Capital of the Commission.

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

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 Section thirty-two of the Principal Act is repealed and the following section inserted in its stead:—

Financial policy of Commission.

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

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

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

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

(*a*) the profits, in relation to capital employed, that have been, and are expected to be, made by privately-owned air transport undertakings in Australia;

(*b*) all matters tending to create disparity with respect to costs between the Commission and privately-owned air transport undertakings, including—

(i) any loans made by the Commonwealth to the Commission at interest rates less than current commercial rates;

(ii) the fact that moneys representing provision made by the Commission for staff superannuation are available for use in the business of the Commission;

(iii) the conduct by, or by undertakings associated with, privately-owned air transport undertakings of commercial activities other than air transport services;

(iv) the operation of developmental services and essential rural services; and

(v) the extent of their non-competitive air transport operations.

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