for their environmental consequences. Through ignorance or indifference we can do massive and irreversible harm to the earthly environment on which our life and well-being depend. Conversely, through fuller knowledge and wiser action, we can achieve for ourselves and our posterity a better life in an environment more in keeping with human needs and hopes. There are broad vistas for the enhancement of environmental quality, the creation of a good life. What is needed is the enthusiastic but calm state of mind and intense but orderly work. For the purpose of attaining freedom in the world of nature, man must use knowledge to build in collaboration with nature a better environment. To defend and improve the human environment for present and future generations has become an imperative goal for mankind—a goal to be pursued together with, and in harmony with, the established and fundamental goals of peace and of world-wide economic and social development.

7. To achieve this environmental goal will demand the acceptance of responsibility by citizens and communities and by enterprises and institutions at every level, all sharing equitably in common efforts. Individuals in all walks of life as well as organizations in many fields, by their values and the sum of their actions, will shape the world environment of the future. Local and national governments will bear the greatest burden for large-scale environmental policy and action within their jurisdictions. International co-operation is also needed in order to raise resources to support the developing countries in carrying out their responsibilities in this field. A growing class of environmental problems, because they are regional or global in extent or because they affect the common international realm, will require extensive co-operation among nations and action by international organizations in the common interest. The Conference calls upon the Governments and peoples to exert common efforts for the preservation and improvement of the human environment, for the benefit of all the people and for their posterity.


Senator DURACK (Western Australia) (2.35)—These Bills, rather curiously, appear twice on the notice paper. Some comment on this fact has already been made by the Deputy Leader of the Opposition, Senator Greenwood. I simply refer to that fact and state that I spoke in the Senate previously this year when the earlier Bills were debated. The consideration of those Bills was adjourned on 30 May of this year. At that time the reasons which I and others of my colleagues had for moving the adjournment of the second reading debate were that we felt it highly desirable—indeed necessary—that a proper opportunity be given to the Australian Government and the State governments to confer or to consult each other with regard to these Bills in an endeavour to arrive at a co-operative solution to this problem.

It is apparent now—I suppose it was apparent then—that the present Australian Labor Party Government has no intention, and never had any intention, of conferring with the States in an endeavour to reach any co-operative arrangement with them in this matter. Therefore, the hopes which we in this chamber may have had that use would be made of the time that was extended to the Government to discuss these matters with the States have been frustrated. We are now faced with the consideration of 2 new Bills which are identical in every form with the Bills which we had before us on 30 May last. For reasons best known to the Government, they have been introduced. They duplicate the ones which we had before us in the autumn session. The question which the Senate now has to decide is whether it will give a second reading to the new Bills. Obviously the hopes which we
expressed to the Government that it might consult the States and come to some co-operative arrangement will not be realised. We now have to decide whether we support or oppose the Bills.

In the course of my remarks in the Senate on 30 May I emphasised the policy of the Liberal Party which has been maintained for several years and to which I fully subscribe, namely, that this question is so vital to the maintenance of our federal structure of government and so vital to the State parliaments and the State governments that it presents a question which should not be solved solely by the Australian Parliament or solely by the High Court of Australia. I believe that it is something which much be resolved by a co-operative arrangement between the Commonwealth and the State governments or by the Australian people through an amendment of the Constitution in the ordinary way. Therefore, I believe that the whole Bill should be denied a second reading by the Senate. I speak of the whole Bill; I do not speak simply, as the Deputy Leader of the Opposition did in his remarks in opposition, of Part III of the Bill. Therefore I propose to vote against the motion for the second reading when the vote is taken in the Senate. Broadly, my reasons for doing so are those which I have expressed, namely, that this is a matter of such importance to the Federal system that it must be resolved by agreement between the parties to that Federal compact—that is, all the governments of Australia, Federal and State—or by referendum of all the people of Australia in relation to altering the Constitution.

This Bill proposes that the Parliament should assert what is called a sovereign power over the off-shore areas of Australia, that is, over the surface of the waters, over the seabed and presumably over all rock forms and so on in the area seaward of low water mark around the shores of Australia. Of course, these areas are particularly relevant to fishing. This Bill, if it were passed by the Australian Parliament, would make a very large claim of sovereignty because, as I have said, it would affect the area from low water mark right around the whole of the coastline of Australia and would, in effect, be establishing a new territory which would come under the control of the Australian Parliament. If this Bill in its present form and with its present intentions is passed and upheld by the High Court it would mean that this Parliament would be virtually the sole legislative authority over all of this area, in the same way that it is the sole legislative authority for the Australian territories.

Senator Wright—Do you adhere to the word 'sole'?

Senator DURACK—I believe this is the Government's intention. It may well be that the High Court will not concede that. But the mere fact that this Bill contains in it a mining code which arrogates to the Australian Parliament and Government the sole control of all mining below low water mark over this whole area and applies all the laws of the Australian Capital Territory to the offshore areas, indicates to my mind the clear intention that this Government wants to establish complete and total sovereignty by this Parliament over those areas of Australia to the total exclusion of the State parliaments.

Senator Wright—But that is only as to mining.

Senator DURACK—If the Government can get away with it in relation to mining it can do it in relation to anything else. That is why I am not prepared to concede to this Parliament, and certainly not to this Government, the extensive powers which it is seeking by means of this Bill. I know that the argument put forward is that we as a Parliament are simply asserting this claim so that the High Court of Australia can resolve this knotty legal problem which people believe has been worrying Australian governments for so many years. As I have already said in the speech I made here on 30 May, in actual fact the concern which has been expressed by so many people is largely misconceived. In actual fact nobody disputes the fact that the Australian Parliament and the Australian Government has sovereignty in regard to foreign affairs. That sovereignty has been established recently in regard to the agreement with Indonesia. The position in regard to our rights in international law, how far those rights extend in territorial waters, how far they extend over the seabed and such matters of international agreement, is clear. Nobody in the States challenges for one minute that these are the sovereign responsibility of this Parliament and of the Australian Government.

By the same token the powers of the Commonwealth Government are clear in relation to defence and the protection of our fishing beds and so on against any foreign intruders. We had a classic example of that position recently in Western Australia and the Minister for Primary Industry (Senator Wriedt), who is at the table, would be very familiar with it. Nobody is challenging those rights for one minute. I am not referring necessarily to the decisions that were made but the fact that it is the responsibility of the Australian Government to maintain our defence against such intrusions. The questions that
worry many people such as environmental control, pollution and other matters insofar as they are questions of international agreement are within the sovereign rights of the Australian Parliament. There is environmental concern for these areas. There is concern for pollution by foreign vessels or any vessels, for that matter, outside the traditional 3-mile off-shore limits. If control over these activities is required and there is financial difficulty facing the States in pursuing these matters or if there are difficulties in regard to proper legislation these difficulties can be overcome. Clearly we have in the spirit and practice of co-operative federalism in many spheres of government learned in recent years how to overcome any constitutional difficulties that may arise in regard to these matters. Therefore it is my opinion that the problems in regard to the territorial waters and the seabed, and the control thereof, should be solved in the same spirit of consultation and co-operation and not by the head on collision of this Bill nor by the process of litigation.

It is not necessary at all to pass this Bill so that this matter can be solved. It is naive to believe that merely by passing this Bill we will get a decision from the High Court which will solve the problem. The fact is that it will probably take some years and some number of cases in the High Court fully to resolve the actual ambit of this legislation and decide the actual constitutional position. In any other spheres of constitutional interpretation where new areas of power are being tested in the High Court, years and years of litigation have been involved. I refer to the 10 years of litigation which were necessary before the transport cases were resolved. I refer also to the litigation which will probably proceed for years ahead concerning the limits of the corporation power. I hazard a prediction that we have only had the first of many High Court cases in order to fathom the limits of that power. If senators believe that by passing this Act and sending the matter to the High Court the problem can be solved in one case I believe that senators are flying in the face of all the constitutional legal experience that we have had over 70 years. I say that with all due deference to my colleagues in the legal profession. I do not suggest that it is due to them that in cases of this nature, as many people may suggest, lawyers are having a bonanza. It is completely in the nature of the problem that its solution takes many years and many different cases because each case deals with one particular situation and the matter can only be really finally explored by litigation in that manner. As I said, my objection to this process is that it is seeking to solve by litigation a problem which is basic to our federal structure. This problem is one which ought not to be solved by this process. As I said it ought to be solved by really genuine efforts at co-operation and agreement.

I should like to mention the situation in the United States of America and in Canada where questions of the control of off-shore areas have been the subject of litigation. In both Canada and the United States we have had exactly the same thing occur as I am predicting will occur here: It has taken years and not even yet has the problem been resolved despite the fact that the decision to place the matter before the courts was made, I think, in the United States many years ago and was made in Canada about 6 years ago. There has not been a full solution to the problem by the process of litigation. Indeed, in the United States of America I understand that control of the 3-mile limit, although it was decided by the Supreme Court of the United States to reside with the Federal Government of the United States, has been returned by the Federal Government to the State parliaments and governments.

I should like to turn to some of the provisions of this Bill. I should like to consider the effects that the Bill, if passed, would have on many of the traditional areas of legislation and control which are exercised by State Parliaments. I readily concede that as has been clearly expressed by Senator Greenwood and Senator Cant in their contributions to this debate, there are many legal doubts and difficulties in this area. Despite these doubts and difficulties a reasonable area of responsibility has been exercised traditionally by State parliaments. Apart from mining, which I shall deal with in a minute, the States have traditional control not only over harbours and jetties, many of which obviously are well beyond the low water mark limits, but also over shipping coming in and out of their harbours, approaches, anchorages and so on. They control boating in these areas. They control swimming and surfing and of course they control—certainly within territorial limits—fishing. Beyond that the Commonwealth has exercised the control which it has under the Constitution. Virtually all the areas which demand control by Government have in fact traditionally been administered by State parliaments and governments. What is the position going to be in relation to all these matters if a Bill such as this is passed and the High Court of Australia, in one fell swoop came to a decision that from now on the virtually exclusive
sovereignty beyond the low water mark was in the hands of the Australian Parliament?

One of the first problems that comes to mind is that involving State harbour works. Would this mean that harbour works, jetties and so on, would come under the control of this Parliament and not the State parliaments? I notice that that problem has been met by clause 15 of the Bill which states that nothing in the Act will vest in the Commonwealth any wharf, jetty, pier, breakwater, lighthouse, beacon, navigational aid, and so on. Presumably that will apply. It represents an exception to the claim made in this Bill, but it recognises the absurdity that would exist if all these works were vested immediately in the Commonwealth. However, as I read the clause, it applies only to existing structures. If a State government wants to build new harbour works or a new causeway well out beyond the low water mark, what will happen? How would the new harbours at Dampier have been constructed in recent years in such a situation? At that port a causeway was built across several miles of ocean beyond the low water mark. This sort of thing could easily occur again. Development is occurring in all the States. If the Federal Government, and particularly the Minister for Minerals and Energy (Mr Connor), allow any further development to occur—hopefully they will not be in office for too long—what will happen? Will the State governments have to obtain permission from the Commonwealth Government to be able to carry out these development works?

Senator Wright—Would not clause 16 leave the control of the wharves inside the low water mark with the States?

Senator DURACK—I have just referred to that clause, Senator Wright.

Senator Wright—Quite so. Would there be any need for a provision to refer to wharves inside the low water mark?

Senator DURACK—No, I do not suppose there would be.

Senator Wright—Obviously this clause is referring to those wharves that project out beyond it.

Senator DURACK—I am saying that such wording had to be included because it would be absurd if it were not included. But this clause applies only to the vesting of existing structures. What I am concerned about would still happen if new structures were erected.

Senator Wright—that is another point. But why should it be limited to existing structures?

Senator DURACK—That is so. I am simply pointing out the absurdity of the principles of this Bill if they were carried out to their logical conclusion, which is what the Minister obviously intended when he introduced it. This is only one problem. There are many others. Who will control ordinary boating in off-shore areas? Who will control surfing or even swimming? Are we then to say that if I go down to the beach at Cottesloe—

Senator Sim—At low tide.

Senator DURACK—At any time. When I am sun bathing I am in Western Australia, but when I go in for a swim I am in Australian Government territory. This is the sort of lengths to which a claim of such magnitude leads one to consider the position. Let me say that these are the things which concern the average citizen of this country. Which laws govern a man when he goes for a swim, or goes out in his boat when he wants to do a bit of fishing and things like that are of concern to him. He does not want to have these matters determined by the Australian Parliament. He wants these sorts of laws to be clearly and unequivocally within the powers of his State Parliament. He might even prefer to have them within the power of his local authority. These are the sort of laws about which he really feels that he should have a say and an influence upon.

Senator Greenwood—Why do you say that this Bill affects boating, bathing and things like that?

Senator DURACK—This is what the claim, in its broadest sense, could mean. Obviously, this is what the Minister, in introducing the Bill, wishes to do. As I have already said—I think that the honourable senator was here when I said it but perhaps he was not listening—the Minister applies the laws of the Australian Capital Territory in regard to Part III of the Bill. Admittedly, Part III deals with the recovery of minerals. But if he seeks to have that power in regard to mining, the Parliament could have that power in regard to anything else if, of course, the High Court upheld the legislation. As we know, that is a big "if". What I am saying is that I am opposed to this sort of problem being resolved by litigation in the High Court. That is my argument. I am not saying that this Bill is doing these things.

Senator O'Byrne—You will probably get a few refreshers from it yourself.

Senator DURACK—Presumably Senator O'Byrne was not here when I said that I was opposed to this lengthy process of litigation in order to solve these problems. Obviously if he
was here, he was not listening to what I was saying. I turn finally to the question of mining. Of course, that essentially is connected with Part III of this Bill. I am very pleased that it is the intention of the Opposition to vote against Part III of the Bill at least. What this part of the Bill does is to set up for this vast new territory of the Australian Parliament a mining code to be administered by a Minister or a bureaucracy in Canberra and to ignore completely the mining codes of the States. It will leave the States no powers whatsoever in regard to mining activities in this vast area which is adjacent to their territories and which every citizen of whatever State may be concerned regards as part and parcel of that State. Do not try to tell me that Western Australians or Queenslanders think of the off-shore areas of Western Australia or Queensland as Australian territory. That is utterly absurd. The Minister introducing this measure makes slighting remarks about little Australians. I could not think of a smaller and more petty Australian than a man from Wollongong in New South Wales who thinks that a Western Australian or Queensland would believe that the off-shore area of Western Australia or Queensland is an extension of the Australian Capital Territory. This is what this Bill seeks to do. It seeks to make these areas virtually an extension of the Australian Capital Territory and to make the laws of the Australian Capital Territory, whatever they may be about, whether they are criminal laws or laws relating to any other subject—

Senator Little—They could impose a pedestal tax.

Senator DURACK—Senator Little suggests that they might be imposing a pedestal tax in this area. It shows the complete absurdity of this legislation and the complete ignorance of members of this Government and certainly the Minister who does not seem to be able to look beyond the interests of his coal kingdom in Wollongong when he thinks that the Australian people believe that the laws to cover these vast areas of Australia should be made by applying the law of the Australian Capital Territory.

In addition to that, as I have said, Part III sets up a complete mining code which is to be administered by the bureaucracy in Canberra and seeks to give to the relevant Minister an almost total discretion as to what mining grants he will give. There are no provisions, which are traditional in Australian mining law, in respect of proceedings in wardens courts and the protection of private rights and interests. I am not defending Australian State mining codes as perfection. I think most of them need drastic modernisation. But what they mostly need is modernisation in regard to the protection of rights, not an extension of ministerial discretions with which this mining code is simply shot through from one end to the other.

I do not propose to say any more about the mining code. I believe that probably has been dealt with fairly adequately. On this occasion I have expressed my basic opposition to this Bill and put forward the reasons for it. I have indicated on previous occasions why I believe that the proper way of solving this problem is in the true spirit of co-operative federalism. This Government has shown an absolute, complete and utter disregard for that principle because it has made no attempt whatsoever to discuss the matters with the States. In fact, it actually spurns the States as being irrelevant to the whole consideration of the problem. Here we are dealing with matters which vitally concern not only the State governments and parliaments but each citizen of a State in many activities of his life—particularly, as I have said, his recreational activities. For instance, this legislation vitally concerns the fishing and other off-shore activities in which so many citizens of every State engage for recreational and commercial purposes.

For these reasons I propose to vote against the second reading of this Bill. I do not believe that my action will frustrate, or need by any means frustrate, a solution of the problem, because I believe that if the Government is forced to enter into consultation with the States it will then be able to achieve co-operative solutions to the problems that undoubtedly are presented. The legal problems can be resolved, if necessary, in the process of time as they will be by decisions as they occur. The Government does not need this sort of legislation to get a case before the High Court because before very much longer there probably will be a case before the High Court in regard to the Pipeline Authority Act. But, essentially, I am opposed to these major questions being solved by this process of litigation. I appeal once again to the Australian Government to endeavour to solve them in the spirit of co-operative federalism.

Senator O'BYRNE (Tasmania) (3-9)—The subject matter of the debate before the Senate is the Seas and Submerged Lands Bill 1973 (No. 2). But to listen to what has been said by honourable senators opposite one would think that we were having a panegyric or a homily on local government and swimming and boating facilities in the inland waters of this nation. When Senator Durack rose to speak he said that we had to make up our minds and decide whether we
should support or oppose this measure. Having heard Senator Durack’s speech I would say that his mind was made up before he ever stood on his feet. His mind was closed on the subject when he came into the Senate today. The honourable senator is representing in this Parliament, or claiming to, people whose minds are also closed to the facts of life that exist today. The honourable senator quoted that the policy of the Liberal Party was to support a vital—

Senator Poyser—It has not got a policy.

Senator O’BYRNE—This is so. Everything is negative as far as the Liberal Party is concerned. Its objective is to frustrate the will of the people which was expressed on 2 December last year. This is the last rearguard action by the remnant and the rump of the regime which is still hanging on here by the skin of its teeth in order to frustrate the will of the people.

The ACTING DEPUTY PRESIDENT (Senator Wood)—Order! I do not think that this has anything to do with the Bill before the Senate.

Senator O’BYRNE—I am answering what was said by the previous speaker, Senator Durack. I will quote what he said. He said that these matters should be decided either by co-operative arrangements between the State and Federal authorities or by amending the Constitution. What hypocrisy this is, because whatever we put up in regard to amending the Constitution we get the same build-up of fear and small mindedness. The little Australians trot out of their holes in the woodwork and say: ‘You cannot do it because the sovereignty of the States might be abrogated’. This negative approach is nauseating.

The honourable senator spoke of the High Court and said that it probably would take some years to fully resolve the ambit of this legislation. Of course, this is the very purpose of the opposition that has been put up by Senator Durack. The Opposition does not want this Government to get on with the job of developing our natural resources and off-shore resources. I might remind the honourable senator also that this legislation is designed to proceed in view of the technique which has been developed over recent years and opens up a new dimension in winning resources from the seabed. This involves the use of drilling and dredging facilities that have never been incorporated into State mining codes. We have to get on with the job of finding out how we can best develop these resources. But we are being faced with all of these side issues. We have to contend with all of these red herrings that have been raised about people not being able to fish or to sunbathe or about someone who wants to build a jetty. One would think that members of the Opposition were at a Sunday school picnic instead of being responsible to members of the national Parliament talking about matters which the best brains in the world are trying to solve. At the present time some of the greatest international jurists are working out the details of the law of the sea. Does Senator Durack mean to tell me that they are going to consult people such as him or some of the people in the State governments who could not run a fowl house, let alone administer the law of the sea from their little State enclaves?

This is a national and international problem that should be dealt with by men of vision who have the interests of the nation and our international agreements at heart. The honourable senator said that we would be seeking to solve by litigation matters that could not be solved by the process of arrangements with the States. This is the amazing part about it. In April 1970 representatives of Senator Durack’s Government of the time, with a lot of support, introduced legislation similar to the Bill now before us. Representatives of that Government expressed the view that Australia’s national and international interests would be best served if the legal position of the Australian continental shelf was resolved. We saw the frustration of this objective and a running away from the issues. Pressures were applied by the State governments and eventually the Commonwealth Government of the day dropped the whole subject. But at one time the Government which Senator Durack supported was in favour of this legislation. That Government saw the wider issues that are involved. But it is quite easy to understand the pressures that would have been placed on the then Government by people who were involved in selling us the other, what one could nearly call, scandalous arrangement.

