



1958.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

THIRTY-SIXTH REPORT.

THE NORTHERN TERRITORY
ADMINISTRATION.

PART I.

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PART I.

JOINT COMMITTEE OF PUBLIC ACCOUNTS

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A.S. Hulme, Esquire, M.P.
H.A. Leslie, Esquire, M.P.

The Senate appointed its Members of the Committee on 16th February, 1956 and the House of Representatives its Members on 22nd February, 1956.

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951 reads as follows :-

8. The duties of the Committee are -
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the Audit Act 1901-1957;
 - (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
 - (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
 - (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS.

THIRTY-SIXTH REPORT.

NORTHERN TERRITORY ADMINISTRATION

PART I

CHAPTER I - INTRODUCTORY

Prior to the adjournment of the Parliament in December, 1957, Your Committee presented an Interim Report on the Northern Territory Administration. The purpose of that Report was to set out very briefly the scope and nature of our investigations and indicate the progress which Your Committee had made in preparing their report on the Administration.

See Thirty-fifth Report tabled 5th December, 1957.

2. We informed the Parliament that our decision to undertake the Inquiry was made after consideration of the criticisms by the Auditor-General of various aspects of the operations of the Northern Territory Administration. These criticisms, which appeared in the Annual Reports of the Auditor-General on Receipts and Expenditure for the years ended 30th June, 1954, 1955 and 1956, related to the control of stores and equipment, accounting procedures, internal check, hostels, electricity undertakings and the Beswick Cattle Station. We noted too that the Public Service Board in its 30th Report had also indicated that conditions in the Northern Territory were unsatisfactory.

Report for the year ended 30th June, 1954 tabled 20th April, 1955.

3. Your Committee listed in the Interim Report the public hearings held in connection with this Inquiry and the names of the many witnesses who appeared before us. There were further hearings in Canberra on Monday, 17th March, 1958, at which the following persons gave evidence :-

Sir William Dunk, C.B.E., Chairman, Public Service Board.
Mr. C.R. Lambert, O.B.E., Secretary, Department of Territories.
Mr. C.E. Reseigh, Assistant Secretary, Department of Territories.
Mr. C.L.S. Hewitt, First Assistant Secretary, Department of the Treasury.
Mr. H.S. Amos, Chief Finance Officer, Department of the Treasury.
Mr. J.M. Wark, Chief Finance Officer, Department of the Treasury.

4. At the outset, Your Committee wish to emphasise that our Inquiry has been quite limited in its scope. It has not been an Inquiry into the Northern Territory as such but into the Northern Territory Administration which forms but one sector of Commonwealth Government activity in the Territory. While we did have before us representatives of other departments and organisations it was not to inquire into their operations, but to examine the extent to which their activities impinged upon those of the Administration and the nature of relationships that had developed between these bodies and the Administration.

5. Administratively, the Northern Territory Administration is a branch of the Department of Territories; but its role may be likened to that of the Department of the Interior in relation to the Australian Capital Territory. It is a governing body and is responsible to the Minister for the administration of the Northern Territory. Its activities extend well beyond those of an ordinary Department and, at various times in the course of the forty-seven years of Commonwealth control of the Territory, it has engaged in such miscellaneous fields of enterprise as local government administration, maintenance of a police force and prisons, urban planning and development, sanitation, garbage, mosquito control, fire fighting, burial services, water and electricity supplies, cold stores, operation of licenced hotels, housing and accommodation and public transport. But whereas the Department of the Interior in relation to the Australian Capital Territory is dealing with an area of 939 square miles, the area of the Northern Territory is 523,620 square miles and in size is third only to the States of Western Australia and Queensland. On the other hand, the estimated population of the Australian Capital Territory at 30th June, 1957, was 37,865 and almost double the comparable population (excluding full-blood aboriginals) in the Northern Territory (19,170).

6. Any Inquiry into the Northern Territory Administration, therefore, must give full weight to the problems associated with the government of a large area with a sparse and scattered population. Other factors to which due consideration must be given are the presence of other departments in the Territory, over which the Administration has little or no control, the mixed population, the isolation, and problems arising from a tropical monsoonal climate. Our judgment of the operations of the Northern Territory Administration has been tempered by all these factors.

CHAPTER II

THE NORTHERN TERRITORY.

(a). A BRIEF HISTORY OF THE TERRITORY.

7. Without recording a comprehensive history of the Northern Territory, Your Committee consider that a reference to past events is a necessary prerequisite to any examination of the operations of the Northern Territory Administration.

8. The earlier story of the Territory is one of boom and depression, of industrial unrest and racial strife, of success but more frequently disappointment and is marked by the failure of successive administrations effectively to overcome the disabilities of situation, of physiography and of climate.

9. The Northern Territory covers a land area of 523,620 square miles of which 426,320 square miles lies within the torrid zone and 97,300 square miles in the temperate zone. In the north there are two main climatic conditions, the wet season, from November to April, and the dry season, May to October, with uniform and regular changes of weather. The average annual rainfall varies from 59 inches at Darwin on the coast to less than 5 inches in the southern desert areas.

Year Book of the Commonwealth of Australia No. 42 Page 58 and 112.

10. The Northern Territory, as it is now known, was first discovered by the Dutch who explored its shores intermittently from 1623 to 1726. In 1803, Matthew Flinders described the North-east coast of the Territory as a "poor dried up land afflicted by fever and flies and fit only for a college of monks whose religious zeal might cope with suffocating heat and musketos which admitted no moment of repose." The coast was surveyed by the British Navigator King in 1817 and in 1827 the eastern boundary of New South Wales was extended westward to the 129th meridian thus incorporating in that State all the area which now forms the Northern Territory.

Report of the Board of Enquiry into land and land industry of the N.T. of Australia (the Payne Report) - Commonwealth Parliamentary Paper No. 4 tabled 8th December, 1937, pages 83 and 84.

11. The first attempt to form a British settlement was made in 1824 when Captain Bremer built Fort Dundas on Melville Island. Neither this nor a second expedition sent out in 1827, which established a second station at Raffles Bay, was successful. A further attempt was made in 1838 at Port Essington but this settlement was abandoned in 1849 and until the 1860's the Territory remained unoccupied. In this period South Australian explorers, such as Stuart and McKinlay, penetrated to the Territory and following representations by that colony, South Australia acquired "the Northern Territory" on the 6th July, 1863.

12. The forty-seven years of South Australian control were characterised by an initial era of development followed by a period of almost complete stagnation. A capital was established at Darwin and the Overland Telegraph Line was constructed at a cost of £338,059 between 1870 and 1872. Booms in mining and agriculture were followed by severe recessions and the era ended with the completion of the Darwin-Pine Creek Railway line, 146 miles in length, in 1889 at a cost of £1,180,000.

13. The 1937 Report of the Board of Inquiry into the Land and Land Industries of the Northern Territory (the Payne Report) made the following comments about this period :-

"The initial years of hesitation and delay in the settlement of the Territory were followed by a period - from 1870-89 of fitful development and delusive booms - the telegraph line, gold mines, plantations, railways, Chinese, and stock. Throughout this time one great scheme succeeded another, and there was always a hope that some permanent development might take place. From 1890 to 1910 almost complete stagnation prevailed. The condition became more marked in the latter years of this period when transfer of the Territory to Federal control had been prognosticated and the tendency was to wait and hope for better things in the future."

Ibid
Page 84.

By 1888 the population excluding aborigines had reached a level of 7,533 of which at least 6,000 were Chinese. By 1910 it had fallen to 2,846 of which 1,182 were European, 1,387 Chinese, while Japanese numbered 132 and other nationalities 145. The 1888 peak of 7,533 was not exceeded until 1940.

Year Book
of the
Commonwealth of
Australia
No. 5,
P.1156.

14. Dr. Grenfell Price in his series of lectures on the history and problems of the Northern Territory of Australia expressed the following opinion about the period of South Australian control :-

The history and problems of the Northern Territory of Australia by A. Grenfell Price: 1930.

"In truth, the South Australian failure was caused both by natural difficulties and mismanagement, but there is no doubt that the former alone were overwhelming, and that the colony was too weak and remote to manage a great tropical dependency in which the environment was bewilderingly complex and extremely hard. When at the outset South Australia adopted the wrong geographical policy, a penetration southwards from the dangerous coastlands, she probably destroyed her faint hopes of success. Wedded to the Darwin region, where Britain had already failed, it was more than doubtful if the province could have rectified matters by the introduction of Indian labour, by the construction of a trans-continental railway, or even by the better encouragement of pasturing - the main cause of her trusteeship, and the chief hope of victory. Yet, in spite of all her faults, the colony was not unmindful of the Territory, both in her financial policy and in the political rights which she bestowed. In most other parts of the continent, so great and so long-continued an effort would have met with unqualified success. What the puny strength of South Australia accomplished can now be measured in the light of later history. Under the Commonwealth of Australia, the Northern Territory was to fall under a more stormy, more costly, and less sympathetic rule."

15. On the 1st January, 1911, after a Bill under the title of the Northern Territory Acceptance Act 1910 had been enacted by the Commonwealth Parliament the Territory passed to the control of the Commonwealth Government. The most important provisions of the Bill were :-

- (a) That the Northern Territory be accepted by the Commonwealth as a territory under the authority of the Commonwealth, by the name of the Northern Territory of Australia.
- (b) That the Commonwealth assumes responsibility for the State loans in respect of the Northern Territory by annually reimbursing the State the amount of interest paid in connexion with Northern Territory loans, by providing a sinking fund to pay off such loans on maturity, and by paying off the deficit in respect of the Northern Territory.

The Payne
Report.
Op. Cit.
Page 86.

- (c) That the Commonwealth construct a trans-continental railway from Pine Creek southwards to a point on the northern boundary of South Australia.
- (d) That the Commonwealth, at the time of the acquisition of the Territory, purchase from South Australia the railway from Port Augusta to Oodnadatta, and
- (e) That the Commonwealth construct a railway from a point on the Port Augusta railway to connect with the other part of the transcontinental railway of a point on the northern boundary of South Australia.

16. The Commonwealth took over the Territory for a sum of £3,931,086 in addition to a payment of £2,239,462 for the section of the transcontinental line existing from Port Augusta to Oodnadatta in South Australia.

Ibid
Page 86.

17. The administration of the Territory was first vested in the Minister for External Affairs but, in 1916, was assumed by the Minister for Home and Territories. The first permanent administrator, Dr. J.A. Gilruth, took up duty in 1912. In March, 1913 a Royal Commission was appointed to report on the development of the Northern Territory but the Commissioners were not unanimous in their findings. By 1917 the railway had been extended from Pine Creek to Katherine, a distance of 54 miles, and the Darwin Meat Works which had been erected by the North Australian Meat Company at a cost exceeding £900,000 had been opened. By 1920 the Meat Works had been closed down because of the impossibility of obtaining regular shipping services, intensive labour troubles and the heavy losses being incurred.

Ibid
Page 87.

18. During 1918 serious civil disturbances occurred which are briefly described in the following extract from the lectures by Dr. Grenfell Price :-

"The climax came when Gilruth attempted to maintain a profit from the hotels and liquor, which the Government had taken over at a total gain of about £8,000 a year. This 'episode in state socialism' caused great discontent in the Territory as the hotels were poorly managed, while an increased amount of white labour and huge rises in wages lifted costs to one and half times those of private enterprise. In 1918 the Administrator handed on the rising price of liquor, which seemed to the community the last straw in a burden of real and imaginary woes. Australia then heard echoes of her former 'Rum Rebellion', and, like other rulers in the stormy days of New South Wales, the Administrator, in a few months, returned to a more temperate zone.

Op. cit.
Page 41.

There is no room here for the details of the struggle. In the last months of 1918 the Territory seethed with passion; the press became violent; and in December a mass meeting sent Watts, the Mayor of Darwin, and Nelson, the Secretary of the Australian Workers' Union to demand that Gilruth should proceed to Melbourne and express their grievances, or resign. When Gilruth 'firmly and courageously' refused to leave without the sanction of his Minister, the mob rushed the Residency garden, mishandled the national representative, disarmed special constables, and burnt the Administrator in effigy at his own gates. After the 'Rum Rebellion' in New South Wales, Britain preserved the dignity of government of punishing Johnston and Macarthur, and by nominally promoting Bligh. The Commonwealth on the contrary, made but a pretence of dignity, and in a short time replaced its brave and strong official. It is true that the authorities dispatched troops and a war vessel, and that they prosecuted certain ringleaders for assaults upon the

Administrator and the Chief of Police. The Magistrate, however, inflicted only a small fine, and his decision was upset by a special Judge appointed to hear the appeal."

19. Symptomatic of the political tension was the refusal by the Mayor of Darwin in the later part of 1918 to pay income tax *; other strains developing, a Royal Commission (Mr. Justice Ewing) was appointed in 1919 to report on the Northern Territory Administration.

20. In 1922 provision was made for representation of the Territory in the Federal Parliament by a member without voting power: later the member was granted the right to vote on matters relating to Northern Territory Ordinances. In 1925, Sir John Buchanan reported to the Commonwealth on the development of the Territory particularly its port facilities and in 1926 two administrative areas, Central Australia and North Australia were established each being controlled by a Government Resident assisted by an advisory council. This division did not persist, however, and the Northern Territory was reconstituted as an administrative entity in 1931, by which time administration of the Territory had become the responsibility of the Minister for Home Affairs. This responsibility was transferred to the Minister for the Interior in 1932.

21. In 1937 the Darwin Town Council was abolished at its own request, financial difficulties being an important factor. In March of the same year a Board of Inquiry was appointed to enquire into and report on land and land industries, transport and development and administration of the Northern Territory. The subsequent report (the Payne report) made many important recommendations, some of which were subsequently adopted.

Commonwealth Parliamentary Paper no. 4 Tabled 8th December, 1937.

22. Within a few days of the bombing of Darwin in February, 1942, the Army assumed full control of the Northern area and the Administration was moved to Alice Springs. The Report on the Northern Territory for the period 1st July 1953 to 30th June, 1955 has this to say about the period of occupation by the Armed Services :-

Tabled 22nd April, 1957 Page 8.

"During these three and half years, the Armed Services, to meet their own requirements, carried out much developmental work, and some of this work such as an urban electricity undertaking, and the Barkly and Stuart Highways, has been of great value in the post-war development of the Territory. The construction of the two highways involved the collaboration of the Main Roads Commissions of Queensland and New South Wales, the Country Roads Board of Victoria, the Highways Department of South Australia and the Civil Construction Corps. The Allied Works Council provided considerable funds. The Army did a great deal of local road construction. On the other hand was destruction and disruption. Darwin was badly damaged by air raids, the civil population was uprooted and the normal machinery of administration was dislocated."

23. In 1945 civil administration of the Territory was resumed and in 1947 the Northern Territory Legislative Council was established. On 11th May, 1951, the Minister for Territories became responsible for the Northern Territory as well as the external Australian Territories and the Department of Territories was created to assist him. The Northern Territory Administration became a Branch of that Department.

24. Other major events in the last decade have been the establishment of an open cut mine and uranium treatment plant at Rum Jungle, amendments to legislation dealing with the ownership and leasing of land, the commencement of large scale rice farming at Humpty Doo, an expansion in European population, a general

* The Mayor and other taxation defaulters were later gaoled.

increase in both private business and public activity and the passing of the Local Government Ordinance in 1955 as a result of which the Government approved the setting up of a Municipal Council in Darwin in 1957.

