



PRIME MINISTER

THE PRIME MINISTER'S PRESS CONFERENCE

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PRIME MINISTER

PRESS STATEMENT NO. 119

28 August 1973

CABINET ANNOUNCEMENTS BY THE PRIME MINISTER AT HIS PRESS
CONFERENCE, CANBERRA, 28 AUGUST 1973

APPOINTMENTS - The Executive Council this afternoon
approved the following appointments:

- Mr. Alan Renouf - Secretary of the Department
of Foreign Affairs
- Mr. R.J. Hawke - Member of the Board of the
Reserve Bank of Australia
- Mr. A.C. Woods - Acting Secretary of the
Department of Secondary Industry.

SECOND AIRPORT -

The Department of Urban and Regional Development
has recommended the Galston sub-region as the
site of the second airport for Sydney.

Cabinet has asked the Commonwealth-State
Committee on a Second Sydney Airport to
formulate a strategic plan for the Galston
sub-region which:

- .. establishes a land use plan for the
integration of airport development with
existing and potential uses and presents
a means of implementing this plan;
- ... identifies transportation requirements
generated by airport and other activities
and presents a satisfactory means of
accommodating these;

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- * examines opportunities for reducing the
extent and intensity of noise annoyance
arising from the airport and of mitigating
the effects of such noise.

The Committee consists of representatives of
the Treasury and the Departments of Urban and Regional
Development, Civil Aviation, Works and Services and
Property, the N.S.W. Departments of Transport and Main
Roads and the State Planning Authority of N.S.W.
Mr. Jones will give you further details.

AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION - Cabinet has
approved a submission from the Treasurer and the Minister
for Overseas Trade and Secondary Industry for the reform and
enlargement of the A.I.D.C. The broad effect of our changes
will be to enable the A.I.D.C. to finance Australian
ownership of industry, to extend its operations to
manufacturing, mining and resource development, and to
remove the restrictions limiting its participation to
temporary minority holdings. Some details of our
proposals have already been released by Dr. Cairns.
Further details will be available from his office.

FEDERAL CODE OF EVIDENCE - On the recommendation of the
Economic Committee, Cabinet has approved the preparation
of legislation for a federal code of evidence to be applied
by federal courts and, if possible also, State courts
exercising federal jurisdiction.

CONSUMER STANDARDS - On the recommendation of the Economic
Committee, Cabinet has approved the establishment of an
Interim Commission for Consumer Standards, supported by a
staff of six.

The functions of the Interim Commission will be -

- (i) to exercise principal responsibility for
co-ordination of Australian Government action
in the development of uniform standards for
consumer products, including advisory and
policy functions in relation to Codex
Alimentarius and Commonwealth Food Standards,
but not including standards based on health
criteria on drugs and goods, that would
remain the responsibility of the Department
of Health.

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- (ii) to arrange for meetings of Commonwealth and State officials to discuss consumer matters, and to provide a secretariat for appropriate meetings that may be arranged of Commonwealth and State Ministers on standards for consumer products and related matters.

Cabinet approved the provision of \$200,000 in 1973/74 for the Interim Commission.

It agreed that there should be consultation among interested Departments, particularly the Departments of the Attorney-General, Health, Primary Industry and Science, regarding the detailed administrative arrangements involved.

It noted that the Interim Commission, and subsequently the Commission, will be responsible for determining standards for consumer products which might be used for prescribing minimum standards under the Consumer Protection legislation, being prepared by the Attorney-General.

EXPORT BANK - On the recommendation of the Economic Committee, Cabinet has agreed to the establishment of an Export Bank. The Minister for Overseas Trade and Secondary Industry and the Treasurer will arrange details of the necessary legislative and institutional changes. They will consider the most appropriate means of providing Government guaranteed loan funds for an Export Bank.

Cabinet instructed the Inter-departmental Committee on Export Banking Facilities to reconvene, with the addition of the Attorney-General's Department, to recommend to the Treasurer and the Minister how best to achieve these objectives.

Ministers agreed to examine the charter of the Export Payments Insurance Corporation with the possibility of amending the charter to enable the Corporation to function as a Government Export Bank to provide -

- (i) export finance especially but not only beyond 5 years for machinery and capital equipment;
- (ii) lines of credit - especially to developing countries and state-trading organisations.