I refer to the off-shore petroleum resources legislation. The Bureau of Mineral Resources and other Commonwealth instrumentalities had done the groundwork and had invited the Broken Hill Pty Co. Ltd to come in. But at that time Mr Weeks, who is at present in Australia and who is a noted authority on oil exploration, said: ‘Of course you have all the indications there. I have international knowledge of where oil is likely to be obtained’. He said virtually: ‘Dig here’.

The great resources of Bass Strait were then opened up partly to an Australian company, but the international oil companies also had a foot in
the door. This started off the pattern by which States such as Tasmania, South Australia and Queensland were all conned into this agreement which was one-sided and directed into the hands of the international oil monopolists. If honourable senators look at the licences of the vast off-shore areas of Australia they will find that only a handful of multi-national oil companies hold all these licences. The States Mines Departments knew nothing about these resources; this was never written into their mining codes. Thank goodness there was provision for relinquishment, but until the present Minister came to office and the Bureau of Mineral Resources and other people put their advice clearly before the Government, the ground work had been laid for the working of all sorts of rackets in lease extensions, farm-outs and the like. Thank goodness the new Government has had a good look at this and we may see a much more rapid development of our off-shore oil resources. This legislation deals with the resources of the sea bed and to my mind there should be no doubt at all about the exclusive right of the Australian Government to control these resources off the coastline of Australia from low water mark to the outer limits of the continental shelf. There should be no doubt whatever about it. It is ridiculous for the States to claim sovereignty over these areas on the slim pretext that Commonwealth control would cut across their sovereign rights and they would not be able to build a jetty or to fish off shore. These protests are put up by the Opposition merely to confuse the issue. As I mentioned before, the individual States would be completely at a loss; they would be unable to send delegates to the international conference on the law of the sea. This has to be done on a national level. The same thing applies to the determining of the width of the territorial sea. Looking back and checking up on the origin of the mythical 3-mile limit, I understand that a cannon ball could travel about 3 miles.

Senator Cant—Three leagues.

Senator O'BYRNE—Yes; and that is not the VFL, is it? There are other leagues besides that. This was a distance of 3 leagues from the coastline. That meant that any enemy or intruder could be held at bay by cannon balls that could be fired that far. Therefore that established our territorial right of the 3-mile limit. This indicates the mentality of the people who are opposing a new look in this day and age when we can send objects into the outer atmosphere and into outer space, and electronic devices and the like can make discoveries far down in the depths of the earth. Man is starting to come to grips with his environment, yet people still want to think as their forebears did that the earth is flat. Some of them have ideas about as flat as that theory. What authority has a State for negotiating boundaries with adjoining countries? We face a very important national problem to the north of Australia in the new proposed independent Papua New Guinea. What are they going to call the new independent State—Pangini, or something like that? We are going to have to make agreements with that new country. I do not know whether Mr Bjelke-Petersen, the Premier of Queensland—

Senator Poyser—He will declare war on them.

Senator O'BYRNE—I do not know whether Mr Bjelke-Petersen will want to declare war, though he has virtually declared war according to a message that he is sending the President at the present time.

Senator Poyser—He wants to drill for oil on the Barrier Reef.

Senator O'BYRNE—He wants to declare war, but on the other hand I notice that he called for Commonwealth assistance when the 'Oceanic Grandeur' spilled oil, polluting the waters off the Queensland coast and destroying the marine life of this magnificent phenomenon, the Barrier Reef. It was the Commonwealth to which the Queensland Premier and his colleagues ran for assistance. I am certain that the Queenslanders were very glad of the protection of the Australian Military Forces when in the 1939-1945 period the Japanese were a little distance across the sea in Papua New Guinea. This shows that the days of State sovereignty in many matters has gone by the board and that there is now a need for nationally organised efforts.

In these areas I have outlined the States have not challenged the rights of the Australian Government about the law of the sea and arrangements for territorial boundaries. What has to happen now is that the Commonwealth would have to seek the permission of the States to ratify these agreements. This, to me, is completely ridiculous and ludicrous. The natural resources of the sea bed are becoming more and more important to our economy. Many technological advances have been made overseas. As I mentioned before, the new techniques are developing to such an extent that provision must be made for our resources to be developed in an orderly way by the Australian Government at a national level. Some 10 to 15 years ago the Americans were drilling off the coast of the United States only to a shallow depth, in some 100, 200 or 300 feet of water, but
techniques have improved so much in recent years that even off the Australian coast some of our drilling ships are capable of drilling in a depth of 1500 feet of water. In other experiments drilling has gone down 2, 3 or 4 miles into the bowels of the earth. The more sophisticated techniques for off-shore drilling and dredging become, the more it will be necessary for us to have a proper and unchallengeable authority to explore and exploit these resources for the benefit of the nation.

There are other important matters on which I have touched with regard to conservation of our resources. We have had illustrated only in the last few weeks the efficacy and great substance in the policy of this Government with regard to the conservation of our oil and gas resources. It was announced in this morning's paper that we have about 8 years reserves of these hydrocarbons. This means that at least to a great extent we can withstand the political pressures that can be exercised here because of the fact that we have not allowed our resources to be exported to other countries. The long range plan of conservation of our resources for domestic requirements and, most importantly, defence requirements is essential. It is vital that we have an overall national policy on the conservation of our oil and gas resources. The same thing will inevitably apply to our natural seabed mineral resources.

Senator Young—Can you not do that with export controls instead of the way you propose?

Senator O'BRYNE—Of course we could do it with export controls but the position is that the whole matter has never been settled. Why should we perpetuate this area of grey where the old traditional sovereign rights of the States come into confrontation with the expanding responsibilities of a nation? We cannot afford the luxury of allowing this indecision to continue. We should come to grips with it and if the States are not prepared to cede this power to the Commonwealth we should allow the matter to go to the courts to be settled there. After all, that is the last resort. But we come up against the type of mentality shown by people who say they will not allow the Commonwealth to go into their States. This is similar to the message we had delivered in the Senate today. It is an illustration of the fascist mentality of people who are so upset that the people would decide to put into power a Government that was not the one that had been in power for so long and which had allowed so much of the potential of this country to remain undeveloped and stagnant.

In the last 70 years the only times when governments of a non-Liberal or non-conservative nature have been in power have been in periods of crisis—in the first World War, in the depression years of the 1930s and during the 1939-45 war period up till the rehabilitation era was over—and during the other periods there had been conservative governments in power here. Honourable senators opposite cannot understand why they are not in power when there is not a crisis. Of course, they are trying to generate a crisis. They are crying out: 'There is going to be a depression, there will be shortages'. We tried to introduce tariff reductions and they said it would not work. We revalued the dollar and they said that would not work. We said we would ask the States to co-operate in giving us the power to control prices and they said it would not work; they could not allow that to happen. We said that we would go to the people by way of a referendum on prices and they said that would not work; they would not have it. I wish the public knew of the carping hypocrisy of these people whose attitude is so negative. If there is anything progressive to be done they try to spread fear and that is why Senator Durack said: 'If you give the Commonwealth power it will stop you swimming and will not allow your boat to come into the jetty'. How puerile that is. Our case is a clear one. We believe this matter has to be grappled with and it is one which we have put up to the Parliament before. It was refused then and the proposals were frustrated by the Senate. It has been taken back to the House of Representatives and we are now putting the Bill up again here. We will now be able to go to the people of Australia and give them an account of our stewardship. Time is on our side; history is on our side. The development and conservation of our oil resources have proved conclusively that Mr Connor, rather than being the coal miner from Wollongong, will go down in history as a greater statesman than any of the honourable senators opposite who have criticised him.

Senator Mulvihill—They are frightened of the future.

Senator O’BRYNE—Of course. They are suffering from future shock. They are unable to adapt themselves to the rapidity of change. In the days that they are attuned to, things moved generation by generation, if that. Now, of course, we see movement in every field of human activity. Everywhere there are changes. These are occurring even at monthly intervals let alone 6 monthly or yearly intervals. These changes are occurring in every sphere but still the conservatives say: 'We will put our blinkers on. We do not...
want to admit to these changes. We want to hold on to whatever we had and if we are negative enough the people who are suffering from this same shock will listen'. After all, a lot of people are suffering from this same shock. Old people find it hard to adapt to the changing times. Senator Hannan said the other day: 'Why can’t we stop the metric system'. We had people who wanted to stop—

Senator Mulvihill—The world is getting smaller.

Senator O'BYRNE—Of course it is. They wanted to stop the orbiting in space and the transmission of television signals from satellites and things like that because they feared them. Some people say that they will upset the balance of nature and we will have earthquakes. People come to my place, put their foot in the door and say that Armageddon is going to come. They are hoping it will because the world is changing fast. They think they can pull the cord, stop the world and get off, but they cannot. There are a lot of people who want to get on—on with the job. I am illustrating our point of view. We want to get on with the job and show members of the Opposition that ours is a progressive and far-sighted policy which has the interests of the nation at heart. That is why we have this legislation here and if it is defeated we will put the matter before the electors of this country and they will make the final decision. I hope their decision will be a good lesson to those who are trying to put brakes on the progress and development of our country.

Senator MAUNSELL (Queensland) (3.2) —I will be opposing this Bill. I opposed it some years ago for certain reasons when it was introduced by the Gorton Government and of course, those reasons have been manifested since this Government came into power. Whether members of the Government party like it or not, we have a federal system in this country and our responsibility as the national parliament, and the particular responsibility of this House, is to see that the rights of the States are preserved. There is no reason in the world why this legislation should be introduced when the Federal Government could have gone to the States and worked out their areas of difference. Let us face it, there are certain areas which must come under State jurisdiction and there are certain areas which must come under Federal jurisdiction if our system is to work. The Government is now putting before us a matter on which a determination has to be made one way or another.

Surely if federalism means anything in this country there should be an attempt by government to resolve their differences before the matter is thrown into the courts for the legal eagles to have a go at it. There has been no effort whatever to do this by the Australian Government since the Senate put off the Bill in the last autumn session. We deferred it until this session. The Government did not bring it on in the first week or two of the session but introduced a separate Bill which is identical with the one we deferred last May. Senator O'Byrne eventually came down from orbit but while he was up there he made a few statements. He said that those of us who want to go to the States are being completely negative in our approach, which is to resolve these matters with the States. But what is more negative than his approach, which is to hand the matter over to the High Court for determination one way or another? In most of the honourable senator's speech he attacked the States and said that they were incapable of doing this and incapable of doing that. The people who elected the governments of the States are the same people who put him here. I hope that he goes back and tells those people that he is not satisfied with the way they vote at State elections because he believes that the people who govern the various States are incapable of doing their job. We are endeavouring and have endeavoured all along to bring about some arrangement whereby the States and the Commonwealth will co-operate. If there are areas of difference I believe that most of them could be resolved in some other way.

What will happen if the States win this argument? Where will the great argument of the centralists over on the other side fall then? One of the main reasons why I am opposing this Bill today is the centralist policy of the present Australian Government. Not only does the Government want to strip the States of all power as has been indicated in different legislation which has been before this chamber, but also on Saturday week at a referendum the Australian people have to decide whether this Australian Parliament and Government will be given full control over prices and wages. Of course, only half the Government supports one issue and 'half supports the other issue. What will it mean if the Australian people support the referendum on prices? It will be one more step in sealing the fate of the States. If this Government has the economic weapon of control of prices and wages it can manipulate not only industries in this country but also the people. Of course, it will whittle away any powers which the States might have. I
believe that Senator Durack put up a very good case on behalf of those of us who are opposing this Bill.

In Queensland we have the Great Barrier Reef with thousands of islands scattered around off the shores of the State. Who will have jurisdiction? Will the State have jurisdiction over the islands scattered around and will the Commonwealth have jurisdiction over the waters in between those islands? If we have a confrontation with the States—and this is what this Government is heading for—how will we resolve all the difficulties which will result? Under the circumstances we might have a Commonwealth set-up in the fishing industry with the Commonwealth controlling certain health regulations for the fishing fleets. When the fleets come to shore to deliver their catch the States might say: 'No, the hygiene conditions on board do not satisfy us. You will have to take your fish somewhere else'. I can see these sorts of confrontations happening. The Commonwealth Parliament and the present Commonwealth Government will bring them about because of their highhanded attitude towards the States. I do not propose to detain this chamber because we have other important legislation before us. I have spoken on this issue before. I have made it quite clear where I stand and that is for consultation with the States. I shall vote against this legislation.

Senator WEBSTER (Victoria) (3.38)—The Senate is debating the Seas and Submerged Lands Bill 1973. Basically in the Bill the Australian Government is attempting to declare its sole rights to control the seas and submersed lands surrounding Australia. I believe that the matter is of importance and that it has progressively developed in importance over the past 20 years. This Bill is an attempt by the Australian Government not only to remove the present doubt as to the right of the States or the Federal Government to control off-shore areas but also to gather to the Australian central Government the right of direction of the use, exploration and exploitation of the sea, its resources and the submered lands thereunder. Control of the air space above those seas is also envisaged by this legislation. As a representative of Victoria in the Senate I am not encouraged to the view that the demands of the centralist Government should override the possible rights of a State.

Senator Cant—The honourable senator agreed with the report.

Senator WEBSTER—I shall answer Senator Cant so that his comment will appear in Hansard. I wish that his laughter could be recorded also because it is generally consistent with his approach to most matters.

Senator McLaren—The honourable senator is not denying what Senator Cant said, is he?

Senator WEBSTER—I am denying what Senator Cant said. I believe that the former legislation which was put through by this Federal Government—that is the Petroleum (Submerged Lands) Act and associated measures—is the type of legislation which should be held to in the federation of Australia. In most respects that legislation has served this country well. It was rightly described as the initiation of a piece of cooperative federalism as we, on the committee which looked into that legislation, all learnt. The question of jurisdiction of ownership of off-shore areas is in doubt. I believe that the control of those areas is best undertaken in a manner similar to that undertaken in the Petroleum (Submerged Lands) Act. The right to control those areas should be a co-operative matter, the States having equal and full right as has the central Australian Government. Internationally the control of the seas and submersed lands rests with the adjacent state. If one, in looking at the Bill, refers to Schedule No. 1, the Convention on the Territorial Sea and the Contiguous Zone, to Schedule No. 1, Part II relating to the contiguous zone and to Schedule No. 2, the Convention on the Continental Shelf which are appended to the Bill, one can see that the adjacent state internationally is considered to be the Australian central Government.

There has been considerable debate in the United Nations on this matter. There has been pressure in the United Nations that the resources of the submersed lands should be shared and used to assist less developed countries. A large vote of the United Nations is attracted to this proposal. It is my belief that the type of government which is in power in Australia at the present time will eventually give to the control of the United Nations the benefits to be had from the exploitation of the submersed lands surrounding this nation. There is security for Australia in rejecting this Bill. It will put the centralist Government in complete control and make the States subservient to that Government. This is legislation which points up the extremely important and interesting aspect of both international and constitutional law and, further, the evaluation of the commercial interests which may rest in the community. Many of the problems were set out following the report of the Senate Select Committee on Off-shore Petroleum Resources. I would recommend a reading of that report of 780 pages as being of extreme importance in this
matter. In all that the report covers and in the conclusions which the Committee reached following several years of fairly intense inquiry, there is nothing more important for evaluation than the recommendation which is to be found on page 7 and which I will quote. In the summary of conclusions and recommendations is the point on which Senator Cant commented. He was suggesting that this report recommended that the Commonwealth do as it is doing and declare its right—which is, of course, not the correct position set out in that report. In fact, when referring to the constitutional conception underlying the proposed legislation the report states at page 7:

That, notwithstanding the advantages to the national interest which the legislation and its underlying conception has produced, the larger national interest is not served by leaving unresolved and uncertain the extent of State and Commonwealth authority in the territorial sea bed and the Continental Shelf.

That in itself does not mean that there should be a wholesale takeover by the Australian Government; nor is such action appropriate at this time. In many areas the present Government has moved very quickly to assert a central government control and direction of the various States. It is, in fact a determination as between the authority of the States and that of the Australian Government to which this Bill refers.

Recently the Prime Minister (Mr Whitlam) announced his intention to work towards the elimination of States and towards central government control through regions of the present Government’s choosing. In many areas in the past 10 months of the Labor Party’s rule one can see that were this rule to continue—undoubtedly it will continue for some little time—there would be an enormous threat to the autonomy of the States. This Bill is one of the early declarations of the Australian Government’s proposed strength. I do not deny that the Gorton Government proposed that this should take place; but many in the Senate objected to that proposal. One can see the Australian Government, in the present legislation and in so many areas of legislation, continuing to erode the strength of the States. One can see that from the debates that we have had recently on education. One can see it in proposals for the prices and incomes referendums which are to be held on 8 December. Here we have a proposition that control of prices should be vested entirely in the Australian Government. It is very interesting to note the way that this has come about and the attraction that a ‘yes’ vote must have for people at a time of great inflation; that if something can be done to eliminate price increases, then perhaps this power should be handed to the Federal Government.

As well there it to be a referendum on the proposal that power over incomes be granted to the Federal Government. Here is a pea and thimble trick, if ever I saw one perpetrated by a government. You, Mr Acting Deputy President, will recall that the Government gave this Senate exactly 15 minutes—that was less than the time given to the Leader of the Opposition (Senator Withers) to debate the prices proposal—for total debate on this matter in the Senate. I believe that it will ever stand to the discredit of the Labor Government in its seeking for free discussion in Parliament that matter—the proposal for control over all incomes and prices to be given to the Federal Government—was dealt with in that way. Of course, something that has not been emphasised to the people is that the giving of control over prices to this Federal Government not only means control over the commercial activities of companies or individuals but also hits at the very heart of control of all the prices and charges that would be levied by any State. The people will hand to the Australian Government a power to control every aspect of commercial life which flows from any State. Of course, it follows that it is control by the Federal Government over everything relating to charges by municipalities and statutory authorities.

The only conclusion I can draw on that matter is that it is the desire and policy of Labor that it should have permanent and undoubted control over all these areas. I see it in the basis of the referendums proposed for next year; and, again, if one refers to the unfairness of what Labor is proposing, one must say that one of the Bills that we have before us concerning the referendums proposed for next May refers to a question that will be asked relating to democratic government.

Senator McLaren—What has that to do with it?

The ACTING DEPUTY PRESIDENT (Senator Lawrie)—Order! I think Senator Webster, you should come back to the Bill.

Senator WEBSTER—There is a very close connection between this Bill and the points I am making and I am sure that you, Mr Acting Deputy President, will see it when I explain it to you. I commenced my speech by indicating that we see here the basis of a declaration by the central Australian Government as to its right, a right which I believe originally existed in the States. I am now attempting to point out that this is an act which is consistent with many other things which the Labor Government has done during the past
10 months of office; and I was attempting to indicate to you, Mr Acting Deputy President, what it has projected in relation to referendum items. I commenced with those for 8 December—and I am sure that you would not wish me to repeat them—

(Government senators interjecting)—

Senator WEBSTER—I then spoke of the referendum which are proposed for next May and which again seek to declare this central Government’s power over matters that are at present under State control. I am sure that because of all the noise that emanates from some Labor members you, Mr Acting Deputy President, would not suggest that I be called to order, when the great importance of what I am pointing out obviously is being made known to the Government senators at this time and they are objecting to what is taking place. It is very important to see in this Bill not only the erosion of the power of the States but also the erosion of the future of the Senate by what the Federal Labor Government intends to do to gain complete power for itself. The core of the debate is the preservation of the rights of the several States.

Senator O’Byrne—Which are they?