(b) Expansion in Population and Increase in Activities in the Post-War Years.

25. Your Committee, in Part II of this Report, will describe some of the difficulties being met by the Northern Territory Administration in recruiting and retaining suitable staff to fill positions established to carry out essential functions. This problem is very similar to that faced in the Australian Capital Territory immediately after the war when the level of the local population was quite inadequate to meet the recruitment needs of an expanding public service - in the Northern Territory the problem has been accentuated by the effects that a trying climate, isolation, inadequate accommodation and retarded development have had on the growth of population.

See
Part II
Chapter
II.

26. The following statistics have been compiled from the Commonwealth Year Books issued by the Commonwealth Bureau of Census and Statistics and show the general trend in population in the Territory since the first Australian census in 1881 -

Population of the Northern Territory
(excluding full-blood aboriginals).

<u>As at</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
3rd April, 1881 (census)	3,347	107	3,451
1888	Not Available		7,533
3rd April, 1911 (census)	2,734	576	3,310
31st December, 1916 (est.)	3,712	954	4,803
31st December, 1922 (est.)	2,653	959	3,612
30th December, 1930 (est.)	3,599	1,369	4,964
30th June, 1933 (census)	3,378	1,472	4,850
31st December, 1939 (est.)	5,136	2,151	7,287
30th June, 1947 (census)	7,378	3,490	10,868
30th June, 1954 (census)	10,288	6,181	16,469
30th June, 1957 (est.)	11,065	8,105	19,170

These statistics exclude full-blood aboriginals who, at the 30th June, 1956, were estimated to number 15,211. Thus, as at the 30th June, 1957, the overall population of the Territory probably exceeded 33,000.

Exhibit
No. 35/21.

27. Unlike the population of the various Australian States, which, except for a minor reduction in Tasmania in the early 1940's, has increased each year since well before the 1880's, that the Northern Territory fluctuated quite noticeably until 1934.

28. The main reason for these fluctuations were sharp variations in the level of the male population coinciding with changes in economic conditions in the Territory; on the other hand the statistics show a somewhat unsteady but generally continuous growth from 1881 in the level of the female population, which clearly has been much less affected by the recurrent economic booms and depressions.

29. Within the last ten years there is further evidence of the effect which even short lived economic changes can have upon the population of the Territory. From 1947 to 1950 the annual increase was in excess of 1,000 but in 1951 and 1952 the average was reduced to 175; in 1951, the estimated male population actually fell by 44.

30. In respect of these years the Administrator of the Territory, the Hon. F.J.S. Wise, told the Parliamentary Standing Committee on Public Works in 1955 :-

".... In 1951-52 the Northern Territory was somewhat in the doldrums. Our Mines Branch was still, in conjunction with the Bureau of Mineral Resources, sinking shafts at Rum Jungle, the future of Rum Jungle had not been decided; all private persons in Darwin, in occupation of Crown property (business or residential) had only fortnightly tenancies, business people had no tenure and therefore enjoyed only restricted credit. It could be said that there was considerable instability and certainly no buoyancy in the business community at that time."

Report of Parliamentary Standing Committee on Public Works, on Accommodation for Local Administration Staff at Darwin, Minutes of Evidence 1954-55, page 9.

31. Of particular significance in the post-war years has been the substantial increase in the number of females in the Territory. In the ten years ending 30th June, 1957, their numbers rose by 4,615 while males increased by 3,687. The gain since 1950 has been even more impressive - a rise of 3,099 against 1,651. Even so, the Northern Territory is still predominantly male, the ratio of males to females at 30th June, 1957, being 1.35 : 1. While this characteristic was typical of Australia in its early years, by 1901 it had virtually disappeared in all States except Western Australia, where the ratio was still 1.6 : 1 : at the census of 1921, the ratio of male to female population for the whole of Australia had been reduced to 1.14 : 1, although the ratio for the Northern Territory was still at a remarkably high figure of 2.6 : 1. This tendency continued and, at the 1947 census, males in the Territory still out-numbered females by more than two to one.

32. In yet one other respect the population of the Territory does not conform with the pattern for the Australian States. At the 30th June, 1954, persons of non-European extraction, together with full-blood aboriginals still out-numbered the European population: full-blood non-Europeans totalled 486, of whom 325 were Chinese, while the half-caste population numbered 1,955, including 1,509 half-caste Australian aboriginals. This predominance of non-Europeans has been a characteristic of the Territory since its earliest days.

33. Darwin is the capital of the Territory and the centre of Administration activity. Almost half the population of the Territory is resident within its limits. The relevant statistics are -

Population of Greater Darwin.

<u>As at</u>	<u>Males</u>	<u>Females</u>	<u>Persons</u>	<u>% of N.T. Population</u>
30th June, 1947	3,542	1,666	5,208	48
30th June, 1954	4,905	3,166	8,071	49
30th June, 1957	Not available		9,395	49

One interesting fact is the stability of the relationship between the Darwin and Northern Territory populations in the last ten years. Perhaps of greater significance is that, although Darwin is the largest urban area within the Territory, a marked predominance of males still exists. In the second largest town, Alice Springs, which is 954 miles from Darwin and the end of the railway from South Australia, the predominance of males is far less marked; the male population numbering 1,473 as against a female population of 1,312 as at 30th June, 1954.

34. The somewhat unusual population characteristics of the Territory are, we think, the result of the nature of the development of the area and the frontier-like existence which has persisted until very recent years. Undoubtedly improved communications and means of transport and the movement towards better accommodation and amenities in the post-war era have assisted the situation and we consider that, with continued improvements in those and other directions and with the growing influence of family life, the transient nature of a large section of the population and works force will disappear in time, with advantage to both the governmental and private sectors of the community.

X X X X X X X X X X X
35. Despite the serious handicaps imposed by a sparse and limited population, the post-war period in the Territory has been one of recovery and development with rapidly increasing activity in both the private and governmental spheres.

36. The potential and resources of the Territory are virtually unknown in many respects because of a lack of effective survey, research and experimentation in earlier years; probably one of the more valuable contributions by the Commonwealth in recent years has been in this field. In 1946, the Commonwealth Scientific and Industrial Research Organisation commenced surveys to define more accurately the agricultural potentialities of the Territory and, to date, surveys have been completed of areas between Katherine and Darwin (27,000 square miles), the Barkly Tablelands (20,000 square miles) and the Victoria River (70,000 square miles) districts. In that year also the Organization established an Agricultural Research Station at Katherine and experiments there indicated that investigations on a larger scale were warranted. An Agricultural Section was created within the Northern Territory Administration in 1952, an experimental farm was started at Katherine and small rice research stations set up at Humpty Doo and the "Sixty Mile". The Lands and Survey and Animal Industry Branches of the Administration have undertaken restricted research and developmental programmes and, in the field of water resources development, a Water Use Branch has been formed to determine and plan the use of the water resources of the Territory.

See also
Part II,
Chapter
XII.

37. The development of the mining industry in the last decade has been nothing less than spectacular. The main governmental activity has been through the Mines Branch of the Administration, the Bureau of Mineral Resources and the Australian Atomic Energy Commission. The large scale mining and production of uranium oxide at Rum Jungle by Territory Enterprises Pty., Ltd. on behalf of the Atomic Energy Commission has probably made mining the major industry in the Territory today. The value of production, excluding uranium, was £3,319,000 for the year ended 30th June, 1957, which may be compared with the 1946 production of £166,543. 541,652 pounds weight of uranium oxide were produced at Rum Jungle in 1956-57 with a probable value exceeding £2,500,000. The production of uranium bearing materials in areas other than Rum Jungle was worth £475,000.

Statement
No. 12
issued by
the Min-
ister for
Territor-
ies, 5th
January,
1958.

38. The pastoral industry has remained remarkably stable and exports of cattle in 1956-57 returned approximately £3,000,000. In the last ten years, some seventy-four new watering places, either bores or catchment dams, have been constructed in stock routes at a cost in excess of £250,000. Perhaps the most significant event in the agricultural industry has been the ambitious and courageous attempt by a private organization to develop rice farming on a large scale on the Adelaide River at Humpty Doo. Despite early set backs, encouraging progress has been made.

39. An increasing level of government and private expenditure on new buildings, and other works has promoted a revival of that industry and it has now reached the stage where it is one of the largest in the Territory, and able to undertake substantial projects. 839 new houses and flats were completed at a cost of £3,460,000 in the three years ended 30th June, 1957, together with other buildings costing £2,413,000. In Darwin itself, the Stokes Hill Wharf has been built at a cost (to 30th June, 1957) of £828,000 and a new runway constructed at Darwin Airport by the No. 5 Air Construction Squadron, for an estimated expenditure of £4,000,000.

40. Another important development has been in the field of aboriginal and general welfare. The present Welfare Branch, established in 1954-55, grew out of the former Native Affairs Branch and now has the largest staff of all the Administration Branches.

41. The contribution by the Commonwealth to the increased activity in the Territory in recent years may be gauged from the following table showing expenditure controlled by the Northern Territory Administration and other Commonwealth Departments such as the Health, Prime Minister's and Attorney-General's Departments. It does not include the cost of services which it is the function of the Commonwealth to provide in all States, such as postal and civil aviation services, nor expenditure by the Services Departments and such Government instrumentalities as the Atomic Energy Commission.

Financial Year	General Services	Works Services	Health Services	Total, other than Capital Expenditure	Capital Works, Capital Purchases	Grand Total
	£	£	£	£	£	£
1948-49	506,262	356,496	174,042	1,036,800	632,888	1,669,688
1949-50	663,162	455,761	234,450	1,353,373	707,144	2,060,517
1950-51	877,586	567,266	301,396	1,746,248	1,361,321	3,107,569
1951-52	996,571	599,846	376,472	1,972,889	1,281,075	3,253,964
1952-53	1,195,037	680,244	480,161	2,355,442	1,206,155	3,561,597
1953-54	1,315,776	699,605	506,670	2,522,051	1,451,644	3,973,695
1954-55	1,505,742	695,465	547,901	2,749,108	1,818,592	4,567,700
1955-56	1,838,254	743,283	613,240	3,194,777	2,861,034	6,055,811
1956-57	2,206,331	827,963	695,204	3,729,498	2,798,430	6,527,928
1957-58 *	2,936,000	882,000	807,000	4,625,000	3,361,000	7,986,000

* Estimated.

42. Your Committee, during their stay in Darwin, were impressed by the faith which responsible members of the community had in the Territory. But it seemed to us that their hopes for the continued development and expansion and ultimate self-dependence and prosperity of the Territory of which there are now encouraging signs were tinged by fears that the disappointments of the past might be repeated; that without a guaranteed long-term government programme there cannot be firm confidence in the future. They know that, at this early stage of new development the economy is largely dependent upon Government spending and that any sudden reduction in this could precipitate yet another of the slumps that have been a characteristic of the history of the Territory.

(c) Other (current) Investigations.

43. Concurrently with the Inquiry by Your Committee into the Northern Territory Administration there has been a number of other investigations into various aspects of life and administration in the Territory. A report by a Select Committee of the Northern Territory Legislative Council into the Northern Territory (Administration) Act, and certain other aspects of government was tabled on 7th November 1957. The terms of reference for that Committee and its recommendations are dealt with in more detail in Chapter III.

See
Paragraphs
128, 129.

44. In August, 1954, the Chairman of the Public Service Board suggested to the Minister for Health that a research unit should be established to investigate major problems relating to employment and living conditions in tropical areas. With the approval of the Government, the Minister for Health obtained the services of Dr. R.K. MacPherson, Chief of the Human Physiological Division of the Medical Research Council of Great Britain, who made a preliminary survey in Australia and the Territories; he submitted a report in August 1956. A summary of the report appears in Appendix No. 1.

Exhibit
No. 35/8.

45. We were informed by the Public Service Board that action had been taken by the Department of Health to give effect to a number of Dr. MacPherson's recommendations and that, at the instigation of the Department of Territories, three inter-departmental committees were established early in 1957. The Board described the committees and their functions as follows :-

Exhibit
No. 35/8.

- "(a) A committee consisting of representatives of Department of Works and Department of Territories and C.S.I.R.O. with the object of considering what could be done by way of improvement of existing houses and offices and new design for the building of houses and offices. Department of Works will take charge of this Committee.
- (b) A committee consisting of representatives of Departments of Territories, Works, Civil Aviation and C.S.I.R.O. to enquire into and make recommendations regarding equipment for houses, community amenities etc. Whether the Government or the users should pay for such facilities and also the maintenance problem (e.g. electrical supply) should be included in the Committee's deliberations. Department of Territories will take charge of this committee.
- (c) A committee comprising interested Departments to look into desirable changes in Public Service conditions in tropical areas. The Board will take charge of this committee."

The second inter-departmental committee, that in charge of the Department of Territories, has prepared a report for consideration by the Minister for Territories.

Q.4226

47. At the time of Your Committee's visit to Darwin, His Honour the Administrator, Mr. J.C. Archer, O.B.E., had been in office for 12 months. He told us that he, also was reviewing all aspects of government and administration in the Northern Territory and that he would submit recommendations to the Minister for Territories in due course.

(d) Forms of Administration and previous Inquiries.

48. In the first 20 years of Commonwealth control of the Northern Territory the methods and machinery of administration were frequently changed. Section 4 of the Northern Territory (Administration) Act 1910 provided :-

"4.- (1.) The Governor-General may appoint an Administrator for the Territory. The Administrator shall be appointed by the Governor-General by Commission under the seal of the Commonwealth, and shall hold office, subject to good behaviour, for five years.

Act No. 27
assented
to 25th
November,
1910.

(2.) The Administrator shall exercise and perform all powers and functions that belong to his office according to such instructions as are given to him by the Minister.

(3.) The Governor-General may appoint, or may delegate to the Minister or the Administrator power to appoint, such officers as are necessary for the administration of the Northern Territory Acceptance Act 1910 or this Act or for the proper government of the Territory."

49. Under an Ordinance issued in pursuance of the Act the Administrator was charged with the duty of administering the Government of the Northern Territory on behalf of the Commonwealth; the method of exercising his powers and functions was specified, and he was given the power of appointing all necessary officers and of suspending them from office. The first permanent administrator was Dr. J.A. Gilruth, former Professor of Veterinary Pathology in the University of Melbourne, who took up duty in 1912. Prior to his arrival Mr. Justice Mitchell acted as Administrator.

50. Dr. Gilruth remained as Administrator until February, 1919, when he returned to Melbourne following the serious civil disturbances of 1918. Dr. Gilruth was not replaced and, instead, the Government appointed Mr. H.E. Carey to a newly created position of Director of the Territory with a Council of Advice, which included a majority of nominated members. This arrangement came into operation in August 1919; in October, a deputation appointed at a public meeting called upon the Director, the Judge and Government Secretary to leave the Territory and informed them that if they did not do so, they would be forcibly put aboard an outgoing vessel. The three officers left Darwin on 20th October 1919, In December 1919 a new Director, Mr. Staniforth Smith, was appointed and he remained in the position until late in 1920.

See para.
18 above.

The Payne
Report
Op. Cit.
page 88.

