

AUSTRALIAN NATIONAL AIRLINES.

No. 71 of 1961.

An Act to amend the *Australian National Airlines Act 1945-1959*.

[Assented to 27th October, 1961.]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

Short title
and citation.

1.—(1.) This Act may be cited as the *Australian National Airlines Act 1961*.

(2.) The *Australian National Airlines Act 1945-1959** is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Australian National Airlines Act 1945-1961*.

Commence-
ment.

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

Capital of the
Commission.

3. Section thirty of the Principal Act is amended by inserting in sub-section (5.), after the words "have regard to", the words "the determination made under sub-section (1.) of section thirty-two of this Act in respect of the relevant financial year and to".

4. Section thirty-two of the Principal Act is repealed and the following section inserted in its stead:—

Financial
policy of
Commission.

"32.—(1.) The Minister, with the concurrence of the Treasurer and after consultation with the Commission—

(a) shall, not later than one month before the commencement of each financial year, determine the percentage of the capital of the Commission that would represent a reasonable return to the Commonwealth from the operations of the Commission in that financial year, and give notice in writing to the Commission of the percentage so determined; and

(b) may, at any time during a financial year, by reason of a change in circumstances, by notice in writing to the Commission, amend a determination under the last preceding paragraph.

* Act No. 31, 1945, as amended by No. 90, 1947; No. 102, 1952; No. 105, 1956; No. 70, 1958; and No. 3, 1959.

“(2.) In performing their functions under the last preceding sub-section, the Minister and the Treasurer shall take into account, in addition to other relevant matters—

- (a) the profits, in relation to capital employed, that have been, and are expected to be, made by privately-owned air transport undertakings in Australia;
- (b) all matters tending to create disparity with respect to costs between the Commission and privately-owned air transport undertakings, including—
 - (i) any loans made by the Commonwealth to the Commission at interest rates less than current commercial rates;
 - (ii) the fact that moneys representing provision made by the Commission for staff superannuation are available for use in the business of the Commission;
 - (iii) the conduct by, or by undertakings associated with, privately-owned air transport undertakings of commercial activities other than air transport services;
 - (iv) the operation of developmental services and essential rural services; and
 - (v) the extent of their non-competitive air transport operations.

“(3.) The Commission shall pursue a policy directed towards making, in each financial year, profits sufficient to enable the Commission to pay to the Commonwealth, out of those profits, an amount equal to the percentage of its capital determined under sub-section (1.) of this section in respect of that financial year.

“(4.) After receipt of notice of the determination made under sub-section (1.) of this section in respect of a financial year, the Commission shall, having full regard to its duty under the last preceding sub-section, prepare estimates, in such form as the Minister directs, of its revenue and expenditure for that financial year and submit those estimates to the Minister.

“(5.) The Commission shall, from time to time as provided in the next succeeding sub-section, review the financial results of its operations during the current financial year and if, upon any such review, the Commission finds that the revenue and expenditure of the Commission during the preceding part of the financial year have not been as favorable to the profitable conduct of the business of the Commission as those specified in the estimates submitted to the Minister and, having regard to that fact, it appears likely that, unless special measures are taken, the Commission will not make sufficient profits in that year to enable it to pay to the Commonwealth, out of those profits, an amount

equal to the percentage of its capital determined, in respect of that year, under sub-section (1.) of this section, the Commission shall forthwith consider what specific measures can be taken for the purpose of enabling it to carry out more effectively, during the remainder of that financial year, its duty under sub-section (3.) of this section and shall inform the Minister of the measures it proposes to adopt for that purpose and the effect that it considers the adoption of those measures will have on the financial results of its operations.

“(6.) A review under the last preceding sub-section shall be made whenever the Commission considers that circumstances so require or the Minister so directs, but so that not more than six months shall elapse in a financial year between—

- (a) the beginning of that financial year and the first review under that sub-section in that financial year; or
- (b) the commencement of a review under that sub-section and the commencement of the next such review.”.