Senator WEBSTER—I speak in their protection. I speak to uphold the obvious right to the off-shore areas which they presently supervise. The Senate report notes concisely the right which the State representatives believed they had. The honourable senator who just interjected was a very strong party to this report. It is very important that some of the attitudes of the States be made known. I think that the Senate would agree with me generally that the States, when they put forward their view in relation to the Petroleum (Submerged Lands) Act, certainly at no time conceded that the Commonwealth Government had a right over the territorial sea or the sea out to the continental shelf. There was argument about who controlled it, and this is something which has not been determined. There was general agreement, far from going to litigation in relation to this matter—something which had been a matter of great contention among all federations—between the Commonwealth and the States on these particularly important areas of jurisdiction.

Page 102 of the report of the Committee deals with the submission by the States. It refers in part to this matter. At that point the Committee was looking at a term of reference which related to the constitutional conception underlying the legislation to which we had given our attention.

Dealing with the submission of the States, the report states:

The answer to this term of reference depends basically upon what is meant by the proper constitutional responsibilities of the Commonwealth and the States. To some extent, what is proper depends upon purely subjective considerations, i.e., whether one is a centralist or whether one believes that federalism is a desirable structure and can and should be made to work satisfactorily. If one is a centralist, then presumably one would believe that the Commonwealth should, upon every occasion and in every circumstance, exercise its powers in the full irrespective of whether such an exercise would lead to duplication of administrative authorities and disharmony between the Commonwealth and the States. On the other hand, if one is a federalist one would be conceding in each case an exercise of power both by the Commonwealth and the States which would avoid unnecessary duplication of governmental administration, provided that the national interest was properly safeguarded.

It is submitted that the question cannot, and should not, be approached from the standpoint of whether the Commonwealth and the States have exercised their powers to the fullest extent. To approach the question in this way would be to treat as inevitable and not undesirable the very constitutional battles that it was the wish of the Commonwealth and the States to avoid.

The States, while recognising that an argument existed, in their own interests submitted that a federal system should be left to work. I refer to page 104 of the report, which deals with the evidence given by Sir Kenneth Bailey who was then Special Adviser in International Law to the Commonwealth Attorney-General’s Department. He expressed his view on that constitutional concept. If there is an argument based on a constitutional fight which may follow if this Bill is passed, I believe that one should look to the view expressed by Mr Good, Q.C., who was Solicitor-General of Western Australia. He argued, I believe, that Western Australia and Queensland particularly had a greater right to the submerged lands than the Commonwealth had. In his view, there was some argument as to the right in relation to New South Wales, Victoria and South Australia, perhaps Tasmania. He was not conclusive in his view that those States had not as much right as the Commonwealth had, but there was little doubt in his view that the original States—Western Australia and Queensland—had greater right than the Commonwealth had. I quote from page 119 of the report. Mr Good told the Committee:

We feel that legally we probably have the right to control beyond the territorial sea. I might start off and tell you of the position as it existed before federation. We were given, by the British Parliament, the power to make laws for the peace, order and good government of Western Australia and its dependencies within certain parallels of latitude and longitude. This area included a large number of islands and went hundreds of miles out to sea. We think that there was implicit in that grant of power that we must have power to make ports, harbours and the like because that was the only means of access. We had power, therefore, to build breakwaters, groynes and the like... We feel that within the areas mentioned in the
Letters Patent, the last one of October 1900 which defines the area of our responsibility, and subject to international law, certain provisions of English law such as the Colonial Laws Validity Act and the Merchant Shipping Act, subject to treaties and subject to reservations of bills under the Instructions to the Governor or under the Letters Patent, we had all the powers and authority of the British Parliament in relation to this area.

There can be little doubt that Western Australia had every reason for claiming that it had equal right in relation to any off-shore area about which the Commonwealth might challenge it. At page 118 of the report the Committee deals with the evidence given by Mr Wells, Q.C., who was the Crown Solicitor of South Australia. I will not read what he said, but his general comment was that the various Acts of Parliament of the United Kingdom passed during the nineteenth century gave each State the power to make laws for the peace, welfare and good government of the State. He said that that meant that each State could effectively make a law on any matter which relates to its peace, welfare and good government, provided it does not relate to a subject with respect to which the Commonwealth has exclusive power and it is not inconsistent with a valid law of the Commonwealth. In short, those States believed that there was a nexus between the power which they held in relation to their own State and the adjacent areas. I also refer the Senate to the contribution which Senator Lawrie made to this debate. He pointed out the very secure position that Queensland had in this matter.

I take it that there is no right for members of the Senate, which is a States House, to come to a ready agreement that there should be placed in the hands of the Commonwealth a complete right over the States in relation to this matter. At page 123 of the report the Committee refers to the evidence that was given by Mr Finemore of Victoria. That State was alert to the problems relating to the rights to off-shore mineral areas and was the first State to pass legislation which gave to the State Government the right to grant licences for commercial activity off its shores. Victoria certainly acted before the Commonwealth decided to get off its tail and do anything in relation to the matter. The whole of the evidence given to our Committee certainly endorses the view that we as a Senate should not be granting this right to the Commonwealth.

The important aspect, of course, is that one imagines that this right may apply only to mining in the future, and there are the great prospects of mining for petroleum in the submerged lands and for tin, gold and the recovery of precious sands and other minerals. This is a matter which will be of importance in the future. It would be my view that this power would apply also to the normal harvesting of the growth that occurs on the seabed as well as the research activity and the generation of power, which is a matter which is becoming increasingly important at this time. Australia, and indeed the world, has given insufficient attention to the great possibilities of generating power by means of tidal movements around the Australian coast. All of these are matters of particular importance and they should be left to form part of the domestic activities of the States. They should not be the subject of a declaration by this Parliament that their control rests with the Australian Government. The control of shipping and the control of fishing rest with the States and I believe that that position should continue to apply.

In 1968 when the Committee to which I have referred the Senate was preparing its report I had the benefit of travelling overseas. I spent some time in America and Canada and I devoted a great deal of time to discussions with various oil companies. Indeed, I had the benefit of going down to the Santa Barbara channel. I flew over the area in which the great disgorgement of oil occurred in the Santa Barbara channel, and I noted the problems in that regard. I was told at that time that what we are facing now had already occurred in America, namely, that the central Government of the United States had declared its right over various areas, although it had not declared its right over the territorial sea. The United States is facing a very awkward situation. It was explained to me that while the central Government has the right of control over the outer areas of the sea where it can grant permission to drill, when the drilling company wants to bring its pipeline on to the shore it has to obtain permission from the relevant State authorities. All sorts of problems are involved. Millions of dollars—I think the sum ran into 9 figures—were held in escrow because no one was able to decide who should have control over the lands containing minerals which had been bought over the years.

This same problem is the subject of a great argument between the Federal Government and the State governments. If this Bill succeeds and the Australian Government has the power to do everything that it wishes, will there not be an argument, even if the Commonwealth gives back to the States some of the rights in relation to off-shore areas which undoubtedly it would not wish to control itself? If this legislation is passed there will be a great argument between the Australian Government and the State governments in relation to the headworks that may be
required to be adjacent to the offshore areas and situated on firm land. There are problems overseas in relation to this matter. We are only introducing ourselves to the problems that exist overseas by attempting to follow what others have done. We have passed legislation in this Parliament on a co-operative federalist basis, and that legislation has proved of great value in the exploration for and exploitation of petroleum and other substances in relation to which we have legislated.

I would dislike it if this legislation were passed and we found it being challenged so that a prolonged legal argument ensued in the Australian courts as to who did have control over these particular areas. Eventually the decision of the court must be that certain of the Australian States have a complete right over the territorial sea and certain other States do not have such a complete right. Again the future will be very clouded by any decision of the High Court of this country. The Country Party will oppose the second reading of this Bill, and I hope to be one of those who will be seen as being opposed to this piece of legislation.

Senator WOOD (Queensland) (4.10)—I oppose this Bill because I feel that it has been introduced probably as a result of some small argument in previous times in relation to some part of the coastline of Australia, and more particularly, I think, in relation to oil. I think that this legislation is an indication of the Federal Government trying to reduce the power and the rights of the States and it is an attempt to build the Federal Parliament into a much greater structure at the expense of the States. I feel that this chamber owes its existence to the fact that the States would not accept the setting up of a Commonwealth Parliament until such time as it included a chamber in which they had equal voting rights, as is the situation in the Senate. It seems to me that there is a view taken that we in Canberra have a wonderful way of handling things and that we are much superior in the way in which we handle things compared with the States. We seem to exhibit a superior knowledge and we are much more capable of doing these things. Of course, this is a very big country. I feel that it is much better to have a Federal system in which the States look at the smaller matters and the Commonwealth has the role of oversight.

So far as this legislation is concerned, the point brought out this afternoon in the debate which attracted my mind—I think Senator Durack was speaking at the time—related to legislation that had been passed in countries such as the United States. Apparently the United States has not solved the legal problems because I understand that more legal actions are being taken in that country than was the case before the legislation was passed. Let us look at the situation in Australia. I think we have been pretty free of legal argument in this country under our present set-up. If we have managed to get through in that way over the years, what is wrong with our trying to carry on in that way? I think the solution to this problem is people getting together and having discussions. There is no reason why the Commonwealth and the States cannot work together in this respect. Even if this legislation does go through there will be difficulties. There is no question about that. There is no doubt also that legal argument will take place over a long period.

It has been said in this place that if we had a closer knowledge of these things we would not say many of the things we do say. As has been mentioned, my State of Queensland has a particular interest in this legislation because of the unusual formation of our coastline. I refer to the Great Barrier Reef which is the world's greatest wonder, stretching for well over 1,000 miles and encompassing a very extensive area because a large section of it is very wide. Many people have spoken about this reef but they would not know very much about it. There was a very striking illustration of this in the Parliament a couple of years or so ago when a debate took place on the Great Barrier Reef. I discovered that most of the people who spoke about it were people from States other than Queensland. I was not able to take part in that debate, although I have probably been associated with the reef longer than anyone else in this Parliament. It would be more than 40 years ago that I began to help to develop the Great Barrier Reef tourist industry. It is something in which I have taken a very keen interest. I have been over the reef and looked at it and I have helped behind the scenes in getting some of the areas proclaimed national parks.

We hear talk in this Parliament and outside the Parliament, as well as from federal authorities, about the oil leases on the reef. We heard of what a terrible thing Queensland did when it gave leases for the finding of oil and we heard about the damage which could be done and so on. Santa Barbara, or whatever place it is in the United States, was always quoted as a case. These things are built up as being of terrific importance and develop a great fear. Why? Every day in the year there is a much greater risk for the Great Barrier Reef than that. What would the people of Canberra know about it. They
would know nothing at all. That risk is the shipping which goes up and down the coastline every day of the year. I refer to the oil tankers. If an oil tanker were caught in one of the islands of the Reef, or the Reef itself, it would cause a damage far transcending what any oil well would do. Honourable senators should not say that this is idle representation.

A few years ago I discussed this matter with a man associated with the shipping of oil. He said, in effect: 'Yes, there is no question, that is the greatest risk as far as the Great Barrier Reef is concerned'. Only a little over a week ago I attended a Comalco function in Brisbane and a gentleman associated with the transport of oil in shipping said to me exactly the same thing. He said: 'Of course that is the great worry, that is the big risk'. We get certain things magnified out of all proportion and yet things of a much greater risk nobody even talks about. Therefore I think that these situations require people who are on the spot, people who have some knowledge of the factors involved and people who are associated closely with the problems. I consider that the control of the whole of this situation from Canberra would be a very bad move indeed. I think that the allocation of the power of the States at the moment in regard to this issue is much better than the way which is now suggested. As I said before, the people of Canberra, the parliamentary people and the public servants, no doubt think that they can do things better than we can in the individual States. The people in Canberra should remember that we all come from those States and the people who run those States are people like ourselves in the main. I am not one of those who are prepared to see Canberra get every power.

I believe that the safest system we can have is a true federal system. Although democracy is not the perfect way of running a country, it is the safest way. It is possibly not the most effective way of running a country but it is the safest way. It has a lumbering process about it but it is the safest way. Therefore I look upon the preservation of the State rights in this matter as having a safety factor to it and presenting a better aspect than passing over the whole of these powers to the Commonwealth. I am here in this States House as a States man and I will stand for the rights of the States in this matter and vote against this legislation.

Senator McMANUS (Victoria—Leader of the Democratic Labor Party) (4.18)—My remarks will be very brief indeed. I merely wish to indicate on behalf of the Democratic Labor Party that it is a federalist Party. We prefer that title to 'States righters'. We are federalists. We stated our position in regard to this type of legislation earlier this year. We have seen no reason to depart from the stand which we took on that occasion. We were most impressed by the fact that 6 State Premiers, not only conservative Premiers but also Labor Premiers, went to London and fought hard for what they considered were the rights of the States. For that reason we will vote against the second reading of the Bill.

Senator MULVIEHILL (New South Wales) (4.19)—I support my Government colleagues on this matter. When Senator Byrne, Senator Davidson and I were on the Senate Select Committee on Water Pollution we gained information which was so effectively put by Senator O'Byrne when he was a member of the Senate Select Committee on Off-shore Petroleum Resources. It is in that context that I unreservedly support the legislation. Some people say that they are State righters or, as Senator McManus said, federalists. I simply apply this test: Is it effective to divide control if only one area is involved? It does not and would not work effectively on an issue such as oil pollution. Senator O'Byrne in a very effective interjection to Senator Wood, for whom I have a lot of respect, referred to the danger to the Great Barrier Reef. As Senator O'Byrne implied, the control of oil pollution is largely under the Navigation Act which is Australian Government legislation. It has nothing to do with the States.

When the Senate Select Committee on Water Pollution was taking evidence all over the Commonwealth we found, when we questioned the various State authorities, that there was a lack of liaison with the Commonwealth. That fact was proved in Senator Wood's own State in regard to the lamented 'Oceanic Grandeur' disaster. It is history that fortunately for certain tide fluctuations a lot more damage was not done. From the results of the inquiry it was quite obvious that each of the States apply their own techniques and there is not sufficient integration. There was a wide wastage of time in combating this particular oil spillage. There is a much more serious implication. It is regrettable that Senator Webster is not in the chamber. No doubt he is listening in to what I am saying.

Senator Webster—You can say that again.

Senator MULVIEHILL—I notice he is in his wrong seat. However, I am pleased that he is here. He went to the United States and spoke to
certain people. I wonder whether he had the opportunity of talking to or receiving communications as I did from leading United States Senators such as Senator Muskie, from the seaside State of Maine, or Senator Jackson. They are people who have a high reputation in the United States Senate. Their advice to me was that the Washington Government could not move effectively in regard to oil spillage where there was divided control. I do not know whether it ought to be termed the Washington Government. Senator Wood referred to the 'people in Canberra'. He overlooks that when there is a national disaster and the Department of Shipping comes into play that Department operates from Melbourne which is on the coastline. We should get away from the implications about Canberra, Sydney and Melbourne. Surely to goodness we are looking at the problem in its Australian content. I have said before and I repeat that oil spillages certainly will be of greater magnitude in the future. The provisions of the Navigation Act will have to be utilised and on top of that there will be major mopping up expeditions spearheaded by the Department of Shipping which is now, of course, a component of the Transport Ministry.

The appeal I am making is this: At the moment there is not enough co-operation between the States and the Commonwealth Government. While serving on the Senate Select Committee on Water Pollution we asked various people, oil companies, my own State's Maritime Services Board and the Queensland Harbours and Marine Department: 'How do you keep abreast of the more effective detergents or dispersants? What do you use?' They all had a different story. There was no effective link with the world's experts to determine which was the best and most effective measure. As Senator Byrne knows, we went to Great Britain and met experts. Two different points of view were put forward on the 'Torrey Canyon' disaster. The French adopted one attitude and the British adopted another.

Senator O'Byrne knows only too well, as do other members who want this legislation, that there is not an effective overseas liaison. A particular company might get on side with a State government. I am not talking about another Watergate. The company may just happen to be on good terms with the State government. The government may consider the company as being nice people and the company might say: 'Use our product'. The particular government might use that product. For all we know they could be using it for 3 years and there could then be another major oil disaster. Senator Wood, spoke of these big tankers coming along the shipping lanes near the Great Barrier Reef. We do not have co-ordination and proper liaison with overseas experts. Queensland, or even my own State, could be using a dispersant that has been outmoded for 3 years.

Honourable senators opposite rise to speak in the debate today and talk about the insidious hand of Canberra. It is a mythical concept. A prime job of honourable senators as Australians is to see that our sea lanes are kept free of oil pollution, together with many of the other matters about which Senator O'Byrne talked. Honourable senators opposite talk about hurting somebody's dignity. I have never worried about human dignity in this sense. If somebody calls me a bastard when I have made a mistake, I do not go crook about it; but I reserve the right to call him the same name when I think he has made a mistake. It burns me up when a person, whether he be a Labor Premier, a Liberal Premier or anybody else, gets concerned about the Prime Minister, who ever he may be. When I entered the Parliament I, along with other members, took an oath. Every 6 years honourable senators take an oath to uphold the Constitution. My idea of the Constitution is that we represent Australia, not the States which, in many ways, are becoming glorified municipal assemblies. This is a fact of life and it will continue to be so. No matter which party is in government during the next 10 years, we will find that there will be regionalisation instead of the existing State boundaries.

It is against that whole picture that I sum up the position with this attitude: I believe that we are only attempting to do what every other major nation has done. From time to time, Senator Wriedt, who I notice has just entered the chamber, and other honourable senators may attend overseas conferences as members of Australian delegations. As Senator O'Byrne said in his well documented speech, are we going to be humiliated by having to say that Australia is just a collection of colonies? There is nothing more embarrassing than that when we are attending these overseas gatherings. I attended a supplementary conference on environmental matters which was held at Brussels. One of the things that were said to me—it was said in jest, but it rankled with me—was: 'Of course, senator, even when your national Parliament agrees to something do you not have to get the States to agree?' In 1973, do we have to look over our shoulders at these governments that are primarily responsible for the Totalizator Agency Board and municipal rates? Such governments have their place, but
they do not think nationally. We do, and that is why we have introduced this legislation.

Senator WRIGHT (Tasmania) (4.27)—I confess that I was clearer in my perception of the issues involved in this legislation before the debate began than I am now. I must say that I am overwhelmed with a consciousness of the confusion that exists and the irrelevance that is put forward with regard to the proper understanding, in my view, of this legislation. I suggest that we are dealing with a question which is concerned particularly with the application of Federal or State laws to a new area of our interest which has been made of very great importance by reason of post-war international developments. It is because of the importance that has been given to this new area—the continental shelf—that it has become so important to consider which parliament has the power to deal with interstate trade, navigation, defence and petroleum exploitation or the subject matter of particular importance in this Bill, namely, mineral exploration in the territory off-shore.

I start by dealing with the region around the coastline of Australia. I refer to the seabed. I state, firstly, that I exclude any reference to bays and inlets because I think the Bill makes clear that it has nothing whatever to do with altering the constitutional power affecting them. I suggest that clause 15 of the Bill, to which Senator Durack made some reference, puts that beyond doubt. It states:

Nothing in this Part——

That is referring to Part II which is the operative Part——

shall be taken to vest in the Crown in right of the Commonwealth any wharf, jetty, pier, breakwater, building, platform, pipeline, lighthouse, beacon, navigational aid, buoy, cable or other structure or works.

Clause 8 of the Bill deals with historic bays and clause 10 deals with inland waters. Those clauses simply give the Governor-General power to determine what are the areas of bays and inland waters. Nobody of whom I know has ever suggested that those waters are not within the jurisdiction of the State. For the comfort of everybody, I suggest that we should remind ourselves that section 128 of the Constitution particularly provides that no amendment of the Constitution increasing, diminishing or otherwise altering the limits of the State can be passed into law except with the consent of the majority of the electors voting in that State. So I would say that the furniture on the shore and bays and inlets are completely secure within State jurisdiction.