51. In 1921 an Administrator was again appointed and the position was filled until 1927, when it was abolished following the repeal of certain sections of the Northern Territory (Administration) Act by the Northern Australia Act. Under this Act, which came into force on 1st February, 1927, the Territory was divided into two parts, Central Australia and North Australia, the dividing line being the twentieth parallel of latitude. The Act provided for the administration of each section of the Territory by a Government Resident, assisted by an Advisory Council of four, two of whom were to be elected; the Act also provided that eventually the seat of Government should be established at Newcastle Waters. More importantly the Act provided for the appointment of a North Australia Commission, charged with the duty of developing North Australia.

Act No.16
of 1926.

52. The Minister for Home and Territories, Senator the Right Honorable G.F. (late Sir George) Pearce, in introducing the Northern Australia Bill into the Senate, admitted that the rate of progress of the Northern Territory had been infinitely slower than that of any other part of the Commonwealth. He referred to endeavours by earlier Ministers to "put the Territory on its feet" which had proved costly and sometimes disastrous failures. He said that the Government believed that progress would be most likely if the Territory developed the pastoral industry.

53. In supporting the appointment of a North Australia Commission he spoke of the difficulty of obtaining adequate finance for Territory development through the established estimates procedure. He continued :-

" To overcome the difficulties I have outlined, the Government proposes to appoint a commission which will be charged with the task of initiating developmental schemes and raising the necessary money with the consent of, or through the Treasurer, for the carrying out of approved public works. It is not proposed to continue the present system. The commission to be appointed will be vested with the same authority as that given to the Federal Capital Commission or to the River Murray Commission"

Parliamentary Debates, Volume 112, page 234.

and in commenting on the existing method of administration :-

" It has been stated that the present method of Northern Territory administration is cumbersome. It is. Some critics urge that a solution of our difficulties lies in giving the Administrator more power If we give the Administrator full power to incur expenditure without reference to the Minister then the Minister cannot be held responsible."

Ibid.

54. The Prime Minister of the day, the Right Honorable S.M. Bruce, P.C., M.C., (now Viscount Bruce) spoke of the impossibility of developing a great territory successfully with the seat of government far removed. He emphasised too the problems of changing Ministers and said :-

Ibid, page 821.

"We have never had, for any considerable length of time, a continuous policy for the development of the Territory."

55. The new administrative arrangements were short lived. Because of financial stringency, the Government amended the Northern Territory (Administration) Act in 1931 which repealed the Northern Australia Act, abolished the North Australia Commission and again placed the administration of the Territory as a whole in the hands of an Administrator at Darwin.

Act No. 5 of 1931.

56. The amending bill, which was first introduced in December 1930, had a stormy passage through Parliament. In introducing the bill the Minister for Home Affairs, The Honorable A. Blakely, gave the Government's reasons for the new legislation and the following extracts from his second reading speech are interesting :-

" The previous administration had in mind not only the development of the Northern Territory, but also the adoption of a more ambitious scheme embracing the northern portion of Queensland and the north-western portion of Western Australia.

Parliamentary Debates, Volume 127, pages 69-72.

... There were some negotiations between the Commonwealth Government and the Western Australian Government, which were subsequently broken off by the latter; ... negotiations in regard to the matter did not even commence with (Queensland).

.

... I pay a tribute to the ability of the present North Australia Commission, and my grief is that they have no job to do. They were given a job, but no money with which to do it.

.

... Up to date the commission has produced three reports, of which the previous Government took no notice; at any rate it certainly did not act upon any of the recommendations contained in those reports. The bill proposes to abolish this expensive and cumbersome form of administration of the Northern Territory.

.

... Before deciding on the action contemplated in the bill, I took the opportunity to interview as many persons as possible in connection with the method of administration now in operation in the Northern Territory. I appointed Messrs. French and Brown, responsible officers of the Auditor-General's Department and the Public Service Board, to investigate the present method of governing the Northern Territory, and, after a very careful examination, they recommended a reversion to the system previously employed. The consensus of opinion of residents in the Territory itself is apparently in favour of the action now proposed to be taken."

57. Under pressure from the Member for the Northern Territory, Mr. H.G. Nelson, the bill was amended in the committee stages to provide for the appointment of an Advisory Council consisting of the Administrator, as Chairman, and four elected members, one from each of four districts. The elected members were not to be paid but were entitled to receive travelling expenses.

Ibid
pages
1178 -
1180

58. The amending bill conferred upon the Council power to make ordinances having the force of law in and in relation to the Territory excluding any ordinances, the object or effect of which was to dispose of or create any charge upon the Consolidated Revenue Fund or upon any revenue of the Territory. It was further provided that every ordinance made by the Council would be inoperative until it had been approved by the Governor-General.

59. A hostile Senate objected to the establishment of an Advisory Council of this nature and after conferences between the two Houses the provisions were omitted from the bill. The main reasons given by the Leader of the Opposition in the Senate, Sir George Pearce for the Opposition's stand were (a) the large sums which might be incurred in travelling expenses by Members of the Council in attending a minimum of two meetings a year, and (b) that the difficulties associated with travelling within the Territory and the time involved might preclude the best available people from seeking election. He said :-

Senator

".... I ask them to reflect on the constitution of the advisory council. The only persons who will be elected to it will be men seeking jobs; they will make a living

by drawing travelling expenses while travelling to and from meetings. No one else could afford to accept a seat on the council. I repeat that, with the establishment of an advisory council, the travelling expenses of its members will more than eat up the £8,000 per annum which the present commission is costing and, in addition, there will be less efficiency. Yet that is what the bill provides."

Parliamentary Debates, Volume 127, page 1301.

60. Since 1931 the main administrative changes have been the incorporation in 1940 of the greater part of the Northern Territory Public Service within the Commonwealth Public Service and the amendment of the Northern Territory (Administration) Act in 1947 appointing a Legislative Council with power to make ordinances for the peace, order and good government of the Territory. The inaugural meeting of the Council took place on 15th February, 1948.

Act No. 39 of 1947.

x x x x x x x x x x x
61. To complete this picture of the earlier years of Commonwealth administration it is necessary to deal briefly with four major enquiries into the administration and development of the Northern Territory, namely :-

The Royal Commission of 1913-1914.
The Royal Commission of 1919-1920.
An Inquiry by Sir John Buchanan in 1935; and
The Board of Inquiry into the Land and Land Industries of the Northern Territory - 1936-1937.

62. The Royal Commission of 1913-1914, appointed on 23th March 1913 with Messrs. F. Clarke (Chairman), D. Lindsay and A. Combes, was commissioned "... to inquire into and report upon the following matters in their relation to the development of the Northern Territory :-

See Parliamentary Paper No. 31, tabled 24th June, 1914.

- (a) On the routes of necessary railways;
- (b) on the classes of such railways;
- (c) desirableness and practicability of creating new ports;
- (d) the desirableness of setting apart an area for the eventual creation of a new capital."

63. After travelling to Darwin by sea, the Commissioners had difficulty in obtaining horses suitable for their work and finally arrangements were made to procure them from Queensland. The Government steamer "Stuart" was the only vessel available for an inspection of the coast but, as the Administrator considered that the requirements of the commissioners should be subordinated to the ordinary trading obligations of the steamer, further delays and complications ensued. Finally, before the commission could conclude its investigations it was recalled by the Minister. The report, when presented, was not unanimous and appears to have achieved little.

64. The Royal Commission of 1919-1920 stemmed directly from the civil disturbances which culminated in the ill treatment of the Administrator, Dr. Gilruth, and the ejection later from the Territory of the Director and two officers. The report of the commissioner, Mr. Justice Ewing, was unfavourable to the officers concerned and highly critical of the Commonwealth government. The following extracts have been taken from the commissioner's preliminary remarks in his report :-

See Parliamentary Paper No. 28, tabled 21st May, 1920.

" The Parliament of Australia, His Majesty's Ministers and their appointees, have governed and controlled the Northern Territory autocratically. They have refused to its people in any reasonable sense of the term the right of citizenship, and then imagined that there could be permanent peace. How sensible men could think this, is beyond my comprehension.

Ibid
pages
4, 5.

... I found that the Territory had been governed in a manner which no other portion of the Commonwealth would tolerate for one moment. While I consider that the State of Tasmania is the sanest and most peaceful of all the States, I am confident that if the condition of affairs I found existing politically and otherwise in the Territory were to prevail for any length of time in that State, it would quickly bring about the state of open rebellion.

The administration is full of wasted energy, and shows a want of appreciation of the best methods to be adopted for the control and management of a place like the Territory. The Federal authorities have applied to a handful of people in the Northern Territory a system designed, and perhaps suitable, for the government of a State with one or two million inhabitants. The result is that there are a large number of Heads of Departments, very few of whom have any experience from a Civil Service point of view; all jealous of their own positions, and some seriously differing with others. The Service consequently is being wastefully and inefficiently conducted, and the whole system required reorganization, but reorganization with a full knowledge of the conditions to be dealt with, and the application of at least some of the methods which a business man would adopt were he called upon to handle a similar proposition. Little else could be expected of a Home Affairs Department and Ministers who, to my mind, have little appreciation or knowledge of the Northern Territory and its conditions."

65. As would be expected the report, when published, aroused a storm of controversy and legal actions were later brought against the Commonwealth. In his "History and Problems of the Northern Territory", Dr. Grenfell Price had this to say :-

" ... At a later date Judge Bevan and Carey brought actions against the Government of the Commonwealth, and received sums of £2,800 and £375. Mr. Justice Higgins and the press made unpleasant comments on the latter case. Higgins criticized the Government for 'putting Carey to the expense of preparing to meet a charge so hurtful to his reputation as abandonment of duties'. The 'Age' stated that 'it was not at all creditable that Ministers should make a scapegoat of one of their own officers and besmirch his reputation', when 'the weakness displayed in Melbourne encouraged the mal-contented at Darwin to flout the authority of officials whom it was the duty of Ministers to support.'"

Op. Cit.
Page 44

66. Five years passed before the next inquiry. Sir George Buchanan, K.C.I.E., who had been commissioned by the Government to inquire, amongst other things, into port facilities and accommodation in the Territory was requested by the Minister for Home and Territories to express his opinion generally upon questions affecting the future development of the northern part of Australia.

67. In his report Sir George warned that his opinions were not based upon a long residence in the country but on a short visit, numerous conversations on the spot with the people generally interested, a careful perusal of the many printed papers on the subject and his experience in administration and development in tropical countries extending over 35 years. His conclusions were interesting and, amongst other things, he said :-

See Parliamentary Paper, No. 48, tabled 13th August, 1925, page 2.

"1. The Northern Territory is suffering from isolation, inefficient system of administration, lack of communications, and constant labour troubles.

Ibid page 24.

2. The cost of transport, combined with the cost of labour, makes development of the country by private enterprise at present impracticable.

6. The development of the pastoral industry by every possible means, so as to reduce cost of production, should be the first policy of the Administration.

7. The mining industry has great possibilities, but without cheaper transport and economic labour (by which I do not mean 'cheap labour!') there can be no progress.

8. No attempt should be made at present to develop the agricultural industry for tropical produce.

9. The climate is more trying to the white race than that of northern Queensland, but the country can be made suitable for white settlement within certain limits; closer settlement within the coastal area would probably prove disastrous.

10. The town of Darwin, which according to Professor Griffith Taylor is usually uncomfortable for eight months in the year, should be made more suitable for white residence by the improvement of housing conditions, provision of electric fans, and education of the people in tropical hygiene."

68. By far the most important of the pre-war public inquiries into the Northern Territory was that undertaken by a Board of Inquiry of two persons, Messrs. Payne and Fletcher, appointed on 23rd March, 1937, by the Governor-General under section 3 of the Board of Inquiry Ordinance 1929-1934 of the Northern Territory, to inquire into and report on :-

"The Payne Report" - See Parliamentary Paper No. tabled 8th December, 1937.

"(1.) The existing land tenures and conditions of settlement throughout the Territory;

(2.) Any alterations in existing tenures, areas, rents, and conditions of tenure that may be desirable in order better to induce increased settlement, development and production;

(3.) Methods for the better utilization of the lands of the Territory and the development of their potentialities by :-

(a) Ensuring the use of the lands for the purposes for which various areas are best suited - cattle or sheep grazing, or agriculture;

- (b) Encouraging the investment of capital therein;
 - (c) Securing the permanent improvement of the lands;
 - (d) Encouraging increased profitable production;
 - (e) Providing for organized marketing of products.
- (4.) The transport facilities of the Territory and any possible improvement of an economic nature having regard to the needs of the land industries and particularly the marketing of products;
- (5.) Generally, a plan of development in respect of the lands and the land industries of the Territory over the next twenty-five years;
- (6.) The productive potentialities and population-supporting capacity of the Territory under the systems of development and administration which may be recommended."

Mr. W.L. Payne, Chairman of the Land Administration Board, Queensland, was appointed chairman and Mr. J.W. Fletcher, Pastoralist from Mitchell, Queensland, as the second member.

69. Evidence was taken by the Board in Sydney, Melbourne, Adelaide, Brisbane and Wyndham and at many centres and stations throughout the Territory; numerous inspections were made of station properties and, in all, the Board travelled about 10,000 miles. The Board considered that some sweeping changes in policy would be needed and propounded as a new plan of government for the Territory :-

Ibid
page 1.

- "(1) That the investment of capital in the Territory, whether in pastoral, mining, agricultural, or marine pursuits, be encouraged to an extent greater than any encouragement given elsewhere in Australia. This will be necessary as the difficulties are considerably greater.
- (2) That revenue considerations be entirely subordinated to production and development.
- (3) That the development of holdings, and improvement of the quality of stock be encouraged by eliminating Crown resumption rights from moderate-sized leases when extensive expenditure is undertaken by the lessees.
- (4) That country suitable for sheep be converted from cattle to sheep by the provision of transport facilities.
- (5) That the settlers be given reasonable facilities to market their products at reasonable cost.
- (6) That steps be taken to reduce the cost of commodities and of living and thus help to bring the cost of labour to a level more in keeping with the cost of labour elsewhere in Australia.
- (7) That steps be taken to provide industrial arbitration for workers and to deal promptly and effectively with industrial disputes.
- (8) That generally, bureaucratic methods be avoided and the Government and the administration work in close co-operation with the settlers to achieve better results."

70. Recommendations were made for the suspension of personal exertion income tax and all tariffs for a period of twenty years and for the abolition of the petrol tax. Many shortcomings were noted in the Northern Territory land legislation and administration, and changes were suggested. In regard to railways it was proposed that railway lines be constructed to open up the Barkly Tableland area on the Queensland border of the Territory, and the Ord-Victoria Rivers district, which straddles the northern end of the border of the Territory and Western Australia.

Ibid
Pages 12-
14, 20-26,
30, 31.

71. The Board said that the government of the Northern Territory fell far short of what was needed and expressed the opinion that when the Territory was controlled by South Australia more general progress had been made than during the Commonwealth's regime. In discussing self-government and forms of administration it said :-

Ibid
Pages 65-
68.

" The Northern Territory is not yet ready for self-government, and cannot yet become one of the States of the Commonwealth. Its European population numbers only 3,800. Self-governing powers are, therefore, at present out of the question as the heavy burdens of government could not possibly be carried by the populace. The Commonwealth Government will need to continue in control for many years to come, if not for all time.

Ibid
page 65.

The kind of administration required is something similar to that possessed by the States in their early days of pioneering development. The Commonwealth, however, is greatly handicapped in providing such governmental machinery as its officers have neither the experience nor training in the administration of developmental policies which State officers acquire. ..."