PAPUA NEW GUINEA OVERSEAS BORROWINGS - Cabinet authorised legislation on the recommendation of the Economic Committee, to provide for contractual guarantees by the Australian Government of overseas borrowings in 1973/74 by the Papua New Guinea Government in foreign currencies not exceeding the equivalent of \$A24 million. Such guarantees would be subject to the terms and conditions of the proposed loans being satisfactory to the Treasurer and the Minister for External Territories.

POLLUTION OF THE SEA - Cabinet has decided that Australia should legislate to give effect to 1971 amendments to the Convention for the Prevention of Pollution of the Sea by oil. The amendments, adopted on Australia's initiative, will prevent the discharge of oil near the Great Barrier Reef. Telegrams have been sent to the Premiers advising them of our decision, further details of which are available from my Press Office.

REVALUATION ASSISTANCE - On the recommendation of the Economic Committee, Cabinet agreed that the Inter-departmental Committee set up on 10 April 1973 be asked to process applications for adjustment assistance in accordance with the criteria then adopted by the Cabinet. It agreed on certain definitions for the handling of such applications, details of which are available from my press office.

WORKERS' COMPENSATION - On the recommendation of the Economic Committee, Cabinet has agreed that the income tax law be amended to require companies or persons liable to pay periodical workers' compensation (or accident pay) to deduct instalments of income tax from the payments in the same way as employers are obliged to deduct tax from salaries and wages paid to their employees. The amendment will apply to payments made during or after the month following that in which the amending Bill is assented to.

INCOME TAX ON COMPANIES - Cabinet has agreed to an amendment in the law on the status of companies for income tax purposes, details of which are available from the Treasurer.

CONVENTION ON DUMPING OF WASTES AT SEA - As announced by the Minister for Transport, Cabinet has agreed that Australia should immediately sign the International Convention on the Dumping of Wastes at Sea.

NAVIGATION ACT - Cabinet has decided on an amendment to the Navigation Act concerning off-shore vessels, details of which are available from the Minister for Transport.

FEASIBILITY STUDIES - Cabinet has authorised the establishment of a fund to pay for feasibility studies in developing countries. It will be known as the Consulting Services Feasibility Study Fund. The studies would be undertaken by Australian professional engineers, architects, planners, surveyors, agricultural consultants, and so on. Dr. Cairns' office will have details of this proposal.

MISCELLANEOUS - Cabinet has decided to repeal the High Commissioner (United Kingdom) Act, amend the Audit Act and legislate for an Institute of Legislative Drafting.

VISIT TO JAPAN - I have accepted an invitation from the Japanese Government to make an official visit to Japan from 26 to 31 October. I have issued separate press statements about this visit, about Mr. Renouf's appointment and about the motor industry.

QUESTION: Do you believe that your new policy on the automotive industry will produce a cheaper car and a better car?

PRIME MINISTER: Both.

QUESTION: What effect do you think the decision to allow the Japanese to enter the market will have? Do you think we can support another car manufacturer or another two car manufacturers?

PRIME MINISTER: I would think that Japanese types of cars will certainly be desirable because of their size, their economy, their safety. There is reason to hope that the Japanese companies would be more flexible in terms of location and Australian participation.

QUESTION: Will you table or release the Consultants report on which the second airport decision in Sydney was based?

PRIME MINISTER: When this one is received, I expect so. I won't give an undertaking but I would expect we will release it.

QUESTION: Supplementary to a matter you mentioned a moment ago, you said you had reason to hope that Japanese manufacturers would be more amenable towards location and Australian equity. Have they given some indication in this regard?

PRIME MINISTER: There have been discussions between the Department of Secondary Industry and the Japanese companies in the last eight weeks.

QUESTION: Have they indicated what level of Australian participation or equity they would agree to?

PRIME MINISTER: I haven't been party to the discussions. You had better get them from Dr Cairns.

QUESTION: Is there any desire to influence the Japanese manufacturers to move into the growth centres like Albury-Wodonga?

PRIME MINISTER: That would be a very welcome initiative by them. Borg-Warner, as you know, already operates in Albury/Wodonga. There is, therefore, a very considerable component industry already in that location. I would imagine that any further automotive industries in Albury/Wodonga would be very well situated indeed. Albury/Wodonga is an excellent distribution centre.

QUESTION: The Coombs Report said that the tax deductibility of life assurance and superannuation premiums was both unfair and also pretty pointless. We now find that the A.I.D.C. scheme is to be fairly closely nailed into these tax deductibility provisions. Does this mean that we will be locked into the life assurance deductions for quite some time?

