

1983-84

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

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Presented and read a first time, 13 September 1984

(*Minister for Transport*)

## A BILL

FOR

### **An Act relating to an agreement between the Commonwealth and Tasmania in connection with a sea passenger service across Bass Strait**

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

#### **Short title**

5     1. This Act may be cited as the *Bass Strait Sea Passenger Service Agreement Act 1984*.

#### **Commencement**

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

#### **Approval of agreement**

10     3. The agreement a copy of which is set out in the Schedule is approved.

#### **Appropriation**

15     4. (1) The payments by the Commonwealth to Tasmania provided for in the agreement referred to in section 3, including advances by the Minister, may be made to Tasmania, by way of financial assistance, on the terms and conditions contained in that agreement.

(2) The payments referred to in sub-section (1) shall be made out of money appropriated by the Parliament for the purpose.

## SCHEDULE

Section 3

AN AGREEMENT made the 7th day of September One thousand nine hundred and eighty-four between—THE COMMONWEALTH OF AUSTRALIA (in this agreement called “the Commonwealth”) of the one part, and THE STATE OF TASMANIA (in this agreement called “the State”) of the other part.

WHEREAS—

- (A) the Commonwealth and the State have agreed that there is a need to replace the Bass Strait passenger ship “Empress of Australia” used to provide passenger shipping services between Melbourne in the State of Victoria and Devonport in the State of Tasmania;
- (B) the State has requested the Commonwealth to provide financial assistance towards the cost of the purchase and the modification of the “Nils Holgersson” as a replacement ship for the “Empress of Australia” and the provision of upgraded terminal facilities in Melbourne and Devonport to satisfactorily handle the replacement ship;
- (C) the Commonwealth in response to the request of the State has decided to make available upon appropriate terms and conditions an amount not exceeding Twenty-six million dollars (\$26,000,000.00);
- (D) the State is arranging for the purchase and the modification of the replacement ship and the upgrading of terminal facilities;
- (E) on or about 5 June 1984 the Commonwealth in anticipation of this agreement taking effect made an interest free payment to the State of an amount of Nine hundred and fifty-eight thousand and seventy-three dollars (\$958,073.00) to enable the State to make a preliminary part payment of the purchase cost of the ship; and
- (F) the Commonwealth has agreed to request the Parliament of the Commonwealth to authorise the grant of financial assistance to the State to the extent and upon the terms and conditions set out in this agreement.

NOW IT IS HEREBY AGREED as follows:

1. (1) In this agreement, unless the contrary intention appears—

“financial year” means a period of twelve months ending on 30 June;

“the Minister” means the Minister of State for Transport of the Commonwealth and includes any other Minister of State of the Commonwealth however designated or member of the Federal Executive Council who may from time to time be responsible for the functions relevant to this agreement for which the Minister of State for Transport at the date of this agreement is responsible;

“the service” means the Bass Strait passenger shipping service between Victoria and Tasmania; and

“the ship” means the ship known at the date of this agreement as the “Nils Holgersson”.

(2) For the purposes of this agreement, unless the context otherwise requires, a reference to—

(a) a clause refers to the relevant clause of this agreement and a reference to a sub-clause refers to a sub-clause of the clause specified in that reference or, if no clause is so specified, then to the sub-clause of the clause in which the reference appears;

(b) expenditure upon or in connexion with the purchase of the ship shall include the costs of transporting the ship from that location overseas where delivery is taken of it on behalf of the State upon purchase to that Australian port from which it is to commence providing the service;

- (c) the modification of the ship shall mean the making of all modifications needed to crew and passenger accommodation and to satisfy the requirements of the Navigation Act 1912 of the Commonwealth; and
- (d) the upgrading of terminal facilities shall mean the making of all alterations to the terminal facilities in Melbourne and in Devonport as are needed for each of those facilities to be able to satisfactorily handle the ship.

2. This agreement shall have no force or effect and shall not be binding on either party until it has been approved by the Parliament of the Commonwealth.

3. (1) Subject to compliance by the State with the provisions of this agreement, the Commonwealth shall, in accordance with and subject to the provisions of this agreement, provide financial assistance by way of a non-repayable, interest free grant for the purpose of meeting or reimbursing expenditure on or in connexion with the purchase and the modification of the ship and the upgrading of terminal facilities.