The Board was critical of the division of control between the Administration and the other Commonwealth Departments which operated in the Territory but which were independent of the Administrator; it drew attention to the short-comings of a financial year from July to June, and recommended a special financial year for the Territory, ending on 31st December. Extensions to the authority of the Administrator were proposed, including a temporary power of veto over any actions of departments not under his control pending a definite decision and instructions from the Minister in charge. The establishment of Advisory, Development, or Consultation Boards organised on an industry basis and presided over by the Administrator, was suggested so that the people might have more say in the government and administration of the Territory. The Board did not favour the appointment of an Advisory Council to advise the Administrator on administrative and legislative matters. The Board also made the following comment on the need for sound administrative staff :-

" ... we feel that we should again stress the necessity for the appointment of sound administrative officers to the Territory Service.

Ibid
page 69.

The poorly developed state of all Territory industries, the isolation and distances from the seat of Government, and the special difficulties to be overcome will throw great responsibility on the local administration in giving effect to the recommendations contained in this report. Many and diverse problems will arise calling for sound judgment and prompt decision, as well as correct guidance of the Government at Canberra. The qualifications and experience of persons appointed to the Territory Service must, therefore, always be of fundamental importance."

72. The report concluded on the following note :-

"As already stated, production possibilities in the Territory are limited. Last year a deficit of £611,439 was incurred, while the total value of production amounted to only £499,110. Moreover such production in the aggregate did not result in a profit to those responsible for it. These are arresting facts. Unfortunately this unsatisfactory position cannot be improved without expenditure of more loan money in providing transport facilities. Such additional expenditure must inflate the annual deficits for a time. After a few years, however, the annual deficits should gradually decline, until eventually the Territory balances its budget. We estimate it to be a reasonable possibility that, within 25 years, wealth to the value of £4,000,000 per annum will be produced. Mining activities, of course, may considerably increase this estimate.

Ibid
Page 82.

The immediate future from a budgetary point of view is not satisfactory, but if the recommendations outlined in this report are given effect to, population and production should greatly increase, and eventually the budget should be balanced. If, on the other hand, the recommendations be not adopted, production and population will stagnate, and the Commonwealth will still be burdened with heavy annual deficits without any compensating return. Worse still, Australia will have failed in its national obligation, and the Territory problem will remain unsolved."

73. The opinions of the Payne Report like so many others have been falsified by results. Recent developments have been far beyond those envisaged in 1937. At the same time few of the major recommendations of the Report were ever adopted. So far as may be revealed in retrospect, an explanation for this inaction on the part of the then Government may be found in the internal tensions, budgetary difficulties (e.g. the proposed National Insurance Scheme), and the unsettled international situation (e.g. Munich with the onset of the 1939-45 war). Consequently some aspects of administration and living conditions in the Northern Territory, which were commented upon adversely by the Board of Inquiry, have remained unaltered, while others have only recently been remedied.

74. Thus, the record of the first 30 years of Commonwealth control of the Territory was one which may be said to have reflected little credit upon the Commonwealth. Often regarded as a portfolio of secondary importance and of little political significance, and suffering from frequent changes of Ministers (22 in the 30 years to 1941), distance from the seat of Government and the low priority it could command for finance, all these things militated against there being any continuous policy for the Territory, and did little to inspire confidence in its future.

75. Three of the four reports referred to above criticized the activities of the Administration rather than the form of administration. Their criticisms were directed against the manner in which the Commonwealth Parliament, Commonwealth Ministers of the Crown and officers of the Administration had carried out their respective functions, and particularly to the seeming scant regard given to the Territory point of view. The appointment first of a Legislative Council in 1947 and then in 1951 of a Minister of Territories, with a department responsible only for the Northern Territory and the external Territories of Australia, were steps towards meeting those criticisms. To those changes in administrative attitudes may probably be attributed many of the recent advances in the Northern Territory.

CHAPTER III

GOVERNMENT OF THE TERRITORY

(a) The Administration

76. In Part I of this Report Your Committee have drawn attention to the conclusions reached at widely different times by varying authorities and agencies that the administration of the Northern Territory suffered from all the ills of remote control in consequence of which the administration of the Northern Territory was not efficient, or, at least, was not satisfactory and did not promote the well being of the Territory.

77. We do not intend to pursue any further the criticisms mentioned above. We felt it necessary to study the earlier arrangements, the better to judge their impact upon the government of the Northern Territory. We turn in this Chapter of our Report to a consideration of the roles played by, and the relationships between, the main authorities concerned with the government of the Territory or parts of it, namely, the Administrator and the Administration, the Minister for Territories, the Secretary, Department of Territories, the Northern Territory Legislative Council, the Darwin Municipal Council and certain Commonwealth Departments that operate in the Territory but are beyond the jurisdiction of the Administrator.

78. The Administrative Arrangements Order provides for the Minister for Territories to administer the following Acts relating to the Northern Territory :-

See Commonwealth Gazette No.25 of 24th April, 1958.

Northern Territory Acceptance Act 1910-1952

Northern Territory (Administration) Act 1910-1956

Northern Territory Representation Act 1922-1949

Removal of Prisoners (Territories) Act 1945-1957

Lands Acquisition Act 1955-1957, in relation to the Northern Territory.

79. The Northern Territory (Administration) Act 1910-1956 provides "... for the Government of the Northern Territory" and establishes, amongst other things, the office of Administrator and a Legislative Council for the Territory. Section 3A of the Act provides :

"3A.-(1.) There shall be an Administrator of the Territory.

(2.) The Administrator shall be appointed by the Governor-General by Commission under the Seal of the Commonwealth and shall hold office during the pleasure of the Governor-General.

(3.) The Administrator is charged with the duty of administering the government of the Territory on behalf of the Commonwealth.

(4.) The Administrator shall exercise and perform all powers and functions that belong to his office in accordance with the tenor of his Commission and in accordance with such instructions as are given to him by the Minister."

Northern Territory (Administration) Act 1910-1956.

The Commission of the present Administrator reads :-

"... do hereby appoint you to be Administrator of the Northern Territory and to administer the government of that Territory on behalf of the Commonwealth, and to have, hold, exercise and enjoy the said office during the pleasure of the Governor-General; such arrangements to take effect on and from the First day of July, One thousand nine hundred and fifty-six."

Exhibit
No. 35/10

The Commission neither extends nor restricts the authority of the Administrator, which, therefore, is determined in accordance with the legislative provision that he shall exercise and perform his powers and functions "... in accordance with such instructions as are given to him by the Minister". The Committee recite an opinion of the Acting Secretary of the Attorney-General's Department to indicate the extent of the limitation imposed upon the activities of the Administrator.

"It is clear from sub-section (3.) of section 3A that the Administrator must give effect to the policy of the Commonwealth Government. That policy may be conveyed to him by means of instructions, which may be formal or informal, general or specific. As the Administrator holds office only during the pleasure of the Governor-General, the ultimate sanction for non-compliance with such instructions would be removal from office.

Opinion of
the Acting
Secretary
Attorney-
General's
Department
dated
28th March,
1958, paras.
4 and 5.
See Appendix
No. 2.

Because the Government could have a policy on any matter at all, instructions to the Administrator given under this general cover could, in my view, include instructions as to the exercise and performance of powers and functions conferred upon the Administrator by Ordinances of the Northern Territory."

80. The Northern Territory Administration is the administrative organisation concerned with carrying out the government in the Territory. It is a Branch of the Department of Territories and, as such is under the administrative control of the Secretary, Department of Territories. There are eleven Branches, eight of which form part of the Commonwealth Public Service; two, the Police and Prison Branches, are staffed in accordance with the Northern Territory Public Service Ordinance 1928-1948 subject to the approval of the Minister for Territories while the teaching staff of the Education Branch is provided by agreement by the Education Department of South Australia.

See
Part II
Chapter XI

81. The Department of Territories told us that the functions of the various Branches are as follows :-

Administrative Branch

General administration and co-ordination including Personnel, Establishment, Records, Finance and Accounting.

Exhibit
No. 35/2,
statement
II, pages
7 & 8.

Welfare (previously Native Affairs) Branch

Administration of welfare and advancement (including education and settlement health services) of aborigines, liaison with missions for aboriginals and mixed blood children, pre-school education, general welfare and child welfare.

General Services Branch

Administration of harbours and fisheries, transport, municipal business undertakings, hostels, government housing and administrative accommodation, housing loans, libraries, motor vehicle registrations, fire brigade, parks and gardens, town roads and municipal services, prisons.

Lands and Survey Branch

Lands administration, surveys and survey drafting, pastoral development. Administration of assistance to primary producers.

Agricultural Branch

Agricultural research (partly in conjunction with Commonwealth Scientific and Industrial Research Organization), development and administration of agricultural services and extension work in agronomy, pests and diseases.

Mines Branch

Administration and development of mining, technical advice to mine owners, operation of batteries.

Animal Industry Branch

Laboratory and field services for animal disease control, supervision of slaughtering, bird protection, dingo destruction, etc., development and maintenance of facilities for travelling stock; research and extension on problems of animal industry.

Education Branch

European Education. Apprenticeship scheme.

Water Use Branch

Investigation development, control and administration of water resources and supply.

Police Branch

Maintenance of law and order.

Prisons Branch

The control, discipline and management of prisons and prisoners.

82. In our discussions with the Administrator we found that there is no formal functional order in relation to the Northern Territory Administration as such.

See also paragraph 113.

"COMMITTEE MEMBER: Is there in existence now any functional order which gives you powers as an Administrator?--- (MR. ARCHER) That is, relating to Administration generally, I presume. There is no functional order in the sense that there is an administration arrangements order as affecting the Commonwealth Government. ... In this case, there is a Commonwealth law - the Northern Territory (Administration) Act - which is allocated to the Minister for Territories by the Administration order. Under that Act, there is power to make Ordinances for the Territory. Those Ordinances are made by the Legislative Council. They usually refer to the Minister in the same broad sense as does the Federal legislation but in our Ordinances interpretation, an Ordinance defines the Minister, where not otherwise expressed, as the Minister of State for Territories. In those Ordinances, powers are vested in the Administrator and, occasionally, powers are vested in a particular office of the Administration such as the Director of Welfare or one of the Branch heads. So the functional arrangements here stem from the Legislation and are quite clearly defined by the legislation up to a point. To the extent that the legislation does not cover the allocation of functions, they are covered in effect, by the Executive Council minutes which creates a particular office. For example, we have a Director of Water Uses. There is no legislation relating to the control and use of water which specifically places the responsibility within a person or officer of the Administration. ...

Qs. 1125,
1126.

COMMITTEE MEMBER: The initiation of functions that would be discharged by the Director of Water Uses would be through you as Administrator to the Minister for presentation to the Executive Council. The initiation would lie with you as to the distribution of functions between the Director of Water Uses and any other activity associated with that matter?--- (MR. ARCHER) It would be re-allocated with a recommendation from the Administrator that he had need of that particular office in order to carry through a particular function such as the development and control of water. It would take the form of a recommendation to the Department in the first instance to seek approval of the Public Service Board for the creation of the office with certain functions, duties and responsibilities. If approved by the Board, it would be recommended by the Board through the Minister to the Executive Council that the office be created with duties, functions and responsibilities as defined. That would be the process by which those functions would be allocated to a particular office or branch."

83. In the administrative field, the Administrator exercises other powers and functions that are quite distinct from those derived from the general authority of the Northern Territory (Administration) Act and his Commission of appointment as Administrator. Section 26 of the Public Services Act 1922-1957 confers upon him the powers, authorities and duties of a Chief Officer under that Act - these are essentially of a disciplinary nature - and certain specific delegations have also been granted to him in such matters as finance and Commonwealth employees' compensation.

84. A general directive issue in 1938, provides that the Administrator shall concern himself with the major aspects of the work of the Commonwealth departments in the Territory and where necessary report on such matters. About this the Administrator said :-

"... That is rather a general covering directive which gives the Administrator an additional inspectorial function to observe and report to the Government on matters other than those directly placed under his control and responsibility. Qs.1128-1130.

COMMITTEE MEMBER: If it became necessary, in your judgment, to get greater co-ordination than you had between Government Departments when administering Commonwealth legislation as compared with Northern Territory Administration, you could report to the Minister and ask that adjustments be made?--- (MR. ARCHER) Yes, as I understand it.

COMMITTEE MEMBER: Have you had occasion to exercise that jurisdiction?--- (MR. ARCHER) No, not in the period during which I have been in office...."

However, he went on to say that :

"... I am not yet at a point where I am entirely clear in my mind what, if anything, should be done in that direction. That is something that will emerge when I feel that I am in a position to exercise a sound judgment on these matters and know exactly and precisely what I feel the Government should consider doing." Q.1130

85. The Administrator fills other important roles. He is President of the Legislative Council with the power to assent to or withhold assent from certain ordinances passed by the Council. As Administrator he is called upon to direct a large public service organisation including many business undertakings of a public utility type. As the senior representative of the Commonwealth Government in the Northern Territory he has to undertake many tasks of a socio-political character, some of which afford opportunities for explaining or expounding government policy. There are, in addition, functions of a quasijudicial nature. Thus the Administrator's role is both diverse and onerous, and sometimes takes him into fields usually occupied by Ministers of the Crown or leaders of political thought.

86. It would appear that there is an increasing trend towards concentrating the gubernatorial and executive functions in the Administrator (a trend Your Committee would foster) and leaving the purely administrative functions in the hands of the Assistant Administrator.

(b) Remote Government - Relationships between the Administration, the Minister for Territories and the Department of Territories

87. Some of the earlier inquiries into the Northern Territory reported adversely upon the tendency for the Territory to be governed "from a distance" and advocated greater local autonomy as a step towards a more effective and acceptable administration. A desire to move in that direction seems to have been amongst the reasons prompting the 1926 legislation, which provided for a North Australia Commission and a Government See paras, 61 - 73

See paras, 51 - 55.

Resident aided by an Advisory Council for Northern Australia; as we have already seen, the experiment was short-lived and the restoration of the previous form of administration brought further criticism from the 1937 Board of Inquiry.

88. Your Committee's discussions in the earlier part of this Chapter on the powers and functions of the Administrator indicated that he had direct responsibility to the Minister of Territories. However, both the Secretary* and the Administrator told us that, as a matter of administrative practice, the line of communication between the Administrator and the Minister was through the Secretary of the Department. Your Committee accordingly inquired how these arrangements affected the working of the Territory affairs.

* The Secretary, Department of Territories.

89. We discussed the question with Mr. Lambert, Secretary of the Department of Territories, at our first series of public meetings held in Canberra in April, 1957. After briefly traversing the history of earlier administrations he told us that, as time had passed there had been a progressive delegation of authority to the Administrator; that in the earlier days the Administrator operated practically as a Branch officer controlled by a central office, but that the position had now been reached where there was a considerable delegation of authority to him by Acts of Parliament and Ordinances of the Territory.