PRIME MINISTER: You read the Policy Speech and you will see that that was forecast.

QUESTION: Is the Government going to change the composition of the Board of the A.I.D.C.?

PRIME MINISTER: It hasn't been considered. I don't believe that the amendments that we are proposing provides for an amendment to the Board, but you had better ask Dr Cairns or Mr Crean for the details there.

QUESTION: Could you tell me whether there are any changes planned for the provisions made for audit of the A.I.D.C.'s accounts?

PRIME MINISTER: I don't think this was considered but ask them for the details. I don't remember that.

QUESTION: In view of the confirmation by the Attorney-General of the existence of the Melbourne Minute Men or Secret Seventy or Black Friday Movement or whatever, however you describe the vigilante force which has set itself up in Melbourne, can you tell us whether this disturbs you at all; can you tell us if you intend to do anything about it; and, in particular, can you tell us if in view of ASIO's apparent participation in the early stages of this group if you are quite happy that ASIO can, if you like, be trusted to keep them under surveillance and to report honestly to the Government on their activities?

PRIME MINISTER: I think ASIO has made some improvements but I am considering the general situation of the Australian Government's intelligence services. As you realise, it is not the practice to go into any details on these matters, and I have had to tell you that beforehand, all my predecessors have told you, so I don't have to repeat it.

QUESTION: Mr Prime Minister, since Ottawa have you had any messages of goodwill from Mr Lee Kuan Yew or Mr Heath and, furthermore, would you regard your interchanges with them at Ottawa as tart and unfriendly or would you rather think, as they have been described, or would you rather think that they were directed straight at Mr Heath on multi-nationals particularly?

PRIME MINISTER: I have got no more to say on this at all, and it is quite false to give any impression that the Commonwealth Conference was at all engaged for any length of time of such bilateral matters.

QUESTION: You said that the existence of this private spy force in Melbourne disturbs you....

PRIME MINISTER: I won't say any more on it. I don't answer questions on security matters....

QUESTION: But I don't want to ask you about that in particular, Prime Minister, I want to ask you whether or not you saw any parallel between that and the Secret Government which Dr Jonn Burton says existed in that intelligence sort of system under the last Labor Government?

PRIME MINISTER: I don't want to say any more about this.

QUESTION: In his policy speech on the Budget, Mr Crean said that interest on home loans would become deductible from the 1st July next year but he didn't give details. Can we presume from that that the rate of deductibility and the scale of wages that it applies to will be the same as that pledged by you during the campaign?

PRIME MINISTER: There might be some adjustments because of changes in average incomes since then but there will be a graduated scale of deductions.

QUESTION: Sir, pollution from these nuclear tests. Can you tell us which has been the worst, the Chinese or the French, and, in fact, has there been any substantial evidence of fall-out at all from either?

PRIME MINISTER: At this stage, there is evidence of fall-out from the French tests and not from the Chinese tests. I haven't looked into this for a few days, maybe a week, but at last inquiry that was the position.

QUESTION: Anything to worry about?

PRIME MINISTER: I believe all fall-out is something to worry about.

QUESTION: Can you tell us why you are not prepared to discuss ASIO with the representatives of the Australian media when you will talk about it at length with a visiting Pom?

PRIME MINISTER: Mr Forst didn't ask questions as to what we would be doing in future or that sort of thing. I adhere to what I believe is the proper policy of not discussing what is to be done about security services.

QUESTION: I think this comes within the area that Mr Frost raised. There is an obvious conflict of reporting between what Mr Barbour says occurred at the Lodge on March 17 and your own repudiation, a repudiation which Mr Barbour confirms. In the light of the fact that Mr Barbour's reports must have considerable effect on the career of public servants, have you taken any steps to see that the reporting of ASIO is improved?

PRIME MINISTER: There was an earlier instance of an ASIO report which was inaccurate concerning other public servants. This was a specific instance and you know how I acted.

QUESTION: Does this mean you will act in the same way in this case?

PRIME MINISTER: If there are any specific instances - there was no person involved in any of the reports which I saw on this subject.

QUESTION: I thought you were involved, Sir?

PRIME MINISTER: Yes, well that's been disposed of hasn't it?

QUESTION: May I ask why you do not regard this incident as specific?

PRIME MINISTER: I will not pursue questions and answers on this subject. There is still a Senate Committee enquiring into these matters.