5. After section thirty-seven of the Principal Act the following section is inserted:—

Insurance.

“37A.—(1.) In this section, ‘risks to which this section applies’ means the following risks, to the extent to which, in the case of privately-owned air transport undertakings, they are customarily covered by insurance:—

- (a) risk of loss of, or damage to, aircraft of the Commission and parts of, and equipment for, such aircraft;
- (b) risk of liability in respect of the death of, or injury to, passengers in aircraft of the Commission; and
- (c) risk of liability in respect of the death of, or injury to, persons on the surface, or damage to property on the surface, caused by an aircraft of the Commission in flight or by any person or thing falling from such an aircraft.

“(2.) So long as the Commission is not fully insured by policies of insurance against all risks to which this section applies, the Commission shall maintain an account (in this section referred to as ‘the prescribed account’) for the purpose of making provision against risks to which this section applies, so far as they are not covered by insurance.

“(3.) The Commission shall credit to the prescribed account—

- (a) any amount that, immediately before the date of commencement of this section, appeared in the accounts of the Commission as a provision in lieu of insurance against risks that, upon that date, became risks to which this section applies;

- (b) such sums as are approved by the Minister, with the concurrence of the Treasurer, as being equivalent to the current commercial premiums that would be payable by the Commission for insurance in respect of risks to which this section applies, so far as they are not covered by insurance;
- (c) interest received by the Commission upon securities representing moneys standing to the credit of the prescribed account, and any profits upon the realization of any such securities; and
- (d) the whole, or such part as the Minister approves as being appropriate, of any damages, compensation or other moneys received or recovered by the Commission in respect of a loss referred to in paragraph (a) of the next succeeding sub-section.

“(4.) The Commission shall debit to the prescribed account—

- (a) where the Commission suffers loss, not fully covered by insurance, by reason of a risk to which this section applies, such amount in respect of that loss as the Minister approves as being appropriate having regard to the provision made under this section in lieu of insurance against that risk;
- (b) payments to the Commonwealth of interest upon any loan made to the Commission in accordance with the next succeeding sub-section; and
- (c) any loss incurred by the Commission upon the realization of securities representing moneys standing to the credit of the prescribed account.

“(5.) If an amount that is, in accordance with paragraph (a) of the last preceding sub-section, required to be debited to the prescribed account exceeds, by more than Fifty thousand pounds, the value of the securities of the Commonwealth held by the Commission that represent moneys standing to the credit of the prescribed account, the Treasurer shall, under section thirty-one of this Act and notwithstanding sub-section (5.) of that section, make a loan to the Commission of an amount equal to the excess.

“(6.) Subject to this section, the Commission shall keep invested in securities of the Commonwealth the whole of the amount from time to time standing to the credit of the prescribed account.

“(7.) Up to and including the thirtieth day of June, One thousand nine hundred and sixty-four, the amount required to be kept invested in accordance with the last preceding sub-section is reduced by an amount equal to so much of the amount referred

to in paragraph (a) of sub-section (3.) of this section as was not, immediately before the date of commencement of this section, represented by securities of the Commonwealth, but the Commission shall endeavour to reduce progressively the extent to which the amount standing to the credit of the prescribed account is not represented by securities of the Commonwealth.

“(8.) The Commission shall not be taken to have failed to carry out its obligations under sub-section (6.) of this section by reason only of the lapse of a reasonable interval between the crediting of an amount to the prescribed account and the investment of an equivalent amount in securities of the Commonwealth or between the realization of any securities and the re-investment of the proceeds of the realization.

“(9.) All securities of the Commonwealth that, immediately before the date of commencement of this section, represented any part of the amount referred to in paragraph (a) of sub-section (3.) of this section shall, upon the establishment of the prescribed account, be deemed to represent a corresponding amount standing to the credit of the prescribed account.”.