I said that this Bill was concerned particularly with minerals. It excludes any reference to petroleum products. That is because those products were dealt with in the 1967 legislation. I think that it is the confusion of that legislation, the primitive conception upon which it is based and its obviously unmanageable administrative basis that have led to a contest between a similar piece of legislation and a clear piece of national legislation in regard to minerals, metals and other resources of the seabed, other than petroleum. I think that it is necessary just to take a look back upon this 1967 legislation. It was produced by at least 5 years of interminable political toing and froing and compromise. Finally, we came up with the idea that all the parliaments in Australia—the 6 State Parliaments and the Commonwealth Parliament should produce an identical Bill. I think the compliment that that idea paid to the legislative energy of each State was appropriate. From what I see of the interest in this legislation, I think that it was entirely appropriate to expect each of the 7 parliaments of the country to adopt an identical piece of legislation bespeaking, of course, not the slightest independence or initiative of thinking on the part of any one of the parliaments. They just took a piece of legislation that had been devised by constitutional advisers of the States in conference and adopted it, and thought that they were legislating.

The chief purpose of this was to avoid a decision on where the constitutional authority to deal with the petroleum resources lay. The parliaments endeavoured to avoid that at all costs and produced a monster which nobody manages. It simply fixed upon the off-shore petroleum resources of the country and there are, I think, 2 major defects with regard to it. One the Committee itself identified in saying, when considering whether the legislation was consistent with the constitutional conceptions that underlay the responsibilities of the Commonwealth and the States, that in the legislation it was impossible to identify any Minister who, vis-a-vis this Parliament, had responsibility, and vis-a-vis the Victorian Parliament any Minister who in respect of the Western Australian off-shore oil had responsibility. But the other respect—the one that completely condemned that framework of legislation in my mind—was that the legislation was based upon an agreement that was not akin to a legal agreement and was not akin to an international treaty but was simply something printed on paper which said that the governments acknowledge that this agreement is not intended to create legal relationships justiciable in a court of
law but declare that the agreement shall be constructed and given effect to by the parties in all respects according to the true meaning and spirit thereof.

This is just the sort of idea that one would expect the tribes that inhabited this country before settlement to adopt under the gum tree. This is just the sort of thing that is anathema to the idea of constituent States and responsible government in the States after Federation. At that time surely we had States with responsible legislatures in their own domain of power and the Commonwealth set up to exercise responsibility in its proper fields of power. I think that for us to go meddling about with petroleum resources under a legislative outfit like that is primitive indeed and completely different from any constitutional conceptions that I have ever envisaged as being written into or implied in the Commonwealth Constitution.

That legislation presupposed a continuous agreement as to the legislation by the parliaments, and it delegated administration to the 6 State Ministers whose responsibility to the Commonwealth Parliament and its proper authority was highly questionable. If we proceed from the merely constitutional aspect to the practical I believe that more importantly the legislation arbitrarily divided the sea bed into segments by projecting State boundaries out into the sea bed. The legislation gave to each State over the respective segment 60 per cent of the royalties and enabled the Commonwealth to collect 40 per cent of the royalties. The result is that one State, if it discovers oil in its area, takes 60 per cent of the royalty and the adjacent State, if oil is not discovered in its segment, takes nil. Yet all the States share any overflow from the Commonwealth which gets 40 per cent of the royalties.

I have had representations from Opposition members of the Tasmanian State Parliament, particularly from the Leader of the Opposition in the State, to the effect that we should recreate that structure in relation to resources other than petroleum. Bass Strait is the area in which most of the oil found for Australian support has been discovered. By reason of the off-shore petroleum legislation of 1967 Victoria has netted as its share of the royalties on the oil discovered $47m and Tasmania has received not a cent. I cannot conceive of newspapers and public men today, confronted with that stark reality where there is such an unequal division purely on the newly projected boundaries of States whereby one State takes $47m in royalty and another gets not a cent. People say to me: 'Oh, but Tasmania may have better luck next year or it may find other resources that will equalise it up'. These are the sort of things that bedevilled us before we ever had the degree of union that comes from federation. But having had that degree of union that comes from federation since 1900 let us apply the Constitution to the situation as we know it since 1900. I think that it is not to our credit that following the 1967 legislation and the report of the Committee which was finally delivered in December 1971 the constitutional issues have not been resolved. I think that there has been a pathetic performance on the part of all parties concerned. It is true that there have been conferences but these have been abortive and there has been no prospect of compromise.

So far as I know there is not one single fact which indicates that there has been any advance made towards a practical solution by way of sharing these resources. It is true that there has been political contention. There has been an abundance of it but it has not been of a very constructive character. I heard someone refer with great impression to the excursions by Premiers and others to London in recent months. I never thought that I would see such a fruitless and obviously transparent facade. What in the name of fortune are Australian State representatives doing going to London when the centre and the capital of this nation is Canberra?

Senator Webster—I do not think that you said that when you argued here for Lake Pedder, did you?

Senator WRIGHT—Certainly not. Lake Pedder is entirely a matter within the responsibility of Tasmania. It would only be a troglodyte from the bottom of Lake Pedder who would suggest that there is any comparison between the bed of Lake Pedder and the offshore oil resources. Mr Acting Deputy President, I was making a few comments about the purpose of Australian Premiers going to London to get a resolution in regard to the federal division or control of offshore Australian resources. We are now living in the year 1973. But what is happening at the moment reminds me more of the days of Earl Derby or Lord Grey when we got our instructions out by the next ship in about three or nine months.

These gentlemen, of course, had a conversation with Dowing Street about the division of offshore Australian minerals. If we only had a Press that understood these things and could present them with an understanding to the public, that sort of excursion, so far from being appreciated, would never be permitted. The waste and inappropriateness of it are so shocking that it
ought to be the subject of stringent criticism. Australia has an off-shore domain of about 1 million square miles—almost a third of its dry land mass—and sovereignty to Australia has been conceded in respect of that 1 million square miles submerged land mass only by reason of the continental shelf treaty, which is the product, so far as Australia is concerned, of the Australian Government exercising its power over external affairs.

If honourable senators look to that continental shelf treaty they will see that for the purpose of these articles the term ‘continental shelf’ is used as referring to the seabed and sub-soil 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 and to the seabed and sub-soil of similar submarine areas adjacent to the coast of islands. Then in Article 2, paragraph (1) it says that the coastal State exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources. So that the very treaty that was produced by the national Parliament and the national government away back in 1958, in the time of the Liberal-Country Party Government, in describing the continental shelf said that it is that part of the seabed extending from a point from the margin of the territorial sea; and it said also that the coastal State—that is Australia—in its national entity exercises sovereign rights over the continental shelf for the purpose of exploring and exploiting its natural resources.

Senator Webster—What about in the territorial sea?

Senator WRIGHT—That is a very appropriate question. I began by referring to the bays and inlets. Exclude them. Let us proceed from the low water mark to the limit of the territorial sea. Some people say it is 3 miles; others are debating it. Nobody in Australia that I have heard of has contended for this purpose that it is other than that 3 mile strip. In the first place there are fisheries rights. There is an express power in section 51 of the Constitution: the national Parliament is given power to legislate with regard to fisheries beyond territorial limits. The great question there is whether the expression ‘territorial limits’ is synonymous with territorial sea. There is a minority view in the High Court that for the purpose of that section territorial limits begin at low water mark. So that there is the issue as to fisheries.

Take the question of interstate trade. Is there anybody who suggests that the State has not power to legislate with regard to trade in the territorial sea? Is there anybody who suggests that the national Parliament has not power to legislate with regard to interstate and foreign trade insofar as it is necessary to navigate the territorial sea? Is there anybody who suggests that there is no specific power in the Constitution with regard to lighthouses, lifebuoys and other such things that may be in the territorial sea? Is there anybody who suggests that as to defence the Commonwealth has not power to put defence emplacements, take land for defence purposes, operate the navies, and mine what seas it likes within the territorial sea or on the coast of the territorial sea?

But subject to paramountcy of all these national powers the State has power to prescribe the length of bathing costumes, to register sailing vessels, to prescribe regulations for hygiene on beaches and all the rest of it. As to pollution, who ever suggested that the Commonwealth Parliament does not have the power to prevent pollution in the course of its power over interstate trade even in the territorial sea? And who ever suggested that a State does not have full power to prevent pollution in the territorial sea so long as it breaks no laws consistent with the interstate laws of the Commonwealth?

Senator Durack—But if the Commonwealth is found to have sovereignty, could it not entirely exclude the States?

Senator WRIGHT—Certainly not. The submerged lands legislation says:

It is by this Act declared and enacted that the sovereignty in respect of the territorial sea and in respect of the air space over it and in respect of its bed and sub-soil is vested in and exercisable by the Crown in right of the Commonwealth.

Then it says that one may mark out the boundaries of these things, and then it speaks of internal waters. The provision that says that the sovereignty of the territorial sea is vested in and exercisable by the Crown in the right of the Commonwealth does not exclude consistent laws—laws of the State that are consistent with laws of the Commonwealth made in the course of exercising its constitutional powers.

Senator Durack—But what if the Commonwealth does prescribe the size or limits of bathing costumes?

Senator WRIGHT—Under what power?

Senator Durack—Under the power of exercising sovereignty.

Senator WRIGHT—Under what power? It occurs to me that there is no relevant power that would enable it to do that, except perhaps if Mr Dedman were to be resurrected and he
prescribed that there should be topless costumes in the crisis of a great war, or something of that sort. But other than a silly situation of that sort, under what power could the Commonwealth prescribe the conditions of bathing? It is not in the course of interstate trade. It is not in the course of defence, except in the case I have mentioned, and it is not in the course of navigation.

Senator Byrne—Would the Commonwealth not have the same power to exercise jurisdiction as it would in federal territories if it asserted sovereignty over an area?

Senator WRIGHT—Certainly not. It does not say that section 122 applies. We are dealing with a Bill which itself is pursuant to the exercise of Commonwealth power. How could a Bill of a Federal Parliament give to this new continental off-shore area equivalent powers that the Constitution by sections 101, 121 and 122 gives to a territory? It does not say in here that this shall be a territory. When we come to Part III directly we will be saying something about that and the absurdity of the notion of applying territorial laws to the off-shore area. All I am saying is that in the proper exercise of national powers the Parliament has said that insofar as sovereignty shall be exercised by the Commonwealth over the territorial sea—

Senator Greenwood—Is there not difficulty in defining what 'sovereignty' means?

Senator WRIGHT—I do not know who coined the word. I think some draftsman took it up from the language of the continental shelf treaty. What it means in this context I do not know. No one can tell me that by passing this Bill saying that sovereignty shall prevail we cannot extend the powers vested in this Parliament by the Constitution. Anybody who suggests that it is the equivalent of giving to it the status of a territory within the meaning of section 121 or section 122 is applying a far—fetched notion, the sort of winds of fantasy that I would think would take anybody very readily to London instead of to Canberra. I was very glad to see that the Select Committee reported that there was an inconsistency between this primitive antediluvian structure of the petroleum legislation and a modern conception of the Australian Constitution.

I pay tribute to the speech that we heard from Senator Cant on this matter putting together the various conceptions of our powers in this respect. I conclude my reference to the Committee's report by calling specific attention to pages 199 and 201 of the Select Committee's report. The report states:

The Committee believes that the lack of resolution of the question of where authority lies in the off-shore sea-bed is not in the national interest:

(i) It believes that the features of the constitutional conception underlying the Petroleum (Submerged Lands) legislation to which it has taken objection arise directly because the issue of constitutional authority has not been resolved. There is a lack of ministerial responsibility or accountability in certain areas because the source of power for which the responsibility exists is not known.

Then it refers to various detailed features and states:

It is not in the national interest ultimately for questions of constitutional authority where uncertainty exists to be put aside—in fact to the exclusion of effective Parliamentary decision.

That means that the Committee found an outfit where the Minister had no proper responsibility, where the High Court had no place and there was an exclusion of effective parliamentary decision in the matter because that legislation could be neither varied, repealed nor amended without the consent of all 7 Parliaments. If I had thought that I would be elected to such a barn of a Parliament as that instead of a properly effective national Parliament I would have counted it as no honour.

Senator Webster—You are sitting in it now, Senator.

Senator WRIGHT—Yes, and it is pretty creepy and pretty dull. Nevertheless, it is not quite equal to the idea that the base of Lake Pedder is the same as the off-shore sea bed. I hear a suggestion that I should not denigrate my own House. Damn me, Mr President, what I am trying to do is argue on an understanding of a much higher basis on which to see my own House than what I have heard fall in the debate up to date. I know that Queensland has a special interest in these matters. Senator Mulvihill referred to pollution. It would be a crying national disgrace if any spill of oil should be allowed to tarnish the Great Barrier Reef or if mining were to be done there which would damage that unique possession. But the Australian Parliament has had full power over interstate trade to deal with the tankers going up through that area and the constant threat to pollution ever since that started and can regulate the conditions upon which they can carry oil.

There are difficulties in applying to the many islands of the Barrier Reef the conception that there is applying to every island of dry land Queensland law and to the territorial sea and beyond federal law. But what has Queensland done to advance the Barrier Reef? It has done something, but nothing commensurate with its
opportunities and its potential. We set up a royal commission, and I hope people are keeping watch on it, 3 or 4 years ago. I did not see one piece of print in the alert Press about the fact that that Royal Commission has already cost something of the order of $650,000. It did not have about it a bit of sex, a bit of pornography or a bit of abortion so it passes by. It has cost $650,000 for a royal commission that will be abortive long before its report is produced.

Senator Greenwood—That is only the Commonwealth's cost. What about Queensland's cost, which is the same?

Senator WRIGHT—Ye gods, you do not mean to tell me it has cost $1.3m?

Senator Greenwood—That is right.

Senator WRIGHT—Of course, that is the Press of Australia. The States have had power over the islands of the Barrier Reef all these years. The Commonwealth has had power over interstate trade insofar as it is a threat to the Reef. Nothing in this legislation will detract from the proper management of the Barrier Reef. I add the thought, by way of an aside, that the Commonwealth and the States would best bring to fruition the potential of the Barrier Reef by making it a condominium, putting it under the control of one commission to which they would elect equal representatives. Let that commission manage the Reef and develop it. Let each of the governments have power to disallow any regulation or law which might be made with regard to the area. I just throw that in because now there are times when one can speak. That is one of the great privileges of not being in government. It appeared to me that the petroleum legislation was wholly misconceived. I would hate to see a repetition of it dealing with minerals and resources other than petroleum.

So far as Parts II and III of the Bill are concerned, in which there is a declaration of sovereignty over the territorial sea, I would like to see those parts enacted. I would like to see the arbiter under the Constitution say whether the Commonwealth has power to legislate in respect of the resources in the territorial sea, particularly noting that in the Convention on the Continental Shelf it is declared that the jurisdiction is outside the territorial sea. Division 2 of Part II, headed 'The Continental Shelf', commences with these words:

'It is by this Act declared and enacted that the sovereign rights of Australia as a coastal State in respect of the continental shelf of Australia, for the purpose of exploring it and exploiting its natural resources, are vested in and exercisable by the Crown in right of the Commonwealth.'

Senator Durack—Under what head of power is that?

Senator WRIGHT—I think it is under the external affairs head of power. Why? Because the Convention on the Continental Shelf is the product of the exercise of the external affairs power. This is not to say that if one enters into a convention for a bill of rights the exercise of the external affairs power enables one to invade the whole of the States' power just because it is called a bill of rights. But here we are dealing with something which is actually within the external affairs area, and I cannot think of anybody who would assert for one minute that the Commonwealth would not have that sovereignty in regard to the continental shelf.

So, for my part, the only arguable question is whether the Commonwealth can exercise jurisdiction by virtue of its original power in accordance with the minority judgment of the High Court in the case of Bonser and La Macchia. That should be decided. But I cannot see any question as to the Commonwealth's right to exercise jurisdiction on the continental shelf and beyond. I think that in relation to Commonwealth power over foreign trade, external affairs, navigation between Australia and foreign countries and defence the proper conclusion in these matters is the conclusion which was arrived at in relation to petroleum, and that is that the Commonwealth should legislate. I find in clause 14 of the Bill an express preservation of the State rights over bays, gulfs, estuaries, creeks and inlets. I find in section 128 of the Constitution a provision whereby the limits of any State cannot be altered except by an affirmative vote by a majority of States. I find in clause 15 of the Bill a specific provision that, wharves, jetties and so forth are not vested in the Commonwealth. I never thought we would ever interpret that provision as applying only to existing structures. I regard that as a clause which is always speaking and applying to wharves and jetties from time to time.

Those matters being out of the way, I think that jurisdiction over the continental shelf obviously is vested in the Commonwealth. Whether the Commonwealth can take jurisdiction over the territorial sea, which is a matter of 3 miles, is comparatively unimportant. I pay particular respect to the very strong view held by my colleague Mr Jim Killen in this respect. I think that there is a very respectable view to justify that power and, insofar as it is in doubt, the proper authority to determine it is the High Court. Therefore, I shall vote for the second reading of the Bill to give enactment to Parts I
and II. When the Bill comes into Committee, I hope that Part III will get the appropriate treatment.

Senator YOUNG (South Australia) (5.12)—I rise to take part in this debate. At the outset I must commend Senator Wright on the great in-depth address which he contributed on this very important issue. It is an important issue. It has gone on from the time of Federation. The issue is where authority lies in the off-shore areas. It was not until oil was discovered in Bass Strait that suddenly there seemed to be a great and urgent need for clarification of this issue. Of course, this was due also to the fact that internationally oil was being found on so many of the continental shelves. Australia, being an island state, had great off-shore areas which were possibly full of oil. So the States and the Commonwealth got together and finally, after long discussions, came up with mirror legislation, as Senator Wright mentioned in his speech, even though there are many faults in it.

One thing the States and the Commonwealth did initially was to put aside, as they said, the very important issue of where authority lay in the off-shore areas so that they could get on with the other job of making sure that both the Commonwealth and State interests were preserved. Mention also has been made of the fact that in the United States of America and Canada litigation has gone on for a great while because of challenges as to where authority lay. This was a possible reason why the decision on where authority lay was put aside. It could have taken a long time to resolve this issue in Australia. Because of the discovery of oil there was concern to get some uniformity between the States and the Commonwealth. So at that time this important issue was put aside. Eventually, as I said, the Commonwealth and the States agreed to mirror legislation which is known as the Petroleum (Submerged Lands) Act.

But some honourable senators were not particularly happy with that proposed legislation. Hence a Senate committee was established to carry out an in-depth inquiry into this matter. The Senate Select Committee on Off-shore Petroleum Resources sat for a long time. During the course of taking evidence many eminent lawyers gave evidence to the Committee on where they considered authority over the off-shore areas lay. Even though they could not reach agreement as to where authority lay they reached agreement on one issue, and that was that the important issue of where authority lay should be resolved, that it should not be allowed to go on indefinitely as it had since Federation.

The Committee, in its Summary of Conclusions and Recommendations, stated:

That, notwithstanding the advantages to the national interest which the legislation and its underlying conception has produced, the larger national interest is not served by leaving unresolved and uncertain the extent of State and Commonwealth authority in the territorial sea-bed and the continental shelf.

As Senator Wright said earlier today, the Senate Committee did expand this point much more. The point I made is that the Committee, which had an in-depth inquiry, did come out on this point that the issue should be resolved.

I support Part I and Part II of this Bill because I support the need to have the issue clarified and resolved. I support those Parts not because I think the Government's claim is justified that it is entitled to lay claim that all this territory should be Commonwealth territory. I do it because it will give an opportunity eventually for clarification of this important issue. I have been concerned at the Government's attitude generally because it wants to take upon itself so much control, for Canberra, and this no doubt is another example where the Government is trying to do this. The reason why I pass this critical comment is that Part III of the Bill relates to the actual claims of the off-shore areas whereby the Government wants to give everything unto itself. On a previous occasion when this Bill was put forward, we in the Opposition deferred it until the first sitting day of this session. We did not reject it. We deferred it for the specific purpose of giving the Government an opportunity to have discussions with the various States to see if it could not by co-operation rather than confrontation resolve this issue. Such discussions had taken place when the Liberal and Country parties were in government; there were quite a few meetings between the then Commonwealth Government and the various State governments. Unfortunately we did not see any discussion take place between the present Federal Government and the States.