90. Mr. Lambert then described for us the relationships existing between the Administrator, the Minister and himself :

"The Administrator of the Northern Territory is appointed by the Governor-General. He is responsible for the administration of the Government of the Territory, subject to such directions as are given to him by the Minister. Most of the powers and the functions of the Administrator are derived from Ordinances of the Northern Territory. Very few powers in the Ordinances of the Northern Territory are reserved to the Minister or the Governor-General. Almost all of the powers of decision under Ordinances of the Northern Territory are vested in the Administrator. The Administrator's relations with the Minister are such that he refers to the Minister such matters as are reserved, by statute, to the decision of the Minister or the Governor-General in Council. Examples of this are where there are provisions in the Northern Territory Ordinances that the decision shall be with the Minister. There is a provision in the Northern Territory (Administration) Act that Ordinances are subject to disallowance, either wholly or in part, by the Governor-General and certain specified Ordinances are subject to the assent of the Governor-General. He refers to the Minister for decisions and directions on major matters of policy. He also refers to the Minister for approval of his estimates of expenditure and works programmes and for financial authorities which are outside the delegations given to the Northern Territory Administration. Insofar as the Secretary of the Department of Territories is concerned, the Administrator refers matters for determination by the Minister, through the Secretary of the Department. But in the Department they are examined, and advice is forwarded to the Minister. He refers to the Secretary of the Department for assistance and advice. .."

Q. 23

91. Although the Administrator at Darwin ostensibly possesses substantial powers, Your Committee inquired whether the arrangements described above might not have the effect of restricting those powers by imposing a Departmental control of "Administration" activities, and thus, in fact, transferring the government of the Territory from Darwin to Canberra. Mr. Lambert said:-

"It depends on the nature of the tasks that they want to perform. Over all, what they do is controlled by the financial provision that is made available. In the actual projects that they will undertake, there is a discretion in the Administrator to carry it out himself in his own way, so long as the policy of the undertaking has been cleared. If he is entering into new undertakings, involving the Government in the expenditure of money, he clears the method by which he is going to do it - in detail, not in the broad sense - and he gets his authority and he is then free to go ahead." Q.33

92. Mr. Lambert elaborated the view of the Department playing a dual role; a role in which the Department assists the Administrator and, if necessary, protects the Minister.

"COMMITTEE MEMBER.- The attitude of the Department is what I want, whether it is there to assist the Administrator or whether it is there to protect the Government and the Minister from the Administrator - whether it exercises a protective role or an assisting role to the Administrator?-- (MR. LAMBERT) The Department adopts both roles. It adopts an assisting role to the Administrator in day to day affairs. Whenever the Administrator has problems he wants help on, we assist him. Even in his submissions to the Minister, where it is obvious to the Department that he has missed something, certain important factors, we assist him to get those right. On the protection side the Department, which has to look after the Minister, who after all has the responsibility of decision, ensures that whatever is put forward is constitutionally right and it is in accordance with policy and that all factors which the Minister should have before him in making a sound decision are brought forward, and when the Administrator's recommendations go forward to the Minister they go forward in full. The full papers as submitted by the Administrator go to the Minister. Departmental observations might or might not be made, with a recommendation from the Department, if it is considered by the Department that some variation in the recommendations coming forward should be considered by the Minister. But the Minister has enough facts in front of him to be able to exercise his power of decision with all the angles that he should consider set out clearly." Q.87

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"COMMITTEE MEMBER: I was wanting to find from you whether the attitude today was in favour of a greater autonomy on the spot than had been exercised Q.90

hitherto by governments or by an Administrator who did not have as much money to spend as the present Administrator has. Is the tendency towards giving autonomy or is the tendency to say it is simply an off-shoot of our department and after all the Department is supreme; it has to carry out Ministerial policy and so that the Minister knows what is being done locally; and so for that reason you get despatches from the Administrator and altogether you are being kept in touch with what is going on. Is that restrictive or does it help to promote things that the Administrator wants to do? --- (MR. LAMBERT) There is no danger of a restrictive attitude or any attitude of inferiority or superiority ever arising. The functions of the Administrator are quite distinct from the functions of the Permanent Head of the Department. The Permanent Head has no powers at all that he can exercise in relation to the Administrator and the Administrator's functions. The only person who has power to give instructions to the Administrator is the Minister. The Permanent Head serves the Minister. He is just an officer of the Minister's department and the general tendency is to give as much authority to the Administrator as it is possible to give him within the constitution and having regard to the responsibility of the Commonwealth Parliament and its Minister. The relations which have existed between the Department and the Administrator have fortunately been very happy ones and I have had no complaints whatsoever. The Department also goes out of its way to provide within its capabilities assistance to the Administrator. In effect we try to serve the Administrator just as much as we serve the Minister."

93. Your Committee pursued these questions with the Administrator and other witnesses in Darwin at the hearings held in July, 1957. Mr. R.C. Ward, M.L.C., Barrister and Solicitor of the Supreme Court of the Northern Territory, and Mr. J.W. Lyons, Barrister and Solicitor of the Supreme Court of the Northern Territory, both contended that there should be greater local autonomy, particularly in regard to land matters. Mr. R.J. Withnall, M.L.C., who occupies the offices of Crown Law Officer, Parliamentary Draftsman and Deputy Crown Solicitor at Darwin was more specific; he gave examples of the manner in which Canberra seemed to be re-asserting control and of an apparent unwillingness to trust the local authorities to manage their own affairs :

"COMMITTEE MEMBER: .. I should like you to tell us of anything that would indicate a need for the lessening of outside authority and for more autonomy here. We have heard a great deal of talk about remote control from Canberra. It has been suggested that, because the Territory is so far from Canberra, departments in Canberra do things that would not be done if they were on the spot. As things are developing is there any lessening of the grip of Canberra? On the other hand, with all the ways provided for voting legislation passed by the Legislative Council, is there a tightening of control by Canberra? Can you give us some thoughts on those things? --- (MR. WITHNALL) On the face of the legislation passed and applying to the Northern Territory, there seems to be at present a return

Qs.1591A
and 1594-
1596.

to what used to be the rule many years ago - that there should be greater degree of control exercised in Canberra. Originally ordinances of the Northern Territory were made by the Commonwealth Minister, and those ordinances applied without anybody in the local sphere having any say. In those ordinances, it is quite natural to expect a multiplicity of references to the Minister. 'The Minister', of course, means not only the Minister, but the Department in Canberra, which has the ear of the Minister, and which, because of that very proximity, shapes his ideas much more than do the people on the spot who are more particularly aware of the problems. I think it was about 1936 - at least by 1938 - that there had gradually come into being a recognition of the desire and the need for Canberra to stop out of the picture. In 1937 or 1938, I think, there was passed a large number of ordinances in which the references to the Minister were deleted. In particular, I could refer you to the Crown Lands Ordinance of 1938, from which, I think, something like 20 references to the Minister were deleted and references made to the Administrator. But the post-war period has not seen that position continue to develop. Since the Legislative Council came into existence in 1948, for whatever reason I am not qualified to say, there has been a tendency to regard the local authorities as not being sufficiently wise to be able to determine matters themselves.

I could give you several examples, of what I am speaking. Perhaps the best example I can give you is a comparison between the provisions which were in section 24A of the Crown Lands Ordinance and provisions which came into existence by virtue of Ordinance No. 4 of 1956. Under the previous provision, the power to cancel or revoke a lease on the ground of failure to comply with a covenant or condition under the Crown Lands Ordinance was vested in the Administrator. But in the subsequent legislation, the power of the Administrator, whilst still existing, in fact is made in some respects subject to the Minister's power to direct the Administrator what to do. In section 24B4, which was inserted by the 1956 Ordinance, you have a provision relating to the sale of a lease which is subject to a mortgage, which directs that the Administrator shall not forfeit a lease in the conditions spoken of by the section unless the Minister grants permission. The procedure to be followed is that the Administrator, who already has the power to forfeit a lease, is by this section now required to get permission in this case from the Minister, who gives his permission. Then it comes back to the Administrator to forfeit the lease. I could multiply instances of that sort. I do not think that it is necessary to take up your time with them, but I would refer to one that was contained, I think, in the same ordinance, in which the section says that the Minister may, if he thinks fit, direct the Administrator to forfeit the lease, and the Administrator shall act accordingly. There you have an instance of the Administrator being previously vested with the power, and subsequently having that power statutorily subject to the Minister's direction.

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COMMITTEE MEMBER: Is there any suggestion of objection to that legislation? It is a typical piece of legislation, is it not? --- (MR. WITHNALL) It is typical of fairly recent legislation. There is this objection to it; the further you are away from the Minister, the more it magnifies the delays in getting things done. There are further examples. In the petroleum prospecting and Mining Ordinance - I do not have it with me at the moment - the provision relating to the issue of permits gives the Administrator the power to issue a permit, but requires that he shall first of all get a report from the local Petroleum Advisory Board. Following that, he has to get a report from the Oil Advisory Committee, which is a committee constituted in Canberra. Following that, he has to get the approval of the Minister. Whether one can see reasons for all of these checks being brought into existence or not, one is brought very quickly face to face with the proposition that a good deal of time must necessarily elapse before a man can obtain a permit after he has made his application, because there are two bodies, apart from the Administrator himself and his mining advisor - two statutory bodies - and the Minister to be consulted before that permit can be issued.

COMMITTEE MEMBER: If I am right, those two bodies often do not see eye to eye?--- (MR. WITHNALL) Often, they do not see eye to eye.

COMMITTEE MEMBER : That would often hold the thing up almost indefinitely? --- (MR. WITHNALL) That has hold up permits for a long time, and it is a particularly unfortunate thing to happen in the Northern Territory, because these people have only six months of the year in which to do their prospecting and mining. in mining matters particularly, a delay of six months in the Northern Territory is in fact a delay of a year. ..."

94. Mr. Withnall explained the procedure which is followed before regulations made by the Administrator under ordinances become law.

".... You all are aware of the provision in Commonwealth legislation that regulations shall be tabled in the Houses of the Parliament. But a regulation made by the Administrator first has to be sent to the Minister for his consideration, and the exercise of or the failure to exercise his power of veto. Subsequent to that, if he does not veto it it goes to the Legislative Council of the Northern Territory, which body, again, may veto and disallow the regulation. Following that, it goes to the Houses of the Commonwealth Parliament. It is tabled in both Houses, and again suffers the possibility of disallowance. In that way, you can see that the Administrator's power to make a regulation, existing as it does untrammelled on the face of the ordinance, is in fact subject to three checks....." Q.1596

95. Mr. Ward spoke of delays arising from the need to refer certain land matters to Canberra and told us that, sometimes, because the delay is so protracted the proposed transaction is abandoned. Q.1579

96. Except in relation to finance and the Estimates, the Administrator preferred not to express any opinion on the need to increase local autonomy. He referred, as in an earlier discussion, to the short period that he had been in the Territory as Administrator and mentioned the general review of the Governmental organization that he was undertaking. He did, however, point out to us that the present functional organisation of the Territory had been in force for many years, and therefore, it might be an appropriate time to consider making changes. However he added :-

"..... I am being quite frank and honest in saying at this point of time that I have not reached any considered conclusion as to the best way to meet and carry out any changes that would appear to me to be necessary after the review that I have been making. I should like you to accept that, Mr. Chairman, as a quite frank statement." Q.1262

97. Later, when discussing finance and recruitment, the Administrator assured Your Committee that he would be quite willing to assume responsibility for these matters if they were devolved upon him.

"(MR. ARCHER).... If I have left with you any impression that there is a reluctance to accept responsibility here, and any delegation of powers that the government feels able and willing to give me, I would want that impression removed. I am most willing, and very anxious, to accept a fuller measure of responsibility in both recruitment and financial matters, as the government feels it proper to afford me." Q.1375
1376

COMMITTEE MEMBER. - Of course, the government can give effect to views only in accordance with representations made to the Minister for Territories by the officers here. There must be, shall I say, a willingness to 'carry the baby' and take the blows as well as the pats, and to exercise authority fully. I do not know whether the apparent hesitancy is due to a reluctance to accept full responsibility or to an insufficient knowledge as to whether there is justification for placing that responsibility here. I am not able to get that clear in my own mind? --- (MR. ARCHER) In my mind, it is quite clear, and it is the latter. It is my duty to present to the Government any ideas, recommendations, or proposals, that I feel are necessary and desirable in the interest of sounder administration here. You can take it that, as soon as I feel in a position to make recommendations in relation to either personnel administration, financial administration, or any other aspect of government administration, those proposals will be put forward without any hesitation for the government to consider. The element of hesitation that you are feeling throughout this stems from nothing but the fact that, at this point of time, my mind is not sufficiently clear on the overall picture to give me confidence and assurance to make that sort of proposal to the government. I think that, before we make any proposals in particular or isolated fields of administration,

we should have our minds clear on the overall objective of any changes that might, in the long term, be decided as being desirable. I would like, and feel it necessary, to have the overall picture clear before I make any recommendations in relation to a particular field. Otherwise, you could confuse the picture and get decisions which, in the final analysis, do not fit in with the overall requirements."

98. In the context of financial delegation it is sufficient to say at this point, that the delegations to the Administrator under the Audit Act 1901-1957 and the Treasury Regulations to requisition expenditure (subject to availability of funds) are generally the same as those extended to the Secretary of the Department: while the power delegated to him by the Treasurer under section 70C of that Act to deal with, amongst other things, irrecoverable revenue and debts, condemned lost and excess stores, has, since October, 1957, been equivalent to that of the Permanent Head. However, in each of these fields, in accordance with the accepted procedure within the Department of Territories, any reference by the Administrator to the Minister of his Department, or to other departments, such as the Treasury, is made through the Department of Territories in Canberra. On this question of routing interdepartmental communications through the Department of Territories Mr. Marsh, then Assistant Secretary of the Department of Territories, Canberra, and now Assistant Administrator, Northern Territory Administration, had this to say :-

"... In matters of recruiting and finance and so on, if the Administration had to deal direct with the necessary department out of the Territory it would suffer for the want of an expert kind of service at the centre." Q.83

We also raised this question with the Administrator in Darwin :-

"COMMITTEE MEMBER: That part of it is all right. I want to get to another phase of it - the mechanics of the procedures laid down. In making the request and explanations necessary to re-adjust - we shall put it that way - your vote, does the Administration here make, or can it make, an approach direct to the Treasury, or has it to go through the Department?--- (MR. ARCHER) It does go through the Department as a matter of administrative practice. That is a general practice relating not only to this Territory, but to all Territories of the Commonwealth. They work to the Minister, and to other Commonwealth departments through the Department of Territories. That is established practice. Having regard to that practice, we do not make direct approaches to the Treasury or to any other department, except that we have certain delegations from the Permanent Head which we exercise up to a certain level of classification, and in which we may deal directly with the Public Service Inspector in Canberra. But outside that, the general practice is that we communicate through the Department. The reason for that is, basically, that many of the proposals, if not all of them, require to have the Minister's approval, and if we are to obtain the Minister's approval, the logical and practical way of doing it is to work through the Department and in that way to get the Minister's approval, and then to pass it on to the Treasury for the Treasurer's approval." Q.1823

99. Two factors which prompted earlier authorities to propose greater autonomy for the local administration in the Territory were isolation and poor communications. In the post-war years the situation has improved substantially with daily air connections between Canberra and Darwin, good trunk line facilities and a teleprinter service installed two years ago between the Department in Canberra and the Administrator. On this subject, Mr. Lambert said :-

"We regard ourselves as one family and we help one another. Communications are very easy today. We can get around a table with one another within fifteen hours. We have a teleprinter service between ourselves and the Administrator that can operate and settle conflicting views in a matter of half an hour. We have trunk line telephones. That liaison between the Administrator and the Department, acting on behalf of the Minister, is going on all the time and works very happily." Q.92

That picture may perhaps be oversimplified. When discussing with us the levels of delegations and whether more generous delegations should be granted to the Administration on the grounds of distance from the seat of Government, Mr. Archer made this comment :-

"Yes, there is the question of distance. It is quite true that no matter what means of communication is established and how you attempt to speed up the means of communication, there is an inevitable delay between the decision here that something should be paid out and the time that the decision is received that it may be paid out - particularly if a Minister leaves his department, as he must do, and he is not available at all relevant times. That is a factor that would need to be weighed up, and I intend to weigh it up in arriving at conclusions on the adequacy or otherwise of these delegations." Q.1228

In February, 1958, powers delegated under the Public Service Act to the Assistant Administrator by the Secretary, Department of Territories, which until then had been quite restricted - were substantially increased.