QUESTION: Sir, you refer to multi-nationals. Do you see any connection between the steady decline in the Stock Exchanges of Australia and the multi-nationals and their investors in Australia?

PRIME MINISTER: I'm not an expert on the Stock Exchange movements and I don't have a comment to offer on that.

QUESTION: You were asked a question earlier on the Galston Gorge.

PRIME MINISTER: No, the Galston sub-region.

QUESTIONER: Yes, well that's right. What you said was that you were going to get a report on the Galston sub-region. Now, Mr Edwards asked, and if he didn't, what I would like to ask is will you release the feasibility study which says Sydney needs a second airport, not the one which is going to come about after they have looked at Galston, but why we have to go out of Mascot to Galston?

PRIME MINISTER: The only report which has been made so far has been about Mascot. As we all know, Mascot is not acceptable to anybody within range of it, so there is no point in pursuing that.

QUESTION: Prime Minister, can I ask you what happens as far as our post in Paris is concerned now that you are appointing Mr Renouf as the Secretary of the Department. Do you plan to replace Australia's ambassador to Paris and, if so, when?

PRIME MINISTER: I'm not sure when, but it will be fairly soon.

QUESTION: The post is vacant at the moment though, isn't it?

PRIME MINISTER: No, I think...he hasn't left there yet. But clearly there are approaches to be made to the French Government about any new ambassador and those approaches have not yet been made.

QUESTION: Mr Whitlam, could I just return to the question on Mascot. You said that it is not acceptable to anyone there.

PRIME MINISTER: Yes. I think it is obvious that no Australian Government will increase the air movements at Mascot.

QUESTION: The size of the Government investment you are prepared to write off at this stage because of the social costs involved.

PRIME MINISTER: No, there is no suggestion to write off the investment in Mascot, but it would not be acceptable to increase the investment in Mascot in such a way as to make for more aircraft movements there.

QUESTION: Wasn't that what Mr Jones suggested, however, Sir?

PRIME MINISTER: A report wanted a decision on that question before - the committee wanted a decision on that question, about Mascot, before it went on to consider alternative sites. The decision not to have Mascot has been made, and we have asked the committee to consider the site which the Department of Urban and Regional Development regards as the best.

QUESTION: Mr Whitlam, does that mean that the other sites which were intended to be considered by the Consultants earlier this year won't now be considered?

PRIME MINISTER: They certainly won't be considered until the report on the Galston sub-region is received. If that report shows that Galston sub-region is satisfactory, then it is quite likely that the other sites will not be considered. There are three general objections to other sites. There's the double Mascot or to install a new airport at Tara Point or at Wattamolla. We all know that the people in the area of those three airports would not tolerate new airports or a larger airport. Then in general, there are some sites suggested to the north-west of Sydney. Any of those sites would preclude the development of Sydney as proposed along that north-west corridor. Similarly, along the south-west corridor, and this really leaves Galston or maybe Duffy's Forest. But Duffy's Forest would be too small. If you had a second airport there, before long you would have to have a third airport. Then there were some other ones which are surely precluded by distance; like Somersby or Wyong.

QUESTION: But there are people at Galston as well as Wattamolla, but they are Liberal voters?

PRIME MINISTER: There are fewer people in the Galston area than in any other area and Galston doesn't lend itself to the development such as is proposed by both Australian Government and State Government authorities in the north-west and the south-west corridor.

QUESTION: The public are rather perplexed about the issue of the costs and benefits of foreign ownership of Australian resources. The only public document that sets out the case in any detail was by the Treasury last year which says that foreign ownership wasn't such a bad thing. Now, in view of the fact that the Government is going to spend really massive amounts of money raising Australian control of Australian resources, is it possible that we could have a statement setting out why foreign control is a bad thing?

PRIME MINISTER: I think the increasing proportion of foreign control is a bad thing. I would think everybody in the Government accepts that and most of the people in the Opposition too. There is no doubt that Sir John McEwen and Mr Gorton and, as well as the Labor Party, would agree that it is undesirable to have the increase in foreign control that has taken place in manufacturing industry every since the war particularly, of course, in automobiles and petrol and chemicals and base metal and, also which has taken place in the sixties in our mineral resources.

QUESTION: Can you tell me from what date does Mr Hawke take up his position on the Reserve Bank Board, whom does he replace, and whether you can see any areas where conflict of interest could arise or where, in reverse, he can be of benefit?