Perhaps more unfortunately still has been the criticism levelled against us in Opposition by the Minister for Minerals and Energy (Mr Conner) in saying virtually that we had rejected the Bill. This I refute, because we did not reject it. Senator Greenwood has stated previously, and I am stating again today, that the reason why we deferred this Bill was to give an opportunity for co-operation between States and Commonwealth. Unfortunately, the Government was not prepared to pick up the tab on this and to go ahead. So we have the farcical situation of 2 lots of Bills sitting on the notice paper. If we look at today's notice paper we find the Seas and Submerged Lands
Bill 1973 (No. 2) sitting as No. 1 Order of the Day—and it is sitting also in No. 41 position. Two identical Bills on the same notice paper is, to me, a farcical situation. No doubt the Government is trying to say: 'The Opposition has rejected the Bill a second time'. I challenge it because we did not on any occasion reject the Bill a first time. On the contrary the Government itself rejected the States. That is where the rejection comes in: It rejected the States because it was not prepared to have discussions with them.

One could go into more detail on many other aspects. However, lengthy discussion has taken place on this very important legislation today and I do not intend to do it. In giving support to Part I and Part II of this Bill I do so because of the need for clarification. In the international sphere Australia is recognised as a coastal state. The Government of that coastal state which is recognised internationally and which is involved with so many aspects—very important aspects—is the Federal Government based in Canberra, not the individual State governments. There are many reasons why clarification should be sought. We should define clearly where State authority lies and where Commonwealth authorities lies. Therefore I do support Part I and Part II of this Bill. But I am not supporting Part III which spells out the mining code—and this will be debated in the Committee stage—because in this area the Commonwealth Government shows clearly its intention and it is not interested in clarification. What it is interested in is Commonwealth control without regard to the States or the States’ interests. This is a challenge that I will not accept.

Senator MURPHY (New South Wales—Leader of the Government in the Senate and Attorney-General)—in reply—Everyone seems to be agreed that the question of sovereignty ought to be resolved. The convenient way for that to be done is for the Bill to go to the second reading. If it is passed it will at least be in such a form as will enable that question to be resolved by the courts, if necessary. I suggest that we proceed to a vote.

Question put:
That the Bill be now read a second time.

The Senate divided.

(The President—Senator Sir Magnus Cormack)

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Tellers:
O’Byrne, J. | Wood, J. E. |

Young, H. W.

Question so resolved in the affirmative.

Bill read a second time.

In committee

Parts I and II—by leave—taken together and agreed to.

Part III—Recovery of Minerals.

Senator GREENWOOD (Victoria) (5.29)—The Opposition is opposed to the retention of Part III in the Bill and will therefore vote against it. I think that I should set out the reasons because there has not been a great deal of discussion during the second reading debate of the features of Part III to which the Opposition objects. The provisions of Part III appear to be drawn from the scheme of the Mining Code which is contained in the Petroleum (Submerged Lands) Act. Very shortly stated, the scheme of the Mining Code as contained in Part III provides in the first place that the laws of the Australian Capital Territory shall apply in the offshore zones in respect of the exploration for and the exploitation of minerals. The Mining Code also gives power to the Executive, by regulation, to determine from time to time which of those laws of the Australian Capital Territory will
apply and which will not apply. This was a feature of the Petroleum (Submerged Lands) Act to which the Senate Select Committee on Off-Shore Petroleum Resources drew attention and which it criticised most adversely. It is regrettable that if this Code is meant to be an expression of a well considered administrative provision, taking account of what the Senate Select Committee said, there is no apparent indication of the Committee's report having been considered.

The second aspect of the Code to which I refer is that State courts are invested with jurisdiction in all matters arising under the applied laws. It is to be noted that there is wide power of delegation by the Minister to any public servant, and it is a power of immense width contained in the delegation. Clause 23, for example, states:

The Minister may, by instrument in writing, delegate to an officer of the Public Service of the Commonwealth, either generally or otherwise as provided in the instrument of delegation, all or any of his powers or functions under this Part . . . . .

A power or function delegated under this section may be exercised or performed by the delegate.

The clause also states that a delegate must act in accordance with the instructions of the Minister, but the Minister, although he made the delegation, may exercise the power. The Code provides for the division of this off-shore area into graticular blocks, for the granting of reconnaissance authorities, exploration permits and renewals in respect of reduced areas, production licences and access authorities. There is provision for the registration of instruments, and there are very wide powers in the Minister to grant and refuse, to impose conditions which he determines and to cancel any of the authorities, licences or permits which may have been granted. There are also quite Draconian provisions for obtaining and releasing information obtained from operators. The general pattern is the same as the pattern to which the Senate Select Committee drew attention, and the legislation contains the same vices which were the subject of adverse comment by that Committee. The scheme of administration rests very heavily on the Minister's discretion. The report and recommendations of the Senate Select Committee have a particular relevance. I refer to some of the recommendations in order to emphasise points which are extracted from the Petroleum (Submerged Lands) legislation and which are repeated in the current Bill. I refer to Chapter 7 paragraph 88, which states:

The Committee believes and reports to the Senate:

(1) That there should be a re-examination of the provisions of the legislation with a view to limiting, where practicable, the areas of discretion and delegated authority.

(2) That there should be a requirement for the circumstances surrounding decisions and reasons for decisions to be made public and reported to the Parliament at least in instances where it is reasonably practicable to do so. Such a requirement should serve to maintain, except where examineable justification otherwise exists, the observance of the appropriate intention of the legislative provision.

Chapter 7 paragraph 90 states:

The Committee recommends:

(1) That there should be, in as many instances as are appropriate, the insertion in the legislation of objective criteria which the Designated Authority should observe.

(2) That provision should be made for legal redress or appeal if it is believed, on an examination of the criteria or the reasons on which the decision was based, that there is arguable ground that there had been a failure to exercise the discretion properly.

Chapter 7 paragraph 212 states:

The Committee recommends that the legislation should be amended to provide for a regular report to the Parliament on the working and administration of the Act.

Chapter 7 paragraph 215 states:

The Committee recommends the immediate establishment of an advisory authority, with Commonwealth and State representation, which would collate information on Australia's present and future needs of all forms of fuel and energy and power . . . . . and which could act as an appeals board for appeals against Designated Authorities.

The provisions of the Petroleum (Submerged Lands) legislation which led to those recommendations are discussed at some length in the report. The point I make quite simply is that there is a repetition in this Bill of those provisions which were the subject of criticism. The provisions, of course, were essential features of the Petroleum (Submerged Lands) scheme. They are the essential features of the scheme which is envisaged under the present Bill. The Senate Committee's report described the 'discretionary aspects of the Mining Code . . . as . . . a significant feature of the system of administration'. The report then listed 8.5 pages of references to powers of the Designated Authority under that legislation, and under this Bill it is not a designated authority—there is simply a Minister—revealing the tremendously wide area in which the action to be taken is to be within the Designated Authority's discretion. Of course, in the 1973 Bill now before us the action to be taken has to be within the Minister's discretion.

It ought to be noted that the Minister is a person from whose decisions no appeal is capable of being taken. His decision is final; his decision is
unexaminable. The Committee made the following observations, and I think they are relevant to the exercise of discretions in this area:

Although discretionary powers are a distinctive characteristic of the legislation, the Committee does not consider the efficacy of the system of administration is destroyed by them. But, as in any system of administration where the discretionary element in decision making is an important factor, the risk is ever present that the objectives of the legislation sought to be obtained by conferring a discretion will be nullified or subordinated by an erring exercise of the discretion. The discretion may be exercised on inadequate bases of information, negligently, mistakenly, or, occasionally, capriciously. The Committee considers that any legislative provisions of discretionary character it has drawn attention to should be scrutinized by legislators. It believes, in respect of the legislation it is considering, that its examination has revealed a situation which escaped effective action by the Senate.

If there is merit in a Senate Committee’s closely examining legislation and reporting to the Senate, that merit is to be found in the attention which the Senate gives to the report after it has been presented. In the light of the comments made upon the system of administration under the Petroleum (Submerged Lands) scheme, I believe the Senate would not be discharging its obligation if it did not give weight to what was said and, when it saw comparable provisions in this Bill, drew the attention of the Senate to them for it to take appropriate action.

I refer to some of the clauses in Part III simply to highlight the width of the examination. Under clause 27 of the Bill the Minister may grant or refuse a reconnaissance authority if he has called for applications in which a host of detailed and confidential information has been supplied. Under clause 35 he may grant or refuse an exploration permit on similar bases. Under clause 40 he may grant or refuse renewal of a permit. Under clause 43, if a production licence is refused, an applicant is entitled to make a further submission to have a licence granted. Under clause 48 the Minister may grant or refuse renewal of a production licence subject to the licensee’s right to make submissions. Under clause 53 the Minister, without any criteria to indicate how he is to do it, may vary an access authority. Under clause 68 the Minister may at any time require any further information from applicants in relation to an application. Of course, the obligation upon persons is to provide the information which is required on a penalty of $1,000. This is to be linked with other provisions in the Bill, in particular clauses 93, 94 and 95, which provide that the Minister or any person to whom he delegates his powers may summon a person to produce documents, to appear before him, to give any information, or to answer questions. Failure to do so brings a penalty of $2,000. The fear that that reasonably strikes in a number of people of having to go before the present Minister for Minerals and Energy (Mr Connor) is, I think, sufficient to make the Senate scrutinise carefully whether any Minister, let alone the Minister I have named, should have that power.

Under clause 70 any permit, licence or authority may be granted—these are the words used in the clause—subject to such conditions as the Minister thinks fit. In clause 74 one finds a provision whereby the Minister may give a direction in any area over which regulations may be made. That power, of course, permits ministerial direction which ought to be a matter for regulation. If the direction happens to be inconsistent with regulations made the Minister’s direction shall be observed. I refer to what the Committee said about a similar provision in the Petroleum (Submerged Lands) legislation. The Committee reported at chapter 17, paragraph 256:

The Committee reports its objection to the scope and present operation of the power conferred on Designated Authorities by section 101. The power is too wide, unexaminable and not subject to parliamentary control or oversight. Parliament should not countenance a power which may be so exercised as to prevail over regulations which have undergone parliamentary scrutiny. The use made of the power, in the absence of regulations, is in principle, objectionable.

So one proceeds through the Bill. Clause 88 states:

(1) The Minister may, if, in his opinion, it is necessary in the interests of the safety of navigation or of the conservation of the natural resources of the off-shore zone, or otherwise in the public interest—

May I suggest that there is no wider discretion than a Minister’s opinion as to what is in the public interest—

cancel the permit or licence as to all or some of the blocks.

This is a power to take away all rights to continue with their work from persons who may have spent hundreds of thousands or millions of dollars in exploration or who have undertaken the work of exploiting what has been found. It is simply left to the Minister in his own discretion and not to the Parliament. No legislator worth his position as a member of Parliament ought to agree to give that power to anybody, let alone to the Minister for Minerals and Energy. The discretions conferred by the Mining Code give the Minister enormous powers. They are capable of being misused and of subjecting companies which have expended vast sums pursuant to authorities, permits or licences to onerous and dictatorial conditions or to cancellation of their authorities, permits or licences. Government objectives and government control could be
achieved by administrative procedures and without legislation unfairly, in a manner of discrimination and capriciously. We therefore believe that the form of Part III of this legislation is totally unwarranted. It is something which the Senate, when its attention has been drawn to it in the past, I believe has never countenanced, and we believe it should be taken out of this Bill.

Senator MURPHY (New South Wales—Attorney-General and Minister for Customs and Excise) (5.43)—The substance of the provisions that are objected to really emanated from the Mining Code prepared by the previous Government. Whatever may be in the honourable senators’ point of view—there are differences around the chamber about this matter—it is important that this Bill be brought to a conclusion. A number of honourable senators have indicated their opposition to Part III of the Bill. I would respectfully suggest that if no one else wants to intervene we put the matter to a vote.

Senator WRIGHT (Tasmania) (5.44)—I want to refer to 4 clauses of the Bill so that the record will contain their provisions, the types of which are completely unacceptable. Clause 19 of the Bill reads:

(1) Subject to this Part and the regulations, the provisions of the laws, whether written or unwritten, for the time being in force in the Australian Capital Territory, and of any instrument having effect under any of those laws, and of any award, order or determination of an industrial authority for the time being in force in that Territory, apply, as provided by this section, in the off-shore zone and so apply as if that zone were part of that Territory.

(2) A law shall be taken to be a law in force in the Australian Capital Territory notwithstanding that that law applies to part only of that Territory.

Clause 19(6), which I think is the last known survivor that I have seen in the last 10 years of the Henry VIII clause, states:

The regulations may provide that, with respect to the whole or a part of the off-shore zone, any of the provisions referred to in sub-section (1)—

That is to say, the written or unwritten laws of the Australian Capital Territory—

(a) do not apply; or

(b) apply—

(i) subject to the regulations; or

(ii) with such modifications as are specified in the regulations.

Clause 23 states:

(1) The Minister may, by instrument in writing, delegate to an officer of the Public Service of the Commonwealth, either generally or otherwise as provided in the instrument of delegation, all or any of his powers or functions under this Part, the Royalty Act or the regulations, except this power of delegation.

Clause 74 states:

(1) The Minister may, by instrument in writing served on a person, give to that person a direction as to any matter with respect to which regulations may be made under section 112.

My copy of the Bill has no section 112 but I am prepared to assume that this means ‘section 111’. The clause continues:

(2) A direction under sub-section (1) has effect and shall be complied with notwithstanding anything in the regulations and, to the extent to which the regulations are inconsistent with the direction, the person to whom the direction is given is not obliged to comply with the regulations.

The penalty for that is $2,000—no more. Clause 75 calmly states:

(1) Where a person does not comply with a direction given to him under this Part, the Minister may do all or any of the things required by the direction to be done.

(2) Costs and expenses incurred by the Minister under sub-section (1) in relation to a direction are a debt due to the Commonwealth by the person to whom the direction was given and are recoverable in a court of competent jurisdiction.

So far as I can find there would be no right there to dispute anything but the quantum of the debt. The other provisions which I have read into the record speak for themselves and I submit are their own condemnation. As expressed the provisions are so contrary to principles on which we have insisted as to the proper use of regulations that the whole scheme as indicated by the sections I have read and in the context of what Senator Greenwood has said is so unspeakable that I do not think that the Senate should accept it. Certainly not while we are calmly contemplating a Bill of Rights.

Senator GREENWOOD (Victoria) (5.50)—What Senator Wright said and what I earlier said was directed to the content of Part III. But I would also say that, as has been advanced in the course of the second reading debate, the successful exploration and exploitation of whatever mineral resources are to be found in the submerged seabed around our coastline will be achieved only if there is co-operation between those authorities—the Commonwealth and the States—which have responsibilities in and around those areas. I could not visualise, even if the Commonwealth were to be successful in its assertion of sovereignty over the whole of the offshore areas, that it could successfully grant to an operator in those areas all the facilities which the operator needed for successful exploration and exploitation unless at the same time either that operator or the Commonwealth could secure secure land bases for those operations. Putting that at possibly the lowest level in which the claim or case for co-operation can be made out, that type of arrangement is something to which I believe the Commonwealth must have regard. Likewise, if there should be an ultimate outcome
in terms of what the judiciary decides which gives possibly to the States some authority over the submerged lands and the seas in the offshore area there must be co-operation between those bodies.

I think that we ought to have regard to the fact that in November 1967 the Supreme Court of Canada, when an advisory case was taken to it as to who had sovereignty over the offshore waters outside British Columbia, decided that it rested with the Dominion Government. Earlier this year when I last made researches there had been no resolution of what was necessary for exploration and exploitation to take place in the Canadian offshore waters. That was because the Dominion Government and the provincial governments could not resolve their differences. For all the plea which is made, for all the acknowledgement which is inherent in the second reading of this Bill that this is an area where constitutional authority should be resolved, the practical requirements require a co-operative arrangement between the States and the Commonwealth. I can only hope that when a new mining code is devised it will be the fruit of co-operation between the bodies which have responsibilities because I am quite satisfied it will be the national interest which will suffer if it is not done.

Senator WEBSTER (Victoria) (5.53)—The Country Party identifies itself with the opposition which has been expressed to Part III of this Bill. The limit of this Part is of great importance to the provisions of this Bill. Part III runs from page 4 to page 54 of the Bill. The Country Party is consistent. It opposed the Bill previously and it opposes Part III.

Question put:
That Part III stand as printed.

The Committee divided.

(The Temporary Chairman—Senator Wood)

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Majority 7

AYES
Bishop, R.
Cameron, D. N.
Cavanagh, J. L.
Devitt, D. M.
Dryer, A. J.
George, G.
Gietzelt, A. T.
Keeffe, J. B.
McClelland, Douglas
McClelland, James
McLaren, G. T.
Milliner, B. R.

NOES
Anderson, Sir Kenneth
Bonser, N. T.
Buttfield, Dame Nancy
Byrne, C. B.
Carriak, J. L.
Cormack, Sir Magnus
Cotton, R. C.
Davidson, G. S.
Drake-Brockman, T. C.
Durack, P. D.
Gair, V. C.
Greenwood, J. J.
Guilfoyle, M. G. C.
Jesop, D. S.
Kane, J. T.
Lapuck, C. L.
Lawrie, A. G. E.
Lillico, A. E. D.
Little, J. A.
McMasu, F. P.
Marriott, J. E.
Maxwell, C. R.
Rae, P. E.
Sim, J. P.
Webber, J. J.
Whitton, R. G.
Wood, I. A. C.
Wright, R. C.

Teller:
O'Byrne, J.

Question so resolved in the negative.

Remainder of Bill—by leave—taken as a whole and agreed to.

Bill reported with an amendment; report adopted.

Third Reading

Bill (on motion by Senator Murphy) read a third time.

SEAS AND SUBMERGED LANDS (ROYALTY ON MINERALS) BILL 1973 (No. 2)

Second Reading

Debate resumed from 25 September (vide page 824), on motion by Senator Wriedt:
That the Bill be now read a second time.

Senator GREENWOOD (Victoria) (6.0)—This Bill is wholly dependent upon the inclusion of Part III of the Seas and Submerged Lands Bill as part of that Bill. It provides that a royalty be fixed by the Minister for Minerals and Energy (Mr Connor) if he cannot arrange an agreement with a producer and it adopts the terms which are contained in Part III of the Seas and Submerged Lands Bill. With the deletion of Part III of the Seas and Submerged Lands Bill I would think that this Bill has absolutely no relevance. We will oppose it.

Senator MURPHY (New South Wales—Attorney-General and Minister for Customs and Excise) (6.1)—It is true that this is an ancillary Bill. It is true also that this is part of the Government's legislative program. It is connected with the previous Bill, the Seas and Submerged Lands Bill 1973. The Government is concerned to see that everyone knows what is being done in relation to the measures which have been proposed by the Government. I agree that it is sensible, without further discussion, to decide whether the Senate will have this Bill read a second time.
Question put:
That the Bill be now read a second time.

The Senate divided.

(The President—Senator Sir Magnus Cormack)

Ayes .......................... 23
Noes ............................ 29

 Majority ........................ 6

AYES NOES
Bishop, R. Anderson, Sir Kenneth
Cameron, D. N. Bonner, N. T.
Cant, H. G. J. Butfield, Dame Nancy
Cavaghan, J. L. Byrne, C. B.
Devis, D. M. Carrick, J. L.
Drury, A. J. Cormack, Sir Magnus
Georges, G. Cotton, R. C.
Gibbett, A. T. Davidson, G. S.
Keeffe, J. B. Drake-Brockman, T. C.
McClendon, Douglas Durack, P. D.
McClendon, James Guir, V. C.
McLaren, G. T. Greenwood, I. J.
Millner, B. R. Guilfoyle, M. G. C.
Mulvihill, J. A. Jessep, D. S.
Murphy, L. R. Kane, J. T.
Pole, A. G. Laucke, C. L.
Poyser, A. G. Lawrie, A. G. E.
Primmer, C. G. Lillio, A. E. D.
Wheelton, J. M. Little, J. A.
Wilkinson, L. D. McManus, F. P.
Willetts, D. R. Marriott, J. E.
Wredt, K. S. Maunsell, C. R.
Teller: Rae, P. E.
O’Byrne, J. Sim, J. P.
Webster, J. J.
Withers, R. G.
Wyborn, R. G.
Wood, I. A. C.
Wright, R. C.