100. Undoubtedly, the improvement in communications has lessened delays in recent years and facilitated the provision of information, the answering of queries and the like; but delays inherent in the reference of matters to Canberra for decision remain and it is here that the undesirable effects of remote government are felt. Reference for decision usually involves transmission of documents - a delay in itself - but other time consuming processes are involved, such as the preparation of a case by the Administrator to support his recommendations, the reconsideration of the matter in detail in Canberra, perhaps the preparation of a further submission(s) there and, finally, the forwarding to, and determination by, the Minister or other authority. These processes are not only long drawn out and expensive but can be quite frustrating to the local Administration - and to an applicant personally. They need substantial reasons to justify their retention.

101. Mr. Lambert told us that there was no danger of a restrictive attitude or any attitude of inferiority or superiority ever arising. The permanent head had no powers at all that he could exercise in relation to the Administrator or the Administrator's functions and the only person who had power to give instructions to the Administrator was the Minister, he said. Again, this seems to over simplify the situation. The Secretary, Department of Territories, as Permanent Head, controls, through the Assistant Administrator, the administrative machine, the Northern Territory Administration, which is there to assist the Administrator in carrying out the functions of government. There is, accordingly, a double control - by the Minister over the Administrator in the executive field and by the Permanent Head over the Administration in matters of general administration. Conditioning this control is the general responsibility of the Permanent Head to run his Department and to advise the Minister in matters relating to the Territory vide Section 25 of the Public Service Act 1922-57 :-

See paragraph
92

"(2). The Permanent Head of a Department shall be responsible for its general working, and for all the business thereof, and shall advise the Minister in all matters relating to the Department."

So long as there is a Minister of Territories, presiding over a Department of Territories of which the Northern Territory Administration is a part, so long will that Department play a positive role in dealing with matters affecting the Northern Territory.

102. Conditioning all these complex relationships is the fundamental fact of Ministerial responsibility, and in the exercise of that responsibility it is unlikely that the Minister will neglect the assistance and perhaps the protection that an efficiently organised department can offer.

103. Your Committee is well aware of the fact that all the relationships referred to, rest upon a mass of intangibles where the methods of consultation and the limits of authority are seldom defined although clearly understood. It is inevitable that the stigma of remote government tends to colour all discussions of the administration of the Northern Territory and it is understandable that one remedy is sought in devolving more power upon the Administrator. For example, it is the Secretary, / as Permanent head, and not the Administrator, who finally / Dept. of Territories,
determines what proposals and recommendations should be sent forward for changes in the Public Service organisation of the Administration. Some would meet this problem by clothing the Administrator with the powers, if not the status, of a permanent head. In this connection, too, we note the evidence of Mr. Withnall that there is a tendency to remove power from the Administrator by legislation. *↳ persons*

104. Whatever may be done in a formal manner, Your Committee believe that it is imperative that an effort should be made to slough off the vestigial remains of the old order which administered the Territory by a system of remote control.

105. To conclude this section Your Committee record a view of the present administrative arrangements for the Territory, expressed on behalf of the Select Committee on Constitutional Reform, which reported to the Legislative Council in November, 1957. This Committee of five, comprising three elected and two

See also,
Part I,
Chapter III.

official members proposed a number of changes which we will refer to later. At this stage, we quote from the speech of the Chairman of the Committee and Crown Law Officer, Mr. R.J. Withnall, M.L.C., when presenting the report on behalf of the committee to the Legislative Council on 7th December, 1957 :-

" In examining the present forms of government in the Northern Territory and the framework within which the administration of the Northern Territory operates, the Committee came to the conclusion that the present arrangements are in fact both insufficient and inefficient.

The effect of the final control, and in many respects a good deal of immediate and detailed control, being placed in officers and persons resident so far away as the Australian national capital is of itself something which must inevitably tend to inefficiency. However benign a distant administration may be, the mere physical fact of its separation from the place and the people it is administering (which must be attended with the necessity for consideration of proposals both in a general way and often in particular detail in writing, with all the delays in the post and the misunderstanding of written submissions and the consequent further delay in elucidating them) must inevitably lead to inefficiency in administration.

It was with this in mind that the Committee concluded that the first essential step in the progress of the Northern Territory from its present state to eventual self-government is the localizing of executive and administrative power, and for that purpose the establishment of an Executive Council."

(c) Relationships with other Departments

106. A recurring problem in the Territory has been that of co-ordinating the activities of the main Commonwealth departments and agencies operating within the area. The report on the Northern Territory for the year ending 30th June 1956, recorded that the following Commonwealth departments and instrumentalities, which were then functioning in the Northern Territory, were not subject to the Administrator's direction or control :-

" Prime Minister's Department (Auditor-General's Office and Commonwealth Office of Education),
Department of the Treasury (Taxation Branch and Bureau of Census and Statistics),
Attorney-General's Department,
Department of Health,
Department of Civil Aviation,
Department of Labour and National Service (Commonwealth Employment Service and Australian Stevedoring Industry Authority),
Department of Works,
Postmaster-General's Department,
Department of Customs and Excise,
Department of Immigration,
Department of the Navy,
Department of the Army,
Department of Air,
Department of Shipping and Transport (Marine Branch - Lighthouses and Commonwealth Railways),
Commonwealth Bureau of Meteorology,
Commonwealth Scientific and Industrial Research Organization,
Australian Broadcasting Commission,
Overseas Telecommunications Commission
Trans-Australia Airlines.

Northern Territory Legislative Council Debates, Sixth Council - First Session, Volume No. 3, page 381.

Tabled 19th March, 1958 page 9.

107. The departments in general are operating under Commonwealth wide powers and undertake functions carried on throughout Australia, although two, the Department of Health and the Attorney-General's Department, are engaged as well in local administration; the Department of Health handles all health matters throughout the Northern Territory, while the Attorney-General's Department, is responsible for the administration of justice.

108. The 1937 Board of Inquiry drew attention to this co-ordination problem when it stated in its report :

" Other Commonwealth departments which operate in the Territory, but which are independent of the Administrator, and subject solely to control from Head Office at Canberra or Melbourne, are Public Works, Railways, Customs, Taxation, Post Office, Aviation, Weather, Naval, Military, Navigation and Audit Department.

The Payne.
Report
Op.Cit.
page 66

This division of control is not conducive to co-ordination and efficiency of administration or promptness of decisions on matters affecting local development. Exasperating delays occur while questions are referred for decision to Canberra or Melbourne, and the decisions, when given, are often mere routine decisions which would be fair enough in other circumstances but which pay no regard to the fundamental differences of the Territory, and are not helpful to its development.

Procrastination and the shelving of decisions have characterized the Territory administration. This must be altered before development is possible."

109. Following a recommendation by the Board that the Administrator should have a temporary power of veto over any actions of departments not under his control pending a definite decision and instructions from the Minister in charge, a general directive was issued in 1938, which provided that the Administrator should have in mind the major aspects of the work of the Commonwealth departments in the Territory and, where necessary, should report on such matters. At the time of our visit to Darwin the Administrator had not had occasion to exercise that power, but he also told us that he was not entirely clear in his own mind what, if anything, should be done in that direction.

Ibid,
page 67.

See para.
84 above.

110. When the Northern Territory (Administration) Bill 1953 was before the House of Representatives, the Member for the Northern Territory, Mr. J.N. Nelson, proposed, amongst others, the following amendment to the Bill :-

"(c) that the (Legislative) Council be empowered to take steps to co-ordinate the functions of departments operating in the Territory."

Parliamentary
Debates
2 Eliz. II,
Vol. H. of
R.2, page
861.

A similar amendment had previously been defeated in the Senate. In support of this amendment Mr. Nelson said :-

" I come now to paragraph (c) of the amendment. At present it appears to be one of the weaknesses of the administration of the Northern Territory that many of the departments that function there are responsible, not to the Administrator, but to their respective Ministers in Canberra. In these days, any co-ordination that

Ibid,
page 862.

occurs is mainly accidental, and in no way due to compulsion on the heads of the respective departments. A method should be evolved to enable the Legislative Council of the Northern Territory to co-ordinate the activities of those departments. I commend the amendment to the Minister and the House, and I hope that it will be considered favourably

The amendment was not acceptable to the Government, and it was again defeated.

111. Mr. Nelson's proposal emphasises the contention that there should be a positive arrangement for co-ordinating the activities of local Commonwealth departments and certain instrumentalities. The present powers of the Administrator do not meet that position, and any effectiveness the power to co-ordinate might have is minimised by the fact that power and authority are centralised in Head Offices of departments. Certainly, the Administrator seemed at a loss to know how he should act in the matter.

112. The co-ordination of the work of departments is a duty imposed upon the Public Service Board by the Public Service Act. The co-ordination of all governmental activities in the Northern Territory might be assisted if the Board had an Inspector permanently stationed in the area to watch the situation.

See also
Part II,
Chapter II

113. Your Committee have already noted that there is no Administrative Arrangements Order relating to the government of the Northern Territory as such. We consider that the issue of an Order along the lines of the Federal Administrative Arrangements Order, specifying the matters dealt with by Branches of the Administration and other Commonwealth departments associated with the government of the Territory, and the Northern Territory Ordinances and the Commonwealth Acts relating especially to the Northern Territory is an urgent necessity. There are, we understand, some five hundred Ordinances of the Northern Territory at present in force.

See para.83
above.

(d) The Legislative Council for the Northern Territory

114. The enactment by the Commonwealth Parliament in 1947 of a measure to establish a Legislative Council for the Territory was an important advance in the administration of the Territory. The following extracts from the Second Reading Speech of the Minister bringing down the Bill, the Honorable Nelson Lemmon, explain why the Council was created and how it was to function -

Act No.10
of 1947.

" The object of this bill is to confer a measure of self-government on the residents of the Northern Territory. ... Up to the present, all ordinances and regulations relating to the Northern Territory have been made by the Governor-General in Council. The residents of the Territory have had no say in the legislation but as they live and work in the Territory, their experience and local knowledge would be of real value in the framing of legislation governing the country. The people of the Northern Territory and the northern parts of Australia have a real, live interest in the progress and development of the country. They may be relied upon to elect representatives who will co-operate with the Government representatives in the passing of legislation which will be for the benefit of, and in accordance with, the requirements of the Territory. ...

Parliamentary
Debates,
Volume 191,
page 2321.

In view of the fact that the Northern Territory is not self-supporting financially, and that the greater part of the expenditure on its development must be provided by the Commonwealth, the bill provides that there shall be a slight majority of Government members in the Legislative Council. It is further provided that an ordinance, vote, resolution or question, the object or effect of which is to dispose of or charge any part of the revenue of the Territory, shall not be proposed in the Legislative Council except by the Administrator, unless its proposal has been expressly allowed or directed by him. ...

The Council will consist of the Administrator, seven official members, appointed by the Governor-General on the nomination of the Administrator, and six elected members. The preponderance of official members will, therefore, be two. The majority of the official members will be heads of departments."

Mr. Lemmon concluded his remarks by saying :-

".... For a considerable number of years, the residents of the Northern Territory have been asking for some measure of local government. They have protested against the existing procedure, whereby legislation for the Territory is drafted and enacted in Canberra. The bill will confer upon them the power to enact their own legislation and the necessary precautions have been taken to ensure that the finances will be protected".

Ibid, page 2322.

The Bill was criticised by the Member for the Northern Territory, Mr. A.M. Blain, who put forward a number of amendments, including one to increase the number of elected members from six to ten. None of the amendments was adopted.

Parliamentary Debates, Volume 192, pages 3561-3565, 3579-3587.

115. The Northern Territory (Administration) Act in 1953 made changes in the provisions dealing with the Legislative Council; one made public servants ineligible for election to the Council. Other amendments to the Bill were proposed in the House of Representatives by the Member for the Northern Territory, Mr. J.N. Nelson, who had been a member of the first Council, which sought to have the Bill withdrawn and re drafted to provide -

- " (a) that the Legislative Council shall consist of a majority of elected members;
- (b) that the Legislative Council be empowered to consider and report upon Estimates of Expenditure for the Northern Territory; and
- (c) that the Council be empowered to take steps to co-ordinate the functions of departments operating in the Territory."

Parliamentary Debates, Volume H. of R.2, page 861.

He also proposed that the provisions disqualifying members of the public service from seeking election to or remaining members of the Council should be omitted.

116. Later Your Committee will deal with an enquiry by a Select Committee of the Council on Constitutional Reform for the Territory. We have not considered it appropriate that we also should put forward proposals for the alteration of the Council, but in view of its importance in the system of Territory government we have examined the way it has functioned and the role which it has played. As part of this examination Your Committee received evidence from an elected member of the Legislative Council, Mr. R.C. Ward, and an official member, Mr. R.J. Withnall. We also obtained the views of the Administrator, and printed reports of proceedings of the more recent sessions of the Council.

See paras. below.

117. The seven official members of the Council are appointed by the Governor-General on the nomination of the Administrator and hold office during the pleasure of the Governor-General. When we met the Administrator he had not been called upon to nominate any members, and was able only to express an opinion as to the basis on which official members were appointed. He said that the maintenance of stability amongst the official members was desirable and, therefore, regular change in the personnel of the official members of the Council was unlikely. He also emphasised that the official appointments were as a persona designata, and not ex officio. However, it seems to Your Committee that, in practice, the appointments made are determined essentially by the office held by a person and this accords with the announced intention, on the introduction of the original legislation, that "the majority of the official members will be heads of departments". The present official members are heads of Branches of the Administration or are the senior representatives in the Territory of the Departments of Health and the Attorney-General, which are both actively engaged in local administration. The official members are directly associated with the administration of government and the elected members look upon them as representing their respective Branches or Departments.

Q.1134

See paragraph 114 above.

118. The Director of Works is not now an official member on the Council and we were told that because of this elected members were at some disadvantage in getting information about the progress of works projects. In this regard we note, firstly, that the number of official members is limited and, secondly, that the Department of Works is not actively engaged in the administration of government of the Territory; its function is essentially one of service to other departments.

Q.3938.

119. Your Committee were also told that in recent years a strong tendency had developed for the Council to form into two groups with the official members as a Government party and the elected members as an Opposition. That this is the case was supported by other evidence that we received and we think it is an inevitable result of the composition of the Council. The Administrator pointed out to us that the responsibility of an official member was different from that of an elected member, who represented an electorate. Official members are members of the Government and are expected to support the implementation of government policy in the Territory. While it is the duty of the Administrator to advise all official members of that policy in relation to any particular matter which comes before the Council, we were informed that their position would not necessarily be affected if they opposed such policy.