(2) The financial assistance to be provided under sub-clause (1) (which is hereinafter referred to as "the financial assistance") shall—

- (a) not exceed in aggregate an amount which is equal to Twenty-five million forty-one thousand nine hundred and twenty-seven dollars (\$25,041,927.00); and
- (b) be applied by the State, first, in respect of the expenditure on or in connexion with the purchase and the modification of the ship, and secondly, as to the balance (if any) remaining, in respect of the expenditure on or in connexion with the upgrading of terminal facilities.

4. The Commonwealth shall, subject to the provisions of this agreement, at the request of the State from time to time, make payment to the State of the financial assistance at such times and in such amounts as the Minister considers appropriate.

5. (1) The State shall furnish to the Minister such documents and other evidence to support a request by the State for payment of the financial assistance as the Minister may reasonably request, whether the request by the Minister is made before or after the Commonwealth has made that payment.

(2) Any statement of expenditure by the State forwarded to the Commonwealth in connexion with a request for payment of the financial assistance shall be in accordance with a form approved by the Minister and accompanied by a certificate of the Auditor-General of the State certifying, to the extent practicable, that, in his or her opinion, the amounts shown in the statement were expended for the purposes of this agreement.

6. The Minister may at such times and in such amounts as he or she thinks fit make advances to the State on account of an amount that may become payable to the State under clause 4.

7. The State shall ensure that an amount or any part of an amount paid or advanced to the State under this agreement is not used or applied except for the purpose of meeting or reimbursing expenditure of the character specified in sub-clause 3 (1).

8. (1) Payment to the State under this agreement of any amount (including an advance) is subject to the condition that the State shall repay to the Commonwealth on demand by the Minister the amount by which at the time of the demand the total of the amounts (including advances) paid to the State under this agreement exceeds the total of the amounts that have become payable to the State under clause 4.

(2) The Minister may deduct any amount repayable by the State by virtue of the condition set out in sub-clause (1) from an amount of the financial assistance payable by the Commonwealth to the State under this agreement.

9. The State shall from time to time at the request of the Minister furnish to him or her such information as he or she may reasonably require for the purposes of or in relation to this agreement.

10. The State agrees that in return for the financial assistance it shall for a period of not less than ten (10) years commencing on the date upon which the ship commences to provide the service conduct the service at its own expense.

11. The State undertakes to ensure that the ship or any other ship or ships used to provide the service are each maintained in good working condition and kept insured to full insurable value against all risks against which it is customary in the shipping industry to insure.

12. (1) The accounts, vouchers, documents and other records relating to expenditure for the purposes of this agreement shall be subject to audit.

(2) Until such time as the total amount of the financial assistance to be provided to the State under this agreement has been provided by the Commonwealth and supporting evidence to the satisfaction of the Minister in relation to all amounts paid or advanced is furnished by the State, a report on the audits and on the financial statements in respect of each financial year shall be furnished by the Auditor-General of the State to the Minister as soon as possible after the completion of the financial year indicating, inter alia—

- (a) whether in the opinion of the Auditor-General the financial statements are based on proper accounts and records and are in agreement with those accounts and records; and
- (b) whether in the opinion of the Auditor-General the expenditure of moneys is in accordance with this agreement and including reference to such other matters arising out of the audits and financial statements as the Auditor-General of the State considers should be reported to the Minister.

13. Any notice, request or other communication given or made to the State for the purposes of this agreement on behalf of the Commonwealth or the Minister shall be deemed a sufficient notice, request or communication if it is in writing signed by or on behalf of the Minister and any notice, request or other communication given or made to the Commonwealth or the Minister for the purposes of this agreement on behalf of the State shall be a sufficient notice if it is in writing signed by or on behalf of the appropriate Minister of the State.

IN WITNESS WHEREOF this agreement has been executed by the parties as at the day first above written.

SIGNED for and on behalf of THE COMMONWEALTH OF AUSTRALIA by the Honourable PETER FREDERICK MORRIS, Minister of State for Transport, in the presence of—  
R. W. J. MORRIS

PETER MORRIS