Teller: Young, H. W.

Question so resolved in the negative.

AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION BILL 1973

Second Reading

Debate resumed from 23 October (vide page 1353), on motion by Senator Wriedt:

That the Bill be now read a second time.

Senator MURPHY—Mr President, may I have the indulgence of the Senate to raise a point of procedure on this legislation. Before the debate is resumed on this Bill I would like to suggest that it may suit the convenience of the Senate to have a general debate covering this Bill and the National Investment Fund Bill 1973 as they are related measures. Separate questions may, of course, be put on each of the Bills at the conclusion of the debate. I suggest therefore, Mr President, that you permit the subject matter of both Bills to be discussed in this debate.

The PRESIDENT—The Leader of the Opposition indicates that he is in agreement with this proposal. There being no objection, I shall allow that course to be followed.

Senator COTTON (New South Wales) (6.8)—I think the proposal put forward by the Leader of the Government in the Senate (Senator Murphy) is a sensible one. If he had not suggested this course I would have proposed it as a wise way in which to proceed because these 2 measures are really inextricably bound together. I believe it is sensible and appropriate that we should look at these 2 Bills together. The expressed object of the 2 Bills is to increase Australian ownership and the control of Australian resources. Nobody would find himself opposing the broad proposition that Australians as far as possible ought to try to own as much as possible of their own resources and their own corporate activities. But certain things need to be borne in mind when one makes statements such as that. Australian living standards over a long period of years have been based upon Australian growth which has been supported in 2 ways—firstly, very substantially by the Australian people by way of reinvestment in their own country and secondly by the augmentation of capital and know-how from overseas, and that must not be forgotten in what might be called an excess of economic nationalism.

It also ought not to be forgotten that the Australian people traditionally have a very high rate of savings. In fact, they have one of the highest savings rates in the free world. I think that at the moment 85 to 87 per cent of funds used by Australian business comes out of Australian savings and re-investment and 10 per cent to 15 per cent, depending on the circumstances, comes from investment in the form of overseas ownership. Some of that overseas ownership is, of course, retained in the form of profits in Australia and depreciation on activities which have a strong content of Australian ownership as well as a strong content of foreign ownership—this is a component of the kind of resources that are available to do these exercises in what we call Australian ownership.

We should remember also that Australians have not been noted over the years for a high risk-taking characteristic. Although Australians have been great re-investors in their own country a great deal of their savings have been made by way of savings bank deposits, substantial contributions to life insurance—Australia is a world leader in this regard—large contributions to superannuation and pension funds and a high number of mortgage repayments on homes. But when there have been activities in this country
that have called for risk and venture capital Australians have not been very forward in taking up the opportunities until the operation has been successfully established and fully proven and until there has not been the necessity to take a risk. It has been only on these conditions that Australians have been prepared to become involved. There are many examples of this. The Broken Hill Pty Co. Ltd is a case in point as are many of the mining companies of this organisation. Mount Isa Mines is another example as are a number of the great pastoral activities of northern Australia. There is no doubt that we have had a tendency to behave in the manner I have just outlined.

The Opposition is in favour of Australia continuing to be a high savings country. It is in favour of Australians continuing to invest in this country’s resources and continuing to try to take part in development. However, the Opposition is not a group of people who believe in the excesses of economic nationalism. We believe that this country should not turn its back totally on overseas capital. If this is done we believe that what one really does in the end is to depress living standards and opportunities. We believe that the present proposal contains a great number of aspects which are economic only in certain areas but which in many other areas are uneconomic. We believe that many of the methods proposed in the Bills are quite inefficient. They give us some cause for grave concern as we try to examine this matter objectively.

We believe that because of the complexity of the statements made by various Ministers of the Government and what is obviously a series of inspired leaks from various Government departments and the Australian Industry Development Corporation itself we are seeing in the community a state of considerable unease and uncertainty and some confusion. We believe that the Australian public is entitled to have that confusion and uncertainty set to one side and this matter satisfactorily cleared up. We also believe that the Australian public is entitled to consider very carefully the cost of what is involved. One could say that we do not believe in the proposition that the intangible returns of nationalism should be achieved on any uneconomic basis. It would be a different matter if this could be done economically. But if such a policy is to be uneconomic—and that is a distinct possibility—then the legislation that is before us should be thought about very carefully.

We believe that the present propositions of the Government are quite inexact and quite uncertain and are unlikely in many cases to achieve the aspiration, laudable and praiseworthy as some people may see it, that is envisaged. We believe that the objectives of the legislation might well not be achieved. As I said earlier, we have some very grave concern about the legislation before us. For a start, we are very concerned about the form of compulsion envisaged in the legislation which we regard as foreign to the Australian people. As a nation we do not like to be forced to do certain things in the field of investment. People have paid for and own their own homes if they had wanted to do so. One can take out life assurance if one wants to. One can in effect pay into a provident fund if one wants to. One can go to a savings bank and invest one’s money. We have never forced people to invest their money in a certain way. We have never said: ‘You will have part of your savings or your salary hypothecated by the government for any purpose it finds desirable’. We have always regarded savings and investment in various areas as distinctly a voluntary activity.

I notice that the word ‘sweetener’ is used in relation to the 2 Bills now before us. This word is quite repulsive to me in the capital market sense as it is regarded in many parts of the world as being an uneconomic way to go on. We agree with the proposition that if a project cannot attract people voluntarily to invest in it that project ought not in effect be made attractive by something which is quite foreign to investment practices. The device which makes such a project attractive is what is described as a ‘sweetener’. As I have said, I do not care for this word, but this is what is used by the Government. We believe that unbridled nationalism that is expressed in the aspirations of some of these measures carries its own inherent defects and precludes by its very nature the benefits that can flow to a country by the use of experience, skill and management efficiency of companies operating outside this country. One can antagonise other countries quite unwittingly, and some of those countries would otherwise be willing to offer their technology and skill, their expertise and enterprise which in many cases have been paid for by their past efforts though they never appear in their balance sheets at all.

In the early days of my life before I became involved in this Parliament I worked in various companies. When working for a man who was quite a singular man, I remember his saying to me: ‘Bob, in so many of the things one is involved in, the real asset of the corporation is never shown, and that asset is the skill, the wit and the training of the people who are involved.’ One can never show that asset, which is one of the
most important things that corporate structures have. It is one of the things that overseas investment can bring to Australia so long as the other safeguards are taken care of. Those abilities—the know-how that people acquire through working a long time in a particular area, the particular skills that they acquire and the kind of technical abilities that they develop—are a productive resource in their own right, over and above any consideration of capital.

So I for my part am cautious about eliminating from the Australian scene any ability to acquire that sort of skill, expertise and know-how. It is said that the Government will not do this, that the Australian attitude of mind in the last 12 months has been such that people overseas regard themselves as no longer being wanted here. That may not be the case; it may not be what the Government intends, but it is certainly the way that the Government has made many people feel in overseas countries. The Government has made them feel that they are no longer welcome here; that their help is no longer required; that in effect they are frowned on; that they are regarded as exploiters and robbers. This is not the fact. The Government is perfectly capable of taking care of any form of capital inflow that is regarded as unwise. It ought not to be so economically nationalistic that it makes everybody feel that Australia is going to close its doors, live only unto itself, talk to nobody else and have no help from anybody else, and that it does not want any help. I do not think that is very wise. In these proposals before us, investment could be encouraged for political and not economic reasons. That in itself is very dangerous.

Economic reasons dealing with the people's resources in savings ought to be able to stand up on economic tests, not political tests. The Australian Industry Development Corporation, which in the present proposal will be without any doubt at all in a singularly privileged position in comparison with everybody else, can very well be the spearhead for a substantial nationalisation of industry. People in the Government, both in this Parliament and outside, pooh-pooh that idea and say that it is not the intention. All I am saying is that reading of the Act and an understanding of this matter make it perfectly clear that if these 2 Bills are passed in their current form, that is eminently and practically possible by the instruments that will be created.

I do not believe the Australian people want that, despite the Government's saying that it believes they do or that the Government has a mandate to do it. I do not believe the Government has a mandate for it at all, and I do not believe the Australian people want it. Over and above all those things it is economically unwise, and I suggest to the Government that it is politically unwise. Taking the thing a stage further and examining it, one finds that the Government will put substantial pressure on the capital market for the purposes that the Government will decide. Some may be economic, some may be nationalistic, and some may be political; but the capacity to put pressure on the capital market will exist. No attempt at all has been made so far to spell out in precise form what the proposed amendments to the Income Tax Act will be in order to encourage subscription to life offices. Life offices, I find, are in a state of some confusion. Discussions were to be held with them, and they were delayed a long time. I understand that they were finally held, and I am told that after the discussions the life offices are in a most uncertain state of mind as to the real intent. Discussions were to be held on the proposed amendments to the Income Tax Act, which we shall be dealing with later. They were in a state of concern, apprehension and worry about that.

They could be forced to hold government securities, semi-government securities and AIDC securities. They might not want to do so. They might decide that they are not good things to hold, that they are not safe things to hold. These discussions were to be held; they were delayed for quite a long time. One understands that there has been some discussion but it has not been of a very satisfactory character. I have received some information from the life offices and I shall give it to the Senate because the life offices are perhaps one of the greatest repositories of the people's savings in this country. These are the life insurance offices of Australia, the great mutual societies that have accumulated resources to pay out from time to time on the various endowment and death policies. These are really Australian methods of saving money. The life offices hold substantial quantities of the Australian people's savings. They have said:

In the course of a recent discussion with the Treasurer, it became apparent that the Government's proposals for the investment of life office funds in the Australian Industry Development Corporation would be highly inimical to the interests of the millions of policy holders in this country which the Member Offices of this Association represent.

We should preface our remarks with the broader observation that, although the Association of life offices sees a place for AIDC in the community—

And I interpolate that so do we, on safe terms—looking at the proposals for the extension of the functions for the AIDC as a whole, we have serious misgivings as to the
impact of these developments upon savings and investment in Australia.

Our reasons for this viewpoint are largely based on the conviction that the proposals are more likely to lead to a diversion of existing domestic savings than to any significant net addition to total investible resources. We would hold this view even in respect of that part of its funds that AIDC acquires direct from the public in fair competition with existing saving institutions such as life offices, banks, etc.

However, we now learn from Mr Crean that life offices are to be virtually compelled to transfer a sizeable proportion of their funds to AIDC for investment. This, in our view, adds nothing to the pool of funds available for investment. It does however seriously interfere with the flow of money that life offices have in the past been able to make available for investment in various sectors of the economy. It does also cut across the responsibility that the boards of life offices have in their position of trust to invest their policy holders' funds to the best advantage.

Officers of AIDC have been at considerable pains to explain to us that the securities offered by that body will be on terms that should make them attractive investments. If this turns out to be correct, we would of course be quite prepared to invest in AIDC securities on a voluntary basis. We see however no justification for the Government compelling the investment of life office funds in the securities of this body, particularly since some of these securities are of a nature where the obligation of AIDC is not a fixed amount of money and where investment performance is not guaranteed by the Government.

I think that is a fairly reasonable and rational statement of concern by the life offices, which as I said earlier, hold a huge amount of the Australian people's savings—the savings of literally millions of people, most of whom have invested small amounts of money. This measure will affect practically every Australian because practically every Australian has a life policy or insurance policy. They do not all own their own homes or necessarily have savings bank accounts, but they do have life and endowment insurance in practically every case. The same thing will apply to the superannuation funds, I believe, if this is read literally and therefore one should be concerned about the encroachment on savings and ask whether that encroachment is justifiable, wise and proper, and whether these savings will be properly protected.

It is not possible to calculate the additional funds to be made available to the AIDC for this purpose. The most astronomical figures have been cited, but I cannot vouch for them. People have told me that there will be by this process drafts of $400m per annum. I cannot vouch for it; the figures are not yet available to me. In any case, the amount involved will be very substantial indeed. At the same time one ought to understand that expansion of the AIDC will not of itself increase the amount of money available for investment in Australia. That comes out of the savings of people who want to save and who feel that saving is worthwhile. It comes out of what we allow to come into the country in the form of overseas investment and what people retain here. But we must bear in mind that if people feel that it is no longer worthwhile to save, because of inflation and the erosion of their savings or because their savings are being put at hazard, we could witness a very dramatic change in the Australian economic scene. It could be disastrous. I am not preaching disaster; I do not live like that.

But I am saying that we have been a high saving people because the savings have been protected and have been safe. If we make people feel that it is not safe to save or that it is no longer attractive to save, we will change this country and what it can do, as compared with what it has done, in a dramatic form that may surprise the Government. What the Government could achieve by these measures is not an increase in the pool of savings at all; it might even diminish them. What it will do is divert the savings of the Australian people from the traditional areas to other areas which may be less attractive and less safe, and in the end there may be less total benefit to the Australian community as a whole.

The Bill states that it is intended to secure, to the greatest extent that is practicable, participation by Australian residents in the ownership and control of companies engaged in various activities, including manufacturing, processing, treatment, transportation or distribution of goods and the development or use of natural resources. Neither in this Bill nor in the second reading speech is it made clear that ownership and control by Australian residents does not mean ownership and control by Australian individuals. Ownership and control in the terms of the Bill is ownership and control by a government corporation, the AIDC, which holds the investment for the government although it does not hold the underlying assets.

What is the real difference between that and the system of the policy holders investing in a life assurance company which holds his investment? The company makes safe investments on his behalf. It is the same thing. The Government will not increase the resource or the savings by this means. People will be merely giving these funds to the Government to divert to some purpose of its own. One has to make this observation: Is the Government in any better situation or in any safer situation to do it than are the established bodies by which it has been done for so long? The AIDC equally could be required to divest itself as soon as practicable, of many of its investments and they should be sold to the Australian people through the normal process of buying and selling in the market. I think one must come to the view that the AIDC is really being expanded to compete with the private capital
market, and there is very considerable doubt as to whether it will do this efficiently.

A large part of what this is all about is not stated in the second reading speech, the Minister's observations or the Bills. A large part of this is a conscious decision by the Australian Government to take for the purposes of government a much greater proportion of the total resource than previous governments have taken. The previous proportion of the resource that was required by government for its purposes was about 30 per cent. One understands that it will be the conscious economic policy of this Government to expand that figure to 40 per cent. If that is to happen it must mean a substantial intrusion by the government or public sector into the private sector. It will mean a substantial intrusion by the Government into many activities now being carried on by normal corporations, individuals and life offices. It will mean that the AIDC will be, as will the National Investment Fund, through which one of the vehicles to give expression to a socialist policy of the transfer of economic resources from private hands to government hands.

Many alternative methods of doing this are available. The Australian Resources Development Bank is notably successful in this field and is capable of expansion to help in this task. The AIDC in its present form can do a useful job. I do not believe there is any case for the expansion of the AIDC. The whole matter is full of danger, uncertainty, unease and unexplained items. There have been some very vague comments about the ability of investors to liquidate their investments which, as honourable senators know, they may wish to do at any time. In relation to these so-called bonds that are being talked about, it was never made clear that one would never receive less than the face value of one's bonds. It was never made clear what the interest rate would be. It was never made clear that the Government would guarantee the capital and the interest. None of these things have been spelt out. They need to be spelt out.

The comment was made that the board of the AIDC would be strengthened by the inclusion of the Secretary of the Department of Secondary Industry. I cannot see why. He is a friend of mine. He is an admirable man and I like him very much. But I do not see that he will strengthen the board of the AIDC. I do not quite see how that will happen. The AIDC operates under the board pattern of his Department. He must have total communication with it. This is, if I may say so, a piece of legislative nonsense. Could it be that what is sought in the end is a total change in the AIDC board when the Government gets it organised to a much higher level, as the Government hopes to do, with much greater control of the pool of Australian savings? There may not be a group of businessmen on the board. There may be a group of other people without business experience. There may be any kind of group. Who would know? It may depend on the whim of the Minister of the moment. These people will have access to a huge resource—a huge proportion of the Australian people's savings—and the economic consequences of their investment programs may be much less important to them than would be shown in the kind of approach that would be made to investment by the people who are currently on the Board.

Equally we could find ourselves in a situation in which the AIDC, by investing in various companies, might insist on participation in the boards of those companies. This is not the practice of life offices; they never do it. But it could happen with the AIDC. We are looking here at a possible weapon for the nationalisation of industry and the control of industry by a government operating in a very substantial sector of Australian affairs. I want to spell that out to people because those who are philosophically opposed to that happening ought to understand what this is all about.

I believe that the national interest division which is spoken of in these 2 Bills should be under the direct control of the Government in due course and should not be attached to the AIDC. I have looked at this whole operation very carefully and I believe that there is a much better way of doing this. I am quite clear in my mind that a national interest division does not belong in the AIDC; it belongs in the government and it is the government which should make these national interest determinations. The Government might say that a development should be undertaken for a social or political reason. If that were the case, the Government should state that clearly to the national interest division and should fund the proposal if the proposal is going to be a loser or not payable.

The Government should not say to the AIDC: 'You have a national interest division and we are going to instruct you, the AIDC,' which is supposed to be a commercial enterprise, 'to take up turtle farming in the Torres Strait Islands, to invest money in it and to underwrite it.' The AIDC might say to the Government: 'Well, we are sorry, but that looks to us to be an all time loser.' The Government might say: 'That is all very well for you. You have a national interest
consideration; you go in and do it'. I have a separate view. I believe that in this sort of situation, where the Government makes the economic decision to operate in a national interest style for political and perhaps not for commercial reasons, the proposition should be identified, scrutinised, brought before the Parliament and set on its own feet.

Senator Webster—Business these days must be on a faster note.

Senator COTTON—I think that is correct. I think I have made myself plain: what we really need is a very direct involvement. If the Government decides that it wants something done and some part of the Australian people’s savings used to do it and if the proposal is not regarded as a good commercial operation and no one else will touch it—the AIDC may not want to do it, but the Government could say: ‘You have to do it’—the Government should be responsible for that decision, that money, and what happens to that money. It should be seen to be so responsible. The proposal should come before the Parliament and should be debated separately, not hidden in the AIDC and buried where maybe no one will see it.

Alternatively, the Government might wish to use the AIDC as a vehicle, but it would have to make a clear submission to the AIDC and provide and guarantee the funds without any requirement on the AIDC to earn money from the proposal. When one looks at these 2 Bills one reaches the conclusion that none of this is very much under parliamentary control and scrutiny. We have done a fair bit of work in the Senate recently on the necessity for the scrutiny of statutory corporations and government commissions. This is a view with which I totally agree and with which I have agreed ever since I became a senator. But here is a proposition which will take up a very great part of the savings of the Australian people and set them to one side from scrutiny. I do not think that that is a good idea at all.

The Bill provides for the National Interest Committee to advise on proposals which come into national interest considerations after they have been received by the Australian Industry Development Corporation. But the Bill does not provide that such reports and decisions be automatically tabled in the Parliament. The sort of thing we want to see is this: A decision is taken to invest $5m in an uneconomic enterprise because it is regarded as a worth while thing to do. If that decision is taken by government it should appeal for the funds. There should be a separate Bill. It should come into this Parliament and be debated. But under this Bill it will not happen in this style. It can all be done on the sidelines. This sort of consideration of national interest which is now placed in the AIDC could be very dominant in the Corporation’s investment program of its own funds, however they are acquired. It could be influenced by the decisions of a board which is not what I call practically trained in a corporation management style. It could be people who believe very much in doing good works but with somebody else’s money. After a while that tends to become a bit repulsive to people whose money it is.