Q.1153.

Q.1154

120. Official members are advised in advance of the legislative programme and informal discussions frequently take place between them. On the other hand, selected members are not now aware of the contents of a Bill before it comes before the Council. Their interests are preserved to some extent by Standing Order 75A, which reads:-

" The question 'That this Bill be now read a second time' shall not be determined by the Council during the same meeting at which the Bill is first introduced, except pursuant to Standing Order No.185."

Standing Order 75A.

Standing Order 185 reads:-

" If the presiding member declares that a Bill is of an urgent nature or that the exigencies of the case require it, motion may be made at any time without notice that the Standing Orders shall be suspended. If the motion is carried, the Standing Orders shall be suspended so far as is necessary to carry out the object for which the motion was made. No debate shall be allowed on the motion."

Standing Order 185.

At the three day Meeting of the Council in June, 1957, the first meeting at which these new procedures operated, six out of thirteen Government Bills were declared by the President to be of an urgent nature and were passed through all stages at that meeting of the Council.^x

121. The Council meets infrequently - usually three times a year for a period of three days on each occasion - and this, undoubtedly, necessitates the treating of Bills as urgent measures. Mr. Ward complained that legislation had to be dealt with more hurriedly than it ought to be, and spoke also of a difficulty in having other than machinery amendments accepted. We discussed these points with Mr. Withnall, who said:-

" I would like to say that there is a difficulty under which a nominated member - or any member for that matter - really labours in putting forward a bill in this Council, and that is the matter of time. At one sitting of the Council, from 18 to 20 bills might be brought in. As the Council sits for only three days, you can imagine how quickly things move. There is not the wide scope that there is in an ordinary house of Parliament. In consequence, a bill may go through all stages within an hour or three quarters of an hour. With the members coming from long distances, and legislation being urgent, it is not possible to adjourn a measure in order to consider a proposal put forward by an elected member. It may need a good deal of consideration before you can fit it into the form of the bill or decide the terms of the resolution. Consequently, short notice of amendments often leads to their rejection."

Q.1639

x. Of twelve Government Bills introduced at the November, 1957, meeting, three were declared urgent measures and passed through all stages - one was strongly contested by the elected members. Of three private bills introduced one was declared an urgent measure and passed through all stages.

122. Your Committee view these as serious defects in the operation of the Council and as likely to stultify the efforts of the elected members to review legislation and to express the opinions of the people of the Territory upon it. Given so little time and opportunity to consider urgent measures an elected member must of necessity formulate his views in haste and his presentation of them may not do justice to them.

123. The Administrator informed us that policy aspects of ordinances are cleared with the Minister, which, under the existing administrative procedure, entails reference in the first instance to the Department in Canberra. The time factors thus involved can result in the rejection of amendments to Bills put forward by elected members perforce at short notice.

124. Your Committee are, therefore, of the opinion that the procedural methods of the Council have defeated, to some extent, the purposes for which it was established. It will be conceded that the elected members can make a valuable contribution to the government of the Territory if they are given the opportunity. At the very least, there should be room for their unhurried consideration of all proposed laws and they might reasonably expect to have their views fully considered by the policy makers before those laws come into force.

125. The Administrator is not unaware of this problem and we quote from his address at the opening of the first Session of the Sixth Council on 2nd April, 1957 :-

" I turn now to another matter to which I have been giving considerable thought, and that is the desirability of more frequent meetings of the Council. It seems to me that such a step could have many important advantages. For one thing, it would ensure a more regular flow of legislation for the Council's consideration; and, perhaps more importantly, a less crowded programme would allow more time for the detailed examination of each Bill and better opportunity to obtain the views of the constituencies; for this Council is the sounding-board of public opinion and it is right and proper that members generally and elected members in particular should be afforded every reasonable opportunity to test public opinion on matters coming before the Council. It can be expected, therefore, that meetings of the Council will take place more frequently in the future and that they will be spaced to allow of the more even flow of legislation and, as far as considerations of any particular urgency will permit, better opportunities for consultation with the constituencies. ..."

Legislative
Council
Debates,
Sixth
Council,
First Ses-
sion, Volume
No. 1, page
3.

We think the Administrator's proposal for more frequent meetings of the Council is worth considering, as is his suggestion for a further change in procedures.

126. In the nature of things, only those proposals that are acceptable to the Government can be enacted; for that reason ample time for consideration should be afforded. Every Ordinance passed by the Council must be presented to the Administrator for assent. At this discretion but subject to certain limitations, he may assent, withhold assent, or reserve the Ordinance for the Governor-General's pleasure. In the even of the Administrator's assent, the Governor-General may, within six months, disallow the Ordinance or part of it; an

Ordinance reserved for the Governor-General's pleasure has no effect unless assent is given within six months. Following assent each Ordinance is required to be laid before each House of the Parliament. Since the establishment of the Council in 1948, assent by the Governor-General has been withheld from five Ordinances and two others have been disallowed.

Exhibit
No. 35/12.

127. The following excerpts indicate an elected member's view of the functioning of the present Council :-

"COMMITTEE MEMBER: Would you say that the Council as it works at present is a useful instrument of representative government? --- (MR. WARD) I think it is necessary, but it falls far short of what it should be. It is better than we had before because it means we can ventilate some matters even if we cannot achieve the whole result. We cannot go back to the stage of having nothing.

Qs.1582 &
1585.

COMMITTEE MEMBER : If you are committed to a system of representative government, this is the first step. That system implies the right to criticise what is being done and to ventilate your grievances. The system is good for that purpose? --- (MR. WARD) That is so and ten years is sufficient time for us to move on to the next step".

128. Mr. Ward was one of three elected members, who, with two official members, were appointed by the Legislative Council as a Select Committee on 3rd April, 1957, with the following terms of reference :-

- " (a) all aspects of (the Northern Territory) (Administration) Act,
- (b) the constitution, function, powers and operation of the Legislative Council under that Act as a legislative body and in relation to the exercise of executive power in the Northern Territory on behalf of the Commonwealth.
- (c) whether the social and economic development of the Northern Territory has, in the light of the evolution of other legislatures in the Australian States, progressed to a stage where some greater measure of self-government is warranted; and
- (d) the matter of the extension or alteration of the present constitution, function, powers or operation of the Legislative Council".

Legislative
Council
Debates,
Sixth,
Council -
First
Session,
3rd April,
1957, page
18.

Mr. R. J. Withnall, Crown Law Officer, was the Chairman of the Committee.

129. The Select Committee tabled its report on 7th November, 1957 with the following motion, which was adopted unanimously by the Council :-

" That this Council convey to His Honour the Administrator its desire that His Honour forward to the Honourable the Minister of State for Territories the report presented to this Council by the Select Committee appointed to examine and report on certain constitutional reforms in the Northern Territory with the message that it is the concern of the Council on behalf of the people of the Northern Territory that the report and recommendations be implemented."

Legislative
Council
Debates
Sixth
Council
First
Session Vol.
No.3 p.380

The recommendations of the Committee appear in Appendix No.3.

130. Before leaving the subject of the Legislative Council there are two other matters to which Your Committee wish to refer briefly - one is the printing of the Hansard record of the meetings of the Council, the other, the drafting and printing of Northern Territory Ordinances.

131. The printed Hansard record of the meeting of the Legislative Council held from 4th to 7th November, 1958, did not become available until late in February, 1958. Your Committee discussed this with Mr. Lambert, who explained to us the arrangements for reporting meetings of the Council.

"(MR. LAMBERT) ... The Attorney-General's Department provides the reporting staff for Darwin. You will appreciate there would not be enough business in Darwin to keep a reporting staff fully occupied there. The staff is sent up from Adelaide. After a meeting of the council has been reported the editing is usually done by a member of the reporting staff in Adelaide. A possible solution would be for one of the reporting staff to remain in Darwin to complete the editing." Q.4354.

One result from these delays is that the Hansard record is not available when the Department is advising the Minister.

"COMMITTEE MEMBER.- Would you say there is any undue delay in the actual printing work? --- (MR. LAMBERT) A long time elapses before the Hansard is printed and available. It is too long from our own departmental point of view in advising the Minister when he has to advise the Governor-General through the Executive Council. We would like to have the Hansard available to us at the same time as we are looking at the bill." Q.4355

The Hansard is printed by the New South Wales Government Printer.

132. Bills for Ordinances are submitted to the Legislative Council in revised form and delays have occurred before printed copies have become available to authorities requiring them. Mr. Lambert said:-

"The practice in the past has been for the Northern Territory Administration to send its bills and ordinances to Canberra for printing. That has been done after the sittings of the Council. During the sittings revised copies were distributed to the members. We have recently investigated that question and the Minister has directed the Administrator to see whether he can let a contract to the local printer in Darwin for the printing. Our hope is that if we can arrange for the printing to be done in Darwin the bill will be printed and available in printed form when it is introduced. That will remove a lot of the subsequent delay in as much as once the bill has gone through Parliament it is only necessary to make the required corrections according to the amendments made in the Council and the bill would then be ready to go to the Senate Committee as a printed copy and for use by the Minister in submitting it through the Executive Council to the Governor-General." Q.4351

133. Your Committee suggest that the arrangements for the printing of Hansard and Northern Territory Ordinances might well be discussed with the Department of the Treasury and the Commonwealth Government Printer.

134. There have also been delays in the drafting of Ordinances.

"(MR. LAMBERT)... The function of drafting the ordinances is exercised by the Attorney-General's Department, and there have been some delays in getting the drafting from the Attorney-General's Department in the Northern Territory because of the facts which the Crown Law Officer mentions in 'Hansard' - shortage of drafting staff. As far as we are concerned, all we can do is to represent that position to the Solicitor-General and the Public Service Board, and we have done that.

Qs. 4348 & 4349.

THE CHAIRMAN. - Without result?--- (MR. LAMBERT) We have done it on two or three occasions in the last two or three years."

(e) The Darwin Municipal Council

135. The new Darwin Municipal Council, elected in June, 1957, is another attempt to meet the wishes of the people of the Territory to control their own affairs. It is as yet the only municipal body established under the Local Government Ordinance 1954, which provides for "the Constitution of Municipalities, for the Election of Self-governing Authorities to Control Municipalities and for other Purposes". Since 1937, when the old Darwin Town Council ceased to function, until the advent of the new Municipal Council, the Northern Territory Administration provided services of a municipal nature in Darwin as it still continues to do in Alice Springs, Tennant Creek and Katherine. Your Committee received from the Secretary, Department of Territories, an informative statement setting out the conditions under which local government was introduced in Darwin and this appears as Appendix No.4.

Northern Territory Ordinance No. 18 of 1955.

Exhibit No. 35/22.

136. The restoration of local government in Darwin is of particular interest to the Commonwealth for the results achieved may influence the extension of municipalities to other areas of the Territory. The transfer of functions from the Administration to the Municipal Council has not been without difficulty. The amount of revenue available to the Council makes finance of major importance as it was when Municipal bodies were launched in all the old colonies of Australia. The citizen, as taxpayer, has a very different outlook from the citizen as ratepayer and when considering what he has to pay in rates and taxes, he is inclined to be much more critical of his rates than he is of his taxes. Accordingly, he will want to obtain substantial subsidies from taxes to relieve the burden of his rates. The Minister appears to be fully aware of the difficulties that confront him in launching the new Council, and given mutual good will, the Council should be assured of success.

On behalf of the Committee.

F. A. Bland
F. A. BLAND
Chairman

R. C. Davy
R. C. Davy,
Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA, A.C.T.
23rd April, 1958.

Part II of the Report is being prepared and will be presented to the Parliament at the earliest opportunity. It will deal with the matters set out in the Contents page at the beginning of this Part.

A SUMMARY OF A REPORT "ENVIRONMENTAL PROBLEMS IN
TROPICAL AUSTRALIA" BY R.K. MACPHERSON

I. SUBJECT

An account is given of a survey made at the request of the Australian Government, of living conditions in tropical Australia with special reference to the Northern Territory and the Territory of Papua and New Guinea.

II. AIMS OF THE SURVEY

- (1) To determine what factors, the more especially those arising from or associated with the climate or geographical situation, reduce the individual's ability to work and detract from the living of a full and contented life in tropical Australia, particularly in the Northern Territory and the Territory of Papua and New Guinea.
- (2) To indicate, on the basis of these findings, what might be immediately done to improve conditions or remedy existing disabilities.
- (3) To consider the desirability of undertaking some continuing study directed towards the solution of the problems of living and working in hot environments, and to advise on the nature and scope of such a research project.

III. THE SURVEY

The survey was of some three months duration and embraced Northern Queensland, the north-west coast of Western Australia, the Northern Territory and the Territory of Papua and Guinea. In each centre visited, interviews were sought with all ranks of the public service, representatives of private enterprise (both employers and employees), medical practitioners, representatives of women's associations and those concerned with the care and education of children. Visits were paid to the chief primary and secondary industries (farms, factories and mines), government workshops, hospitals, research institutions (whether concerned with plant, animal or human problems), private homes and government offices.

IV. FINDINGS

- (1) The Nature and Extent of Deterioration.
 - (a) Reduction in efficiency. It is concluded that in the areas in question there is a reduction in efficiency which becomes more marked with time reaching its maximum just prior to leave. It is greatest in those engaged in the most exacting mental tasks and least evident in those engaged in unskilled or semi-skilled manual labour.
 - (b) Discontent and frustration. It is considered that the high rate of labour turnover which in some instances reaches 150 per cent. per annum is an indication that employees in these areas are dissatisfied with conditions of life. The turnover is excessive even when allowance is made for the special conditions other than environment which operate in this area.
 - (c) The incidence of ill health. The returns for the amount of sick leave granted to public servants were examined in the belief that they might provide evidence concerning the relative amount of illness in tropical and non-tropical areas. The results were inconclusive but would seem to indicate that whereas there is no difference between tropical and sub-tropical Queensland, there is an increase in the amount of ill health in New Guinea.

It is suggested that the systematic study of these records could provide valuable information on the relative incidence of ill health in the tropics.

(2) The Effect of Environment on Health.

(a) The pattern of disease. Excluding illnesses common to all areas of the world, the pattern of disease here is malaria and other fevers, the bowel disorders, skin disease and tropical debility. Of these, skin disease and tropical debility are considered to be largely the product of the environment.

(b) Skin disease (including nocolasia of the skin). This is an important cause of illness and inefficiency in the tropics and care and prevention are hampered by inadequate knowledge.

There is urgent need for research on the physiology of normal skin and the part played by heat and light in the causation of diseases of the skin.

(c) Mental ill health. The problem of "tropical neurasthenia" is largely unsolved. It is considered that up to the present, the emphasis has been wrongly placed on the effect of the environment of the patient instead of on the part played by the patient himself in the development of this illness.

It is considered that research on the subject by a competent worker in the associated fields of psychology and psychiatry is urgently needed.

(d) Heat illness. Physiological failure to cope with the heat of the environment resulting in the major forms of heat illness such as heat exhaustion, syncope or hyperpyrexia, is rare in the areas visited.

(3) Stability of the Population.

The transient nature of the population is a serious social problem. Even in North Queensland which has the most stable population, there is evidence of a constant drift out of the area with a counterbalancing arrival of newcomers to produce a state of dynamic rather than static equilibrium. Many factors operate to produce this effect one of which is the severity of the climate. There is no exact knowledge of the composition of the population in tropical Australia from the point of view of their period of residence there as measured in terms of years or generations.