PRIME MINISTER: I don't know the date. I would think that there will be fewer conflicts of interest as far as Mr Hawke is concerned than as far as any of the other members of the Board. Mr Hawke, clearly, has economic qualifications superior to those of pretty well any other non-official member of the Board except perhaps Professor Bruce Williams.

QUESTION: Are you concerned about the rate of growth of the Commonwealth Public Service?

PRIME MINISTER: No, I'm told it will be kept to 5 per cent. This financial year it will be a bit tight but it will be kept to 5 per cent, so I am advised. There will be some departments where clearly there will be a drop as in the Defence departments and some where there will be a smaller increase than 5 per cent such as Taxation or Customs and Excise. The increases are mainly in new departments. We are, however, pressing on with the amalgamation of several departments.

QUESTION: Have you any comment on Mr Cameron's view that all Second Division jobs should be advertised outside the Public Service?

PRIME MINISTER: It's an interesting thought. I don't preclude the fact that positions in the Second Division should be open to outsiders. There are arguments both ways.

QUESTION: You mentioned a series of Bills on off-shore pollution. Is this likely to strengthen your hand on the Constitutional position in the off-shore resources legislation?

PRIME MINISTER: I would think so.

QUESTION: Will the new organisation set up under the A.I.D.C. umbrella place directors on the boards of companies in which it takes an interest, and will these directors be under the control of the Australian Parliament or the Cabinet?

PRIME MINISTER: I think it would be better if you go to Mr Crean or Dr Cairns for details like this. I don't think this was discussed. There can be various conditions laid down for A.I.D.C. participation on buying an existing enterprise or setting up a new one. To have nominees on the board would seem a very reasonable proposition, but I don't think this was spelt out in the submission to us or in the decision.

QUESTION: Are you planning a reshuffle or a limited reshuffle of the Government.

PRIME MINISTER: I'm not sure when. I'll tell you when or if.

QUESTION: Has the Government received the Wool Marketing Report from the Wool Corporation yet?

PRIME MINISTER: No. The Cabinet hasn't considered it.

QUESTION: Some of the new Bills that you have foreshadowed - there are some quite important ones - seem to be based quite explicitly on the use of the foreign affairs power under our Constitution to ratify a international agreement or convention. Do you see any limits to that type of process or would you be prepared to express a degree of confidence about how the High Court might treat it under challenge?

PRIME MINISTER: I would be confident that the Australian Parliament's constitutional powers in respect to external affairs enable this parliament to pass laws on many more subjects than it has hitherto. Very obviously, matters such as I have mentioned this afternoon in the maritime field are such matters. It's one way of overcoming the absurd situation where the Australian Parliament can't pass laws about shipping in the course of voyages between a port and another port in the same State and where the State Parliament concerned can't pass laws on that subject either except with the approval of the British Government. Now, there are, increasingly, international conventions dealing with all these matters, and international

conventions can only be drafted by Australian Government representatives on behalf of Australia and can only be ratified by Australian Government representatives on behalf of Australia. Clearly this is a field where if Australia is to ensure proper standards as regards navigation or pollution or, in a related matter, off-shore resources, there will be many more Conventions; there will be many more laws passed by the Australian Parliament.

QUESTION: Will you just give us some idea, at this stage, what you hope can be achieved at the Constitutional Convention next week?

PRIME MINISTER: I think you ought to wait until next Monday when I have been asked to address the Convention. I suppose I can say now, that the matters which I would hope the Convention would give consideration to next week, are those which can be done promptly. There are some matters which would require a referendum. This Parliament can pass a bill for a referendum and that bill can be put to the people at the next general election. Secondly, there are many matters upon which the State Parliaments - which they can refer to this Parliament. And thirdly, there is the very important question of amending the Financial Agreement of 1927. The Government is committed to securing a voice and a vote for local government representatives from each State on the Loan Council. This is a matter which the Heads of Government at next week's Convention could agree to do straight away. I hope they do.

QUESTION: Do you see it very much as a working Convention?

PRIME MINISTER: Yes, I would want something practical to come out of the Convention. And there would be some matters which I would be very happy to put to a referendum at the next general election which must take place before the end of next June. Secondly, I would be very happy for the State Parliaments, particularly the big ones, New South Wales and Victoria, to refer some matters to the Australian Parliament. And thirdly, I hope that all seven governments present at the Convention will agree to amend the Financial Agreement to give a voice and a vote to the local government representatives from each State on the Loan Council.