The changing of the AIDC charter is such a broad change, accompanied by the National Investment Fund which is established to provide the financing method, that one would want to have that scrutinised very carefully. I have the view that that is a very woolly concept indeed. If I had been charged with doing this I would not have done it that way. I do not think this has been thought through satisfactorily. It is full of emotional overtones. It is full of what I call high-minded aspirations without much regard being given to the practicality of the investment market, the manufacturing market and the world of trade, manufacturing and challenging competition. It can be uneconomic. It can be subsidised by the taxpayers and it will be subject to political direction by the Government.

The proposition of sweeteners is one which provides, in effect, a cost or a subsidy to the public to invest in something in which it might not be worth investing anyway. Nobody can estimate just what those subsidies will cost the Australian taxpayer. They could end up being fantastic because no one has estimated what they might mean. The Government has just said that if it is hard to get money for a given proposition it will give a sweetener. So people will be induced to give it their money. The real sweetener people want when they invest their money is that they can get it back again and that they can get interest on it. There is no doubt about that. That is the sweetener they want. This happens every day in the Australian community without any need for Government to be further involved. Then there is the proposition to change the 30/20 rule and to make it the 40/30 rule. So far I have heard a lot of rumours and a lot of conjecture about this. It was said that this would be done, that it was a fixed obligation and that was the end of the argument. The rule was to go from 30/20 to 40/30 and 10 per cent had to be put to the AIDC. This is the beginning of the exercise. Then it was watered down, pushed off and argued about. Conflicting reports came out. It is
now said that this will not happen, or maybe it will happen, or maybe it will not happen. If it is not going to happen from where will the money come? Who will provide the money?

It has also been put to me that in order to increase Australian ownership and control the policy should be biased towards purchasing companies which are selling out. The person who told me this is a very good Australian who is no longer involved in business. He is involved in considering his country's future and he has not a selfish motive. He said: 'You know, Senator, they should think about why somebody wants to sell out his company. They should ask what is wrong with it. They might end up in buying a lot of duds.' We have to be very careful. We know the market place tends to sort this out. Why would the AIDC be any better than the market place to sort these things out?

The expansion of AIDC as proposed will mean a great deal more staff, more technical advice, more public servants, more expenditure and more subsidies, etc. All these things are known and are implicit in a transfer process of resources from the private sector where they are new to the government sector where the Government wants to have them. Do honourable senators think that the business acumen of the AIDC will be any greater than that of companies already engaged in the market place in the operation of competition, manufacturing, importing etc.? Why do we have to assume that it will be? It is far more likely that it will not be.

One can make one or two observations. An article in the 'Australian' of 23 November points out that the AIDC was a substantial investor in a company in South Australia which lost quite a bit of money. The AIDC investment is a public failure. The article goes on to make some other comments and it states:

Very little is known about the actual investment portfolio of the Corporation . . .

Very little is known. In other words, no information is available. In an area like this one thing should be implicit if we want the Australian people's confidence and if we want to attract more money to a government investment corporation. The Government should demonstrate its bona fides totally. It should say: 'This is where we have our money. This is the record of our successes and of our failures. This is to be known to the Parliament which, in the end, has to agree or disagree with what we want to do.'

I am unhappy about the AIDC proposition for quite a lot of reasons. I can see it becoming a great white elephant and requiring a lot of subsidies. I have talked about the investors' protection. Are they bondholders guaranteed by the Government or not? Does the Government guarantee to pay out their bonds at the bond value? What is the capital security or what is the negotiability? For instance, if I had some bonds in the AIDC because I had an aspiration to help in anything which made Australians do better for their own country, could I have a clear undertaking that if I put in $1000 in 10 years time when I wanted my $1000 I would get it? Do I have a guarantee that if I happen to have a lot of trouble I can sell those bonds and get $1000? Do I have a guarantee that the Government will pay the bond rate of 8.5 per cent or the going rate for money in the market place which is 10 per cent and which is the Government's own decision anyway? Do I have a guarantee that the Government will pay me this interest regularly every 6 months?

There has been a lot of publicity and pressure about the lack of funds for the AIDC. One has been reading this stuff lately in current newspaper series of what I might call putting pressure on the Senate to do what the AIDC masters want us to do. That does not fool anybody. It certainly does not fool me. The Government is perfectly capable of funding the AIDC at any time if it wants to do that. But it will not do so at the moment. I will tell honourable senators why it will not do so. It is because there is a great conflict in the Government between the Department of the Treasury and the AIDC about the whole proposition. It is quite clear to me that the Treasury has said: 'We are not going to buy this until Parliament agrees'. We are seeing all this stuff in the newspapers about the AIDC needing more money and that it cannot do anything unless it gets more money. That is just not so. If the Government believes in the AIDC and it wants to have its capital funded, the Government can come in here, as we did, put down a Bill, have it passed and get the money. I do not think that the Treasury cares all that much for the National Investment Fund section of the AIDC proposal. That is my assumption. I make that assumption on the basis that they are pretty sensible people and I do not care for it either.

A few days ago we got all this stuff about the AIDC not having any money and not being able to get any money. A little while later there was another newspaper article. The headline in the 'National Review' stated:

Cairns declares independence for the AIDC.

Dr Cairns issued a declaration of financial independence and stated:
The AIDC would not be allowed to go short of funds. Good. Let the Government come forward with a proposition for a Bill for a sum of money for the AIDC to be expanded on its present base and not expanded on this proposed new base. I should make it clear that I am speaking as an individual senator. Other honourable senators on the Opposition side have views on this matter. I am full of the greatest unease about these 2 measures, that is, the National Investment Fund Bill and the Australian Industry Development Corporation Bill to restructure the AIDC. I have, as has anybody else, the greatest aspirations for my country. I have a wish for it to progress, for its living standards to rise and for its people to contribute towards that as much as possible by their own efforts, their savings, their initiatives and their endeavours. But I want them protected and I want their savings protected.

I believe that in relation to this proposition there is a need for the Senate to take a fair bit of time and make a detailed, considered study of the whole matter. I believe that the measures have been rushed in in a state of haste and confusion and in an atmosphere of impracticality and unreality. I think it contains a high content of unnecessary empire building. I am reminded that its 2 principal masters are doctors. One is what I might call a socialist doctor, and, I suppose, the other, while very able, can fairly be described as a bureaucratic doctor. I am not yet necessarily sure that the whole proposal will benefit the Australian people. I do not think it will. I would like a lot more time to examine this.

Senator Wheeldon—Do these criticisms go as far as the Australian Medical Association?

Senator COTTON—I do not need doctors at the moment. I am dealing with an economic problem. I have a view, and I have tried quite seriously to indicate to the Government, that here we have 2 measures of immense consequence. They need detailed examination. I go back to what I believe is the fundamental proposition about this—and it has not been stated in the second reading speech or in the Bill and neither the doctors nor their friends have adverted to it. What we are looking at here really is one of the devices by which the private sector resources will be transferred to the government sector for the purposes which the Government may wish to give to them. That is what this is all about and it ought to be so stated. It is a device to involve governments in a wide range of commerce, manufacturing, mining, transport, etc. If this is the case, let the Government say so; and let the Government when it is so involved stand on the test of the market place in free and open competition. If it wants to do something that cannot stand those tests let if fund it separately, identifiably and clearly to the Parliament and take the responsibility for the losses. The Government should not ask the Australian people to take this responsibility and it should not ask the life assurance policy holders or the savings banks people or the provident funds people to do it.

Senator O'Byrne—You had socialist involvement with Qantas and TAA.

Senator COTTON—I think I did. It is nice of the honourable senator to say so. I will say to Government senators that if they gave me a great deal more time I would be prepared to approach the Australian Industry Development Corporation Bill and the National Investment Fund Bill and propose a construction that would remove most if not all of the odious features and do the good things that need to be done. But I can assure honourable senators opposite that in these proposals I see here that does not happen. Although this Bill came into the Senate very late and, if I may say so, not by decision of the Opposition—do not give us that one. You have the notice paper under your control; we do not—I would like the Senate to be given a considerable amount of time to debate these issues which are so important. If honourable senators opposite can persuade me that what I am saying is dead wrong, then I am open to persuasion. I thank you, Mr President.

Senator Murphy—Did the Bill not go into the House of Representatives on 30 August and come in here on 23 October?

Senator COTTON—Mr President, I am asked a question by the honourable senator. Senator, I respond only because we have had from your Minister and from others of your colleagues expressions that the Senate is holding up these Bills. That is not true.

Senator Murphy—The Opposition has had this Bill since 30 August.

Senator COTTON—The Government has had the Bill on the notice paper.

Senator Murphy—It has been in here since 23 October. You have had plenty of time to study it.

Senator COTTON—Perhaps Senator Byrne would like to take that up.

Senator Byrne (Queensland) (6.48)—Since the commencement of this session the Parliament has seen the phenomenon of an enormous number of Bills, many of them of a very dramatic and fundamental character, presented to this chamber. I have had occasion in the last week or
so to protest about the inundations to which this chamber has been subjected by the number of Bills and that their fundamental character demands an attention which it is not possible for the Senate to give to them. When the Trade Practices Bill 1973 came in the other day it was adjourned until next year, until the first sitting day in February, in pursuance of the same type of proposition. If we look at the notice paper we see the Bills of a fundamental character which the Government has seen fit to introduce in terms of its interpretation of the mandate given to it at the last election. For example, there is a series of Constitution Alteration Bills which are of immense consequence as every Constitution alteration necessarily is. We have seen Bills such as that affecting the National Health Act, a substituted statute for the existing law, which again will have vast social consequences. We have had Bills like the Conciliation and Arbitration Bill and the Compensation (Commonwealth Employees) Bill which prescribe completely new codes of governmental and social behaviour. And we have Bills of the character of the two which are now before the chamber and which we are debating together.

In the last few years this chamber has assumed a completely new character in the Parliament and today the nation looks to it in a particular way to discharge particular duties. That has been commonly accepted by both sides of the House and by none more than the gentlemen who now sit in government or by the Leader of the Government in the Senate, Senator Murphy. He has been—and I approve of this, of course, and support it—the great protagonist of the responsibility of the Senate by creation of new machinery—new agencies—to investigate thoroughly and in depth propositions that come before this chamber. As a result of that he was in a major degree the progenitor of the Estimates committees and, more particularly, the standing committees, and a supporter of the select committees which are created from time to time. Those are worthwhile contributions in ideas; and those ideas and the ideas along the same lines which have come from other sections of the House have given the Senate a new character, a new viability and a new relevance in this Parliament.

If ever the general propositions which are implicit in that approach have been put to the test surely it has been in the last 6 or 8 months of this year since the Government came to power. Because if ever there was a time when all the resources of this Senate would have to be mobilised and the new machinery which has been created put into operation it is when the Senate has to consider this mass of legislation which, as I say, is of a fundamental character and which is pouring from the Government and which we are expected to assess and examine and to pass or reject. Therefore I think that any charge that the Senate has in some way, by insisting on the operating of this new machinery to examine these Bills of such dimensions, caused frustration demonstrates a complete unawareness of the character of the Senate, the disposition of all members in this chamber, the creation of the machinery and the attitude that we should take to legislation.

Senator Cavanagh—Who are you kidding, Senator?

Senator BYRNE—I am kidding nobody. I know that certain senators become extremely cynical. But we know that matters have received an investigation in depth in this chamber in the last 3 years which they never got before. We know that many of the propositions that have been advanced here as a result of reports of committees and the consideration of senators have emerged in legislation not only in the hands of the present Government, as Senator Murphy would claim, but in the hands of the previous Government. Reports such as the report on metrication, the development of Canberra and things like that have been of tremendous support to the Government of the day, and those propositions have been carried into legislative effect. As I say, if ever there was an occasion when matters of great consequence should be considered with all the machinery that the Senate now has at its disposal to operate in that investigation it is in relation to these Bills. These Bills are of a very deep character. They may become statutes the effect of which, if passed, can change in great degree the economic and financial structure of this country. I think it could be fairly said that the Government is of the opinion that something like that should be done. I do not think the Government would relish from the claim that these Bills have an orientation in that direction. If that is so surely there is a responsibility on this chamber to examine legislation of this character with all the resources available in the Senate and with all the external advice that we can receive. If we do not do that I think we would be recreant to our trust.

We will have created an investigatory machine at very great cost that is not going to operate—and when the real challenge comes to operate that machine we will be seen to have failed.

Senator McLaren—But you had Senator Kane away for a full fortnight campaigning for the New South Wales elections.
Senator BYRNE—If that is the best contribution the honourable senator can make, it is a very poor contribution. I say to the honourable senator that I do not suppose there is any group in the Parliament which makes a more positive or a more continuing contribution to the functioning of this chamber than the Democratic Labor Party. When one looks at the record of our Party in the contribution to the functioning of the Senate, the establishment of committees, the presentation of motions of consequence and the presentation of Bills in our own right and amendments to Bills one sees that there is no comparable activity by either the Government or the Opposition in this place. We are considering these Bills in pursuance of the same sense of responsibility and with the desire to make the same type of contribution. The Democratic Labor Party has been particularly interested in the question of foreign ownership and control and was so interested prior to the interest manifested by any other group in this Parliament.

There was a great deal of discussion about the alienation of Australian resources and about the intervention of foreign ownership through multinational corporations securing beneficial ownership of one area or another of our national life. Apart from some rather vaguely drawn and not altogether satisfactorily operated guidelines which were laid down firstly by a Liberal-Country Party Government and then by Mr Gorton, the first positive contribution was made by the Democratic Labor Party which put to this chamber the necessity for a national investigation of the maintenance of Australian ownership and control, of the buy back the farm theory and of the way in which we could attract Australian investment to national development. I take some personal pleasure in speaking about this matter because I moved the motion for the creation of the Senate Select Committee on Foreign Ownership and Control of which the present Leader of the Government in the Senate, Senator Murphy, was an active, interested and valuable member. Due to the change of government he found it necessary to cease his identification with that Committee. It is still continuing to sit and is investigating the whole question over specific areas, in some order of priorities.

The Committee presented an interim report on the control of financial resources, banking and ancillary financial activities. That report dealt with the expansion of the activities of the Australian Industry Development Corporation. It is common ground in this Parliament that the greatest possible and practicable degree of Australian ownership should be maintained and that, as far as possible, we should try to mobilise our resources to make that feasible and practicable in this country. The terms of reference which were laid down for the Senate Select Committee on Foreign Ownership and Control show that there has been an advertance to these difficulties and to these necessities. I now read one of the terms to show how germane the terms of inquiry are to the matters before the Senate. Term of reference (d) states:

the best method of mobilising Australian capital resources and attracting their commitment to national development.

That proposition was specifically put to the Committee because it was no good going into generalities about the desirability of that aim unless we adverted also to the practical means by which we were able to attract Australian indigenous capital to the development of resources. We have had little difficulty attracting overseas capital over many years. It was almost fatally easy to get it. It is only in more recent times that Australia has become an affluent society with credits available and with deposits in the bank which, if they were properly attracted and properly mobilised, could be diverted to national development and to the ownership of Australian corporations, particularly in the resources development field. It is only in recent years that any excess of capital has become available. Unfortunately that excess had not reached such dimensions that there was an accumulation of what might be called risk capital, particularly grave risk capital, which those who had accumulated some credits were, for the first time in their lives, prepared to speculate on remote problems of possible financial reward and certainly those which could be put in some sort of financially and economically hazardous situation.

Nevertheless, the Committee was asked specifically to look at that matter in the light of the new Australian climate, the new climate of national opinion and the new availability of financial resources accumulated in the savings and trading banks and generally available to the Australian investing public. That investigation is still proceeding. The Committee has had submissions from very many distinguished people in all fields of activities relevant to the inquiry, including a specific and extraordinarily able submission from Sir Alan Westerman who is obviously one of the fathers of the program which is now recited in the Bills before the chamber.

Debate interrupted.
ADJOURNMENT
The PRESIDENT—Order! In conformity with the sessional order relating to the adjournment of the Senate, I formally put the question:

That the Senate do now adjourn.

Question resolved in the affirmative.

Senate adjourned at 7 p.m.
ANSWERS TO QUESTIONS

The following answers to questions were circulated:

Public Servants: Regulation 97
(Question No. 418)

Senator Withers asked the Minister representing the Prime Minister, upon notice:

How many Australian Public Servants at each Level/Class in the Second and Third Divisions on 1 September 1973 had been receiving Regulation 97 payments for (a) 6 months or less; (b) 6 to 12 months; (c) 12 to 18 months; and (d) 18 months or longer.

Senator Murphy—The Prime Minister has provided the following answer to the honourable senator's question:

I refer the honourable senator to the information provided in answer to Question No. 419 about the basis and circumstances involved in the payment of allowances under Regulation 97 and about the maximum time limits for the allowance now applying in the States and Territories (Hansard, 13 November 1973, page 1751).

The Regulation enables Chief Officers to authorise payment of the allowance for initial periods of up to 3 months. Payment of allowances for periods longer than 3 months is approved by the Public Service Board's Inspectors in the States. The Public Service Board is not involved in the day to day implementation of the Regulation and therefore the information requested is not centrally recorded and maintained. Thus whilst I have asked that the information sought be obtained this may take some time. As soon as the information is to hand it will be made available to the honourable senator and to the Senate.

Public Servants: Regulation 97
(Question No. 420)

Senator Withers asked the Minister representing the Prime Minister, upon notice:

(1) How many Australian Public Service Second Division officers in each level were receiving Regulation 97 payments for rental assistance at 1 September 1973.

(2) How many Australian Public Service Third Division officers at each class were receiving Regulation 97 payments for rental assistance at 1 September 1973.

Senator Murphy—The Prime Minister has provided the following answer to the honourable senator's question:

See answer to Question No. 418.

Cricket Balls
(Question No. 461)

Senator McLaren asked the Minister representing the Minister for Secondary Industry, upon notice:

(1) How many manufacturers of leather cricket balls are there in Australia.

(2) What are their names.

(3) Under what brand names do the respective manufacturers market their cricket balls.

(4) Is there any known reason for the apparent decline in the quality of cricket balls in recent years.

(5) What is the difference between leather cricket balls manufactured for hard wickets and those for turf wickets.

(6) How many cricket balls are manufactured annually in Australia.

(7) Are cricket balls imported into Australia; if so, how many and under what brand names are they marketed.

Senator Wriedt—The Minister for Secondary Industry has provided the following answer to the honourable senator's question:

(1) There are eight known manufacturers of leather cricket balls.

(2) and (3) Manufacturers' names and the brand names of their products are:

A. G. Thompson—'Kookaburra'.

Slazengers (Aust) Pty Ltd—'Special Crown', 'Yorker Club', 'Yorker Special', 'Hard Wicket', 'Panther'.

Nutting and Young Pty Ltd—'Lyre Bird'.

Platypus Sporting Goods (Dave Brown) Pty Ltd—'Platypus'.

Bert Tyrrell Sporting Goods Pty Ltd—'Preston Star', 'Gola', 'Speedmaster'.

J. L. Burley Pty Ltd—'Burley', 'Rover', 'Ace'.

J. S. Chesson Pty Ltd—'Chesson'.

Steeden (Distributors) Pty Ltd—'Steen'.

(4) Some difficulty has been experienced in obtaining suitable leather and in some cases top quality stitching, and this has resulted in a fall in the quality of some cricket balls. In general, I understand that the reliability of the better quality locally produced cricket balls has been maintained.

(5) Different balls are not produced specifically for different wickets, but four-piece balls are usually used on turf. The cheaper two-piece ball is normally used for junior cricket for economy reasons particularly when played on hard wickets.

(6) Production of leather cricket balls in the past two years has been:

1971–72—25,656 dozen.

1972–73—30,197 dozen.

(7) Preliminary import statistics for all types of cricket balls for 1972–73 were 76,963 balls. It has not been practicable to identify all brand names under which imported balls are marketed. However, some are sold under the names of—

'Alan Davidson'.

'Club'.

'Special Test All Star'.

'Worcester'.

'Playland'.

'Chingford'.

'Grasshopper'.

Constitution Alteration (Incomes) Bill 1973
(Question No. 469)

Senator Wright asked the Attorney-General the following question, upon notice:

As the Attorney-General, on 26 September 1973, when speaking on the Constitution Alteration (Incomes) Bill 1973,
referred to certain basic standards guaranteed to wage and salary earners outside Commonwealth awards and went on to say that, under this Bill, the Australian Parliament could guarantee basic standards throughout the nation, which would include instances of (a) the basic standards guaranteed by the New South Wales Parliament; and (b) the basic standards referred to which the Australian Parliament could guarantee under the Bill.

Senator Murphy—The answer to the honourable senator’s question is as follows:

(a) The New South Wales Parliament has guaranteed a number of basic standards, instances of which, with references to relevant legislation, are as follows:

(i) Determination of basic wage (Industrial Arbitration (Amendment) Act, 1937, which provided for the basic wage to be determined by reference to the basic wage fixed by the Commonwealth Court of Conciliation and Arbitration); and adjustment of the basic wage by the Industrial Commission whenever the Commonwealth Conciliation and Arbitration Commission makes a decision, based wholly or partly on economic grounds, to vary rates of wages generally (Industrial Arbitration Act, 1940-1971, s.57);

(ii) Periodic ‘cost-of-living’ adjustments to wages (Industrial Arbitration (Basic Wage) Amendment Act 1955) during period 1955-1964;

(iii) Equal pay (Industrial Arbitration Act, 1940-1957, as amended by the Industrial Arbitration (Female Rates) Amendments Act 1958, which provided that, for male and female employees performing work of the same or like nature and of equal value, the Industrial Commission may prescribe in State wages the same basic wage and secondary wage, to be phased in over a period of 4 years ending on 1 January 1963);

(iv) Payments in respect of annual leave (Annual Holidays Act, 1944-1958, as amended by the Annual Holidays (Amendment) Act, 1964, which provides that annual holiday pay for employees covered by the Act is to be calculated on the basis of the employee’s ordinary pay, i.e. as including bonuses, incentive payments, etc.);

(v) Requirement that wages be paid in money only (Truck Act of 1900);

(vi) Protection of part of wages and salary against garnishee orders (Supreme Court Act, 1973, District Court Act, 1973 and Courts of Petty Sessions (Civil Claims) Act, 1970);

(vii) Power to the Industrial Commission to declare void in whole or in part, or to vary, any contract, etc., whereby a person performs work in any industry on grounds that the contract, etc., is unfair, or harsh or unconscionable or provides for a total remuneration less than a person performing the work would have received as an employee performing that work (Industrial Arbitration Act, 1940-1968, s.88F).

(b) Matters such as those mentioned in paragraph (a) could be dealt with under an incomes power, wholly, as to items (i) to (vi), and, at least to the extent to which it concerns rates of pay and related matters, as to item (vii).

Uranium Enrichment Plant

(Question No. 517)

Senator Carrick asked the Minister representing the Minister for Minerals and Energy, upon notice:

(1) Has the Government decided to initiate immediate discussions with Japan for a feasibility study to be undertaken into the establishment in Australia of a joint centrifuge type of uranium enrichment plant.

(2) Where is the proposed plant to be located.

(3) Where and by what method are the lethal wastes to be permanently disposed.

(4) Are the wastes to be buried within the Australian continent; if so, where and by what method.

(5) Are the wastes to be buried at sea, ‘Chicago-gangster style’ in a concrete casing: if so, where; if not, is the Government intending to ‘do another Galston’, by thrusting the plant on the Northern Territory, South Australia or Western Australia without prior warning or discussion.

Senator Wriedt—The Minister for Minerals and Energy has provided the following answer to the honourable senator’s question:

(1) The Government proposed at the recent meeting of Japanese and Australian Ministers a joint study of the feasibility of establishing in Australia a uranium enrichment facility utilising Japanese technology and finance and which will be owned by the Australian Government. As announced in the communiqué, officials will continue to hold discussions relating to mineral and energy resources, including uranium.

(2) to (5) See answer to (1).

Woodruff Mines Ltd: Revaluation Compensation

(Question No. 527)

Senator Maunsell asked the Minister representing the Minister for Minerals and Energy, upon notice:

(1) It is a fact that the Government has approved re-valuation compensation for the asbestos company, Woodruff Mines Ltd.

(2) Is this the first case of re-valuation compensation for a mining company.

(3) It is also a fact that negotiations are continuing to change control of the company, 58 per cent of which is owned by a Canadian group and the remainder by the Australian public.

(4) Is the Australian Industry Development Corporation involved in these negotiations.

(5) Will re-valuation compensation for mining companies be determined by whether the companies are controlled by overseas or Australian interests.

Senator Wriedt—The Minister for Minerals and Energy and Energy has provided the following answer to the honourable senator’s question:

(1) Yes.

(2) Yes.

(3) and (4) I have read press reports to the effect that negotiations regarding restructuring of Woodruff Mines Limited were continuing and that the policy of the Canadian company is in preference to be given to Australian interests. I understand the Australian Industry Development Corporation has been involved in discussions with the company.

(5) No.
Postmaster-General’s Department: $20 Postal Orders
(Question No. 531)

Senator McManus asked the Minister representing the Postmaster-General, upon notice:

Have complaints been received by the Postmaster-General’s Department that difficulty has been experienced by persons in having $20 notes cashed in official post offices in Victoria. If so, what is the reason and will action be taken to remedy the position?

Senator Douglas McClelland—The Postmaster-General has provided the following answer to the honourable senator’s question:

I presume the honourable senator is referring to $20 postal orders. That being so, it is true that some customers have experienced difficulty in cashing these orders at official post offices. However, it has been possible usually to make alternative arrangements for the people concerned.

The reason for the difficulties stems from a directive, issued by the Federal Executive of the Union of Postal Clerks and Telegraphists to its members, instructing them not to handle the $20 postal orders and associated accounting documents. As the members of this Union are fairly widely distributed throughout official post offices the Union’s directive has resulted in some inconvenience to persons receiving such postal orders. Negotiations are continuing with the Federal Executive of the Union with a view to having the bans lifted.

Solar Energy Research in Australia
(Question No. 534)

Senator Davidson asked the Minister representing the Minister for Minerals and Energy, upon notice:

(1) Did Professor Watson-Munro claim that Australia has only a ten-year supply of oil left and warn that research into solar energy was necessary.

(2) Can the Minister say if the information available to the Government supports Professor Watson-Munro’s view.

(3) Has the Government any program of research into using solar energy; if so, are results available.

(4) If the answer to (3) is in the negative, will the Government pursue research in the field of solar energy and advise the Senate of the progress made.

Senator Wriedt—The Minister for Minerals and Energy has provided the following answer to the honourable senator’s question:

(1) A recent report of a committee established by the Australian Academy of Science under the chairmanship of Professor Watson-Munro on solar energy research in Australia mentions, among other things, that Australia’s known oil reserves without imports are inadequate for even a decade. The report includes a number of recommendations on the way in which a solar energy research program might develop.

(2) On more than one occasion I have drawn attention publicly to Australia’s deficiency in crude oil. Allowing for projected expansion of consumption, we have only eight year’s supply of indigenous crude.

(3) and (4) The Government intends to promote the scientific development of energy sources including energy from the sun and the means by which this will be done are being considered.

The Japanese Minister for International Trade and Industry, Mr Nakasone, has agreed to conduct in Australia, by Japanese scientists, in conjunction with their Australian counterparts, a feasibility study into the whole question of solar energy, for its collection and utilisation.

Australian Honours and Awards

Senator Murphy—On 12 September, Senator Devitt asked a question without notice concerning the institution of an Australian system of awards. He wanted to know whether the Government intended to introduce such a system and if so, what form it would take. I undertook to find out whether any progress had been made towards having an Australian system to give recognition for meritorious service.

Australian Labor Party Policy is not to continue participating in the imperial honours system and to substitute our own system. I have been informed that while we have made some progress towards devising an Australian system of awards, no firm decision has yet been taken.

National Highways System: Defence Importance

Senator Cavanagh—On 10 October 1973, Senator Davidson asked the Minister representing the Minister for Transport the following question, without notice:

I refer the Minister representing the Minister for Transport to the reported statements of the President of the Australian Road Federation that a national highways system would be a tremendous defence value to Australia. Has the Minister seen the statement and can he tell me whether there has been any consultation between the Department of Transport and the Department of Defence in relation to a national highways plan? Can the Minister also say whether the Department has carried out research into the relation of a national road system to interstate transport costs and the servicing of remote areas and decentralised centres?

The answer to the honourable senator’s question is as follows:

The President of the Australian Road Federation made certain statements regarding the defence importance of a national highways system during an address he delivered to the Australian Automobile Association Symposium held in Canberra on 9 October. However, these statements have not yet been published.

The Minister for Transport gave the opening address at the Symposium and spoke of the planned development of national highways which is currently being reported on by a Committee of Commonwealth and State officials. Research for this report has been carried out by a special Study Team, working in close liaison with the Department of Transport and the Bureau of Roads.

The Department of Defence, in common with other Departments with interests in the development of a national highways plan, is being consulted. Its views, and the views of other interested departments, will be taken into account in the compilation of the final report.

In reference to the second part of the honourable senator’s question, research has also been carried out by the Study Team.
on the relationship of a national road system to a wide range of community needs.

The demand for private and commercial travel and transport, and the special needs of transporting primary products, were taken in account. The study included work on the impact of improved roads on railways, where these might compete, and the costs of interstate and interregional transport. Consideration was also given to the question of population distribution, and the effect of decentralisation policies.

Closure of Country Post Offices

Senator Douglas McClelland—On 7 November 1973, Senator Laucke asked me the following question, without notice:

In view of the widespread concern emanating from rural communities following announcements by the Postmaster-General's Department that a large number of country post offices probably will either be closed or downgraded, I ask: In the interests of decentralisation and of reasonable services being provided to country residents, will the Minister seek from the Postmaster-General an assurance that before final decisions are made respecting post offices involved, local government authorities be invited to make submissions to the Minister in support of the retention of these post offices with their current status?

In my answer, I undertook to refer the honourable senator's suggestion to the Postmaster-General, and I have now received the following information from him:

The Postal Service has incurred trading losses aggregating approximately $140m during the last 8 years, and it will be appreciated that this has had an effect on the charges postal users pay for the services they receive and also on the cost to the taxpayer generally.

In the light of each adverse trading results, the Department has for some years been examining many aspects of its postal operations, including ways of providing adequate post office services more economically. This has resulted in the closure of a number of very small non-official post offices which were being used very little by local residents except as mail distribution points, and the conversion of some of the smaller official post offices to the non-central method of operation without affecting the range or grade of services being provided.

This approach is being continued and there are still a number of post offices in these categories scheduled for future examination.

When consideration is being given to closing a non-official post office, it is current practice for the local District Postal Manager to visit the area and discuss the Department's plans with community representatives or attend a public meeting.

As there is no change in the range or grade of services provided when a small official post office is changed to non-official conditions, service to the community is not affected. However, before a firm decision is made on a change, the existing and potential development in the area is discussed with local governmental authorities and business organisations. Nevertheless, I would welcome submissions to my Department on any factors which would significantly improve the economic viability of an existing official post office without changing it to the non-official method of operation.

'Blue Poles' Painting

Senator Murphy—On 8 November 1973, Senator Laucke asked me a question without notice connected with the acquisition of the painting

'Blue Poles', and whether a member of the Visual and Plastic Arts Board is associated commercially with Max Hutchinson New York Ltd, the agent in the transaction. The Prime Minister has now furnished me with the following information:

The body responsible for purchasing works of art for the National Gallery is the Acquisitions Committee of the National Gallery. The Visual Arts Board of the Australian Council for the Arts (formerly the Visual and Plastic Arts Board) has no part in this process.

Repatriation: Special Compensation Allowance

Senator Murphy—On 8 November 1973 Senator Townley asked the following question, without notice:

Is the Minister representing the Minister for Repatriation aware that there is considerable dissatisfaction amongst the ex-servicemen in the seriously disabled category—that is with 75 per cent to 100 per cent assessed disability—and in receipt of the special compensation allowance, who effectively received no increase in their repatriation pensions in the last Budget? Will the Minister consider the withdrawal of the $3 special compensation allowance which appears as unfair discrimination against these men and their families?

The following answer has been provided to the honourable senator's question:

It is true that some representations have been made to the Minister for Repatriation about the reduction of the rate of the special compensation allowance. However the Government's intention to eliminate this allowance has received the endorsement of many ex-servicemen. In fact, such a move was included in the last R.S.L. War Compensation Plan.

This allowance was introduced by the previous Government in 1969, possibly to avoid increasing the whole of the General Rate range, which itself provides that the more seriously incapacitated pensioners are paid a higher rate of compensation.

The inequitable nature of this allowance is demonstrated by comparing a pensioner with 70 per cent incapacity with one with 75 per cent incapacity. Prior to the first step in eliminating this allowance, the 70 per cent pensioner received $11.20 a week whereas the 75 per cent pensioner received $16.30, an extra $5.10 a week for only a 5 per cent greater incapacity.

Fourteen per cent of the General Rate pensioners received this extra benefit for five years while the remaining 86 per cent received no increased payment for almost all of that time.

It is the Government's intention to provide adequate compensation for all in the General Rate scale and I am sure the honourable senator will agree that the move to rationalize this scale has been, and will continue to be, undertaken in the most equitable manner.

Prime Minister: Award Conferred By Chile

Senator Murphy—On 13 November, Senator Hannan asked a question relating to the Prime Minister's appointment to the Order of the Collar of St Agatha of Paterno.

The Prime Minister has provided the following answer to the honourable senator's question:

I have nothing to add to my reply to Senator Gair (Hansard 6.3.73, page 192).
Institute of Aboriginal Studies

Senator Cavanagh—On 14 November 1973, Senator Jessop asked the Minister for Aboriginal Affairs the following question, without notice:

(1) Can the Minister inform the Senate of the reasons surrounding the resignation of Professor Strehlow from the Institute of Aboriginal Studies?

(2) Is it a fact that, according to a Press statement attributed to him, this occurred as a result of his disagreement with the Federal Government’s policies on Aboriginal affairs and that he did not see eye to eye with the Chairman.

(3) Can the Minister say when he expects to be able to announce a replacement to this position.

The answer to the honourable senator’s question is as follows:

(1) Professor Strehlow tendered his resignation from the Australian Institute of Aboriginal Studies in a letter dated 10 April 1973.

(2) I have not seen the text of the Press statement referred to by the Honourable Senator. Professor Strehlow’s letter of resignation referred to differences of opinion with the Council of the Australian Institute of Aboriginal Studies.

(3) The vacancy left by Professor Strehlow’s resignation can be filled by election, in accordance with the Rules of the Australian Institute of Aboriginal Studies, at the next general meeting of members to be held in 1974.

Social Welfare: Inquiry

Senator Douglas McClelland—On 15 November, Senator Davidson asked the Minister representing the Minister for Social Security the following question, without notice:

My question is directed to the Minister representing the Minister for Social Security. I refer to a newspaper report which states: ‘The Federal Government has appointed yet another inquiry—this time into manpower available for social welfare work’. Does the Minister know whether the report is correct? Will he give some detail of the need for such an inquiry? Cannot the Department concerned undertake such an inquiry? Will he advise me how many people will be involved? Does he know the terms of reference of such an inquiry?

The answer to the honourable senator’s question is as follows:

The Minister for Social Security has advised that a Working Party on Social Welfare Manpower has been established, the need for which arose from the evident shortage of social workers and other trained personnel in the social welfare field. This shortage was the subject of a special report released in June by the Institute of Applied Economic and Social Research in Melbourne. The Social Welfare Commission proposed a broadly based Working Party to include both departmental and other representation. Membership and terms of reference of the Working Party were contained in the Director-General’s First Annual Report as follows:

Personnel—One representative from:

Department of Social Security, Department of Labour,

Terms of Reference—

1. The Working Party will be a continuing body responsible to the Social Welfare Commission.

2. The functions of the Working Party will be:

(a) To devise methods of obtaining projective figures for welfare manpower needs in each State, and regional areas of each State, having regard to the needs of health and other services as well as primary welfare services.

(b) To include in its consideration of welfare manpower needs, Social Workers, Psychologists, Sociologists and other professional disciplines involved in the area of Social Policy, as well as all job-oriented personnel, such as welfare officers, case aides, child care officers and voluntary workers.

(c) To keep informed of all available educational opportunities for both professional, and other personnel as outlined in (b).

(d) To make predictions regarding requirements for education to meet the welfare manpower needs of the future.

(e) To make recommendations to the Social Welfare Commission concerning any policies which will facilitate the supply of adequate welfare manpower.

3. The Working Party will be chaired by a member of the Social Welfare Commission and will be provided with research staff.

Australian Waters: Illegal Fishing Vessel

(Question No. 530)

Senator Drake-Brockman asked the Minister for Primary Industry, upon notice:

(1) Will the Minister inform the Senate of:

(a) the number and identity of boats arrested for illegal fishing in Australian waters in the past two years;

(b) what charges were laid and what were the results of any court action taken;

(c) the number and identity of boats escorted out of Australian waters but not arrested; and

(d) whether any foreign fishing boat in the past years has been suspected of, or found to be engaged in, drug running.

Senator Cavanagh—The Minister for Primary Industry has provided the following answer to the honourable senator’s question:

(a) and (b) A total of nine (9) fishing vessels have been apprehended for illegal fishing operations in Australian waters since 1 November 1971. All of these vessels were engaged in commercial operations for Taiwanese interests. The table below sets out the details:
<table>
<thead>
<tr>
<th>Vessel</th>
<th>Act and section under which charge laid</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuang Nam</td>
<td>Continental Shelf (Living Natural Resources) Act 1968, s. 15 (1) and s. 15 (2)</td>
<td>Master fined $500 on each of two charges. Catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Sheng Jyi Tsai</td>
<td>Continental Shelf (Living Natural Resources) Act 1968, s. 15 (1)</td>
<td>Master fined $1,000. Vessel, catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Lan Yang, No. 1</td>
<td>Fisheries Act 1952-1970, s. 13AA</td>
<td>Master fined $50. Vessel, catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Lan Yang, No. 2</td>
<td>Fisheries Act 1952-1970, s. 13AA</td>
<td>Master fined $30. Catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Yung Yuan, No. 21</td>
<td>Fisheries Act 1952-1970, s. 13AA</td>
<td>Master fined $50. Vessel, catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Yung Yuan, No. 22</td>
<td>Fisheries Act 1952-1970, s. 13AA</td>
<td>Master fined $50. Catch and fishing equipment forfeited</td>
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With respect to the four (4) last mentioned cases, an appeal to the Northern Territory Supreme Court resulted in the vessels Lan Yang No. 2 and Yung Yuan No. 22 being returned to the owners. In addition agreement was reached with the owners whereby the catches of the four (4) vessels were returned to them. These two vessels together with the catches and crews of the four (4) vessels returned to Taiwan.

<table>
<thead>
<tr>
<th>Vessel</th>
<th>Act and section under which charge laid</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sing Hsing</td>
<td>No charges were laid against the operators of this vessel</td>
<td>Master fined $2,000 on each of two charges; in default 6 months imprisonment. Vessel, catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Chiah Long, No. 11</td>
<td>Fisheries Act 1952-1970, s. 13AA</td>
<td>Master fined $2,000 on each of two charges; in default 6 months imprisonment. Vessel, catch and fishing equipment forfeited</td>
</tr>
<tr>
<td>Chiah Long, No. 12</td>
<td>Fisheries Act 1952-1970, s. 13AA</td>
<td>Master fined $2,000 on each of two charges; in default 6 months imprisonment. Vessel, catch and fishing equipment forfeited</td>
</tr>
</tbody>
</table>

In the last mentioned two cases the Masters spent some five and half (5.5) weeks in goal, and following determination of appeal hearing the fines were waived and the Masters repatriated to Taiwan.

(c) A total of 81 fishing vessels have been escorted from the exclusive fishing zone adjacent to the Australian mainland during the past two (2) years. All were small sail-powered Indonesian vessels which were found to be engaged in subsistence fishing.

(d) This matter is one for my colleague the Minister for Customs and Excise.