As this knowledge is a basic requirement for the understanding of the problems of tropical living, it is considered that an inquiry into the composition of the population in the various areas of tropical Australia and the factors which determine it, should be undertaken.

(4) Accommodation.

In New Guinea and to a much lesser extent in the Northern Territory, there is a grave shortage of both living and working accommodation. Much of that which is in use is unsatisfactory and must speedily be replaced.

Building in these areas presents great difficulties. Costs are very high, man-power and materials are in short supply, and the choice of materials is restricted. Special problems such as insect and termite proofing occur and the finished product must provide the maximum protection to the occupants from the environment.

It is considered that in view of the scale of building operations now in progress and the amount of money spent, it is important to ensure that the best results are being obtained, especially from the point of view of protection from environmental stress.

To ensure this, it is suggested :

- (a) That the buildings at present being constructed should be critically examined from that point of view;
- (b) That research on the problems of building for tropical conditions should be encouraged;
- (c) That the methods of building employed in other tropical countries should be examined.

(5) Amenities.

Public amenities are valuable adjuncts to tropical living and their provision on a generous scale is advised. Swimming pools are specially required in tropical climates. Amenities for cultural pursuits as well as out-door sports are required in many areas. Their provision by the efforts of those who will use them is especially to be encouraged.

(6) Leave.

It is considered that the customary practice in New Guinea and the Northern Territory of taking a long period of leave every two years in the home State has certain disadvantages. The interval between successive leaves is too long and the officer's efficiency suffers in consequence; it seriously interferes with public business; it is a disrupting influence on the home life of the officer; and it often fails to provide relief from climatic stress.

It is recommended that the practice of taking annual leave should be encouraged and the means whereby this can be made possible is discussed. It is considered that this practice will ultimately lead to reducing the importance of and increasing the intervals between successive "home leaves".

Further research on the subject of bodily rhythms might provide valuable guidance not only on the frequency and duration of leave periods but also on the associated problems of hours of work.

(7) Hours of Work.

Consideration is given to the number of hours worked and their distribution throughout the day. For those engaged in sedentary occupations indoors, it is considered that no case can be made for departure from the hours customary elsewhere. For those engaged in heavy industry with special heat stress, each case must be investigated separately.

The regulation of the conditions of employment in mining and other hot industries in the tropics requires further research on heat problems in industry and the evaluation of indices of heat stress.

(8) The Housewife and Her Environment.

Necessary equipment for a modern home in the tropics is set out and it is shown that increasing mechanization of the home may provide a solution to the problem of native servants. The necessity for increasing supplies of locally grown foodstuffs is stressed and it is urged that Agricultural Research Stations should consider this an important part of

their programme. Improved public transport would reduce the effects of climate. There is need for increased domiciliary medical practice. The provision of institutions in the larger centres at which expectant mothers from remote areas awaiting confinement can be accommodated, is urgently required.

(9) Children in the Tropics.

The establishment of a permanent contented population in the tropics is conditional upon the ability of children to thrive there. The belief that children must be sent out of the tropics at an early age is examined at length. It is considered that the only valid reasons for this are sociological.

It is considered that the establishment of secondary schools in New Guinea should be expedited and that special consideration should be given to the establishment of boarding schools in the Highlands.

It is recommended that in view of the importance of the subject, further research is required on the effects of tropical environments on the physical and mental health of children.

(10) Clothing.

The contribution made by clothing to the stress of the environment is discussed. It is considered important that the clothing worn should impose the minimum burden on the wearer compatible with acceptable standards of dress.

Further research on the development of fabrics suitable for tropical wear is required.

(11). Water Supply.

An account is given of the existing problems in water supply. The importance of improving existing supplies is stressed.

(12) Alcohol.

It is thought that the consumption of alcohol in tropical Australia is excessive, and it would appear that this is, in a large measure, due to the stress of the environment.

It is considered that measures resulting in an amelioration of the climatic stress will reduce the amount consumed.

(13) Electric Fans.

Inadequate use is at present made of electric fans. The proper use of fans can materially reduce the stress of a hot environment.

It is considered that in hot humid areas, the widespread use of ceiling fans with regulators should be encouraged.

(14) Evaporative Coolers.

Evaporative coolers provide a simple and relatively cheap method of reducing air temperatures in hot, dry environments.

The extension of the use of these coolers in arid regions is recommended.

(15) Air Conditioning.

The logical approach to the problem of reducing environmental stress is the use of air conditioning. It is considered that it would provide the most important single contribution to increasing the output of effective work and improving the health and morale of those living in these areas. Besides its use in public buildings, the use of air conditioning in the home, especially the bedrooms, should be encouraged. The precautions to be observed in its introduction are discussed, the evidence that it will result in an increase in efficiency is set out, and a warning is given that it will not solve all the problems of tropical living.

Further research on the position of the comfort zone for Australians living in the tropics is required for the most efficient use of air conditioning.

(16) The Art of Tropical Living.

Living in the tropics presents special problems and education in these matters is urgently required, especially by those going to the tropics for the first time. The methods by which this can be achieved are discussed and special emphasis is given to the necessity for demonstrating the misleading nature of much of the existing folk lore on tropical living.

It is considered that public servants going to the tropics for the first time should be provided with information on the living conditions they will encounter and given advice on the art of tropical living.

V. ORGANIZATION FOR RESEARCH.

Consideration is given to the desirability of instituting an organized research programme directed towards the study of the problems of tropical living and the means whereby such research programme could best be undertaken. The need for a research organization for both civilian and military purposes is demonstrated. The scope of environmental research is discussed. The objects of a research programme are considered to include not only research and teaching, but also the provision of expert information for the guidance of those bodies, whether public or private, who require advice. Current research in existing institutions of Australia is briefly reviewed and is thought to be insufficient for present needs. Suitable subjects for research are suggested. Recommendations for a research programme including size and location of the unit, staffing, laboratory facilities and finance are set out.

OPINION OF THE ACTING SECRETARY, ATTORNEY-GENERAL'S
DEPARTMENT

(28th March, 1958.)

Northern Territory (Administration) Act 1910-1956,
s.3A; Ministerial Instructions to
Administrator.

I refer to your memorandum dated 11th February, 1958, in which you ask to be advised as to the implications of the words "and in accordance with such instructions as are given to him by the Minister" occurring in section 3A(4.) of the Northern Territory (Administration) Act 1910-1956. You ask, in particular, whether these words enable the Minister, if he so wishes, to instruct the Administrator how he should exercise and perform powers and functions conferred upon the Administrator by Ordinances of the Northern Territory.

2. Section 3A is as follows :-

"3A.-(1.) There shall be an Administrator of the Territory.

"(2.) The Administrator shall be appointed by the Governor-General by Commission under the Seal of the Commonwealth and shall hold office during the pleasure of the Governor-General.

"(3.) The Administrator is charged with the duty of administering the government of the Territory on behalf of the Commonwealth.

"(4.) The Administrator shall exercise and perform all powers and functions that belong to his office in accordance with the tenor of his Commission and in accordance with such instructions as are given to him by the Minister."

3. Clearly, by virtue of sub-section (4.), the Minister can instruct the Administrator how he should exercise and perform any powers and functions that belong to the office of Administrator as constituted by the Northern Territory (Administration) Act. It is equally clear that that sub-section does not enable the Minister to give instructions to the Administrator in respect of powers and functions that are conferred on the Administrator personally. Whether powers and functions conferred by Ordinance on the Administrator are powers and functions that "belong to his office" within the meaning of sub-section (4.) or are powers and functions conferred on him personally, that is, as a persona designata, is a question to which it is not easy to give a confident answer. However, in the view I take below as to compliance by the Administrator with instructions as to Government policy, the answer to that question is, for present purposes, of academic interest only, and I would prefer not to answer it.

4. It is clear from sub-section (3.) of section 3A that the Administrator must give effect to the policy of the Commonwealth Government. That policy may be conveyed to him by means of instructions, which may be formal or informal, general or specific. As the Administrator holds office only during the pleasure of the Governor-General, the ultimate sanction for non-compliance with such instructions would be removal from office.

5. Because the Government could have a policy on any matter at all, instructions to the Administrator given under this general power could, in my view, include instructions as to the exercise and performance of powers and functions conferred upon the Administrator by Ordinances of the Northern Territory.

Recommendations contained in the Report
presented to the Legislative Council
of the Northern Territory by the
Select Committee on Constitutional Reform

Your Committee therefore recommends that by motion of this Council His Honour the Administrator of the Northern Territory be requested to submit to the Minister for Territories of the Commonwealth of Australia the following proposals :-

- (i) That section 3A (4) of the Northern Territory (Administration) Act 1910-1955 be amended by deleting reference to "the Minister" and substituting therefor a reference to the Governor-General of the Commonwealth.
- (ii) That provision be made for representation of the Northern Territory by a member in the Senate with full voting rights.
- (iii) That the member for the Northern Territory in the House of Representatives be given full voting rights.
- (iv) That there be established an executive Council comprised of His Honour the Administrator, three official members and three un-official members to be appointed from the elected members of the Legislative Council by the Governor-General on the recommendation of Legislative Council; and that the Administrator be empowered to act contrary to the advice of the Council.
- (v) That the disallowance of an Ordinance of the Northern Territory be effected only upon a vote of the Commonwealth Parliament and not upon a decision of the Federal Executive.
- (vi) That it be recognised as a Constitutional practice that the Governor-General in those cases in which an Ordinance is reserved for his assent, assents or does not assent upon the same principles as assent is given or refused to Commonwealth legislation.
- (vii) That the power to disallow an Ordinance of the Northern Territory by the Parliament be exercisable with respect to Ordinances whether they are assented to by the Administrator or the Governor-General.
- (viii) That the number of elected members at this stage be increased by one and that early consideration be given to further increasing the number of elected members if experience in relation to the Executive Council proposed above shows that the people of the Northern Territory are capable of managing their own affairs.
- (ix) That no increase in the number of elected members be made to the extent that the elected members will be in a majority unless the people of the Northern Territory at a referendum held for that purpose decide by a majority of votes that they desire such a change.
- (x) That the Federal Aid Roads Act be amended to provide for the participation by the Northern Territory in the grants made under that Act for the construction and maintenance of roads.

- (xi) That there be introduced a form of limited autonomy in financial affairs having the following features :
- (a) Expenditure in the Territory be separated into two categories designated Local and Federal Expenditure defined as set out in the body of this report.
 - (b) Federal expenditure be financed from Federal Revenue and subject to control by the Federal Parliament.
 - (c) Local Expenditure be financed from a fund to be provided as hereinafter described and subject to control by the Legislative Council.
 - (d) At the beginning of each financial year there be paid into a Local Revenue Account the estimated Revenue based upon the collections in the previous year from sources of Federal or Territorial Revenue including Income Tax but excluding Customs duties, Excise duties, Sales Tax, Companies Tax, Payroll Tax, Stevedoring Industry Charges, Postmaster-General's Receipts and revenue of any other Federal department other than the Department of Territories and the Attorney-General's Department.
 - (e) At the commencement of each financial year after the first reconciliation should be made between the estimated revenue which was paid into this account and the actual receipt during the year and the surplus added or the deficit deducted from the succeeding year's estimates.
 - (f) A Balancing Account be established from Federal Revenue to which recourse may be had for unforeseen but necessary expenditure; recourse to be had to this account only on approval by the Federal Treasurer.

APPENDIX No. 4
Report Paragraph

MEMORANDUM FROM THE SECRETARY, DEPARTMENT OF TERRITORIES,
DATED 12TH APRIL, 1957.

LOCAL GOVERNMENT - DARWIN.

The Government's policy has been to have municipal government established by the initiative of the people and not arbitrarily. It was considered that there were special reasons why this should be encouraged by generous financial arrangements. These included the fact that the town and its facilities had been destroyed by war and their restoration was a national responsibility; the fact that since the war the Crown has been the sole landowner and subdivider and lessor and therefore can reasonably be expected to provide roads, kerbing, guttering, footpaths and drainage as do subdividers in the States; the fact that the rapid expansion of the Public Service and Government housing has created capital demands for municipal services beyond the immediate resources of a local council through the levying of reasonable rates; and the fact that the transfer of the functions to a local body subject to rate-payer pressure is likely to procure the performance of the functions at less cost by a local body than by the Government.

2. The functions to be handed over to the new Darwin Municipal Council in July, 1957, are :-

(a) Maintenance of roads, footpaths and drainage	}	(£60,475)		
(b) Construction of roads, footpaths and drainage				
(c) Street cleaning		(£ 6,335)		
(d) Sanitary and garbage services		(£11,240)		
(e) Maintenance and improvement of -	}			
(i) Botanic Gardens;			}	(£51,089)
(ii) Recreation grounds and reserves;				
(iii) Cemeteries.				
(f) Mosquito prevention		(£20,979)		
(g) Street lighting		(£ 3,247)		
(h) Library services		(£ 9,454)		
(i) Municipal workshops, etc.		(£ 8,859)		
(j) Town Hall.				

The expenditure under each heading by the Administration in 1955-56 was approximately as shown above in brackets. The total cost was £171,678.

3. The basis of the financial arrangements is that the Government will provide a subsidy in the first year for the Council equal to what the transferred activities have been costing the Commonwealth, provided that the Council fixes a reasonably high municipal rate initially to assure rate-payer pressure for reduction in the rates. (The Local Government Ordinance prescribed a minimum rate of 1/- in the S. U.C.V. but in the initial discussions with a local committee set up by the townspeople to negotiate with the Administration, a general rate figure of at least 1/3d. has been mentioned.) Thereafter the Council would receive rate revenues, etc. and the subsidy would then be fixed at the difference between the first year's

subsidy and the first year's rate revenue until the Council had a surplus to permit the reduction of the municipal rate. Then the surplus is to be split equally between rate reduction and subsidy reduction, the ratepayers and the Crown benefitting equally from the increased efficiency of local government.

4. Should the Council take over additional functions later than the subsidy would be increased by the cost to the Government of doing the same service.

5. Should the Council have to increase the municipal rate through increased general costs, the subsidy would be increased by an amount equal to the yield of the additional rates. The subsidy is to be reviewed in any case at five yearly intervals.

6. The Government has agreed that the Crown land occupied by houses, hostels and other revenue-producing purposes shall yield the equivalent of rates.

7. The Government will help the launching of the Council by :-

- (a) providing initial office and workshop accommodation free of cost;
- (b) transferring to the Council free of cost the plant which has been required by the Government for the functions to be transferred; and
- (c) the Government will include key Council personnel among the persons eligible to rent Government houses.

8. The property and plant vested in the Council as its foundation assets will not cost the Council any interest, but the Council will be required to make a proper provision in its accounts for depreciation and replacement. No property or plant vested in the Council can be disposed of without the prior approval of the Administrator. From the Government's point of view the establishment of municipal government at the least is not expected to cost the public revenue any more than would have been the cost under continued Government administration, but after the first year it is believed that the Government's expenditure will be at least some £30,000 per annum less than it would have cost in the absence of local government. More importantly the people of the Territory will be advancing in civic responsibility.

9. The elections for the first Council will take place on the 29th June, 1957 and the Council will comprise a Mayor and twelve Councillors, two to represent each of the six wards into which the Municipality has been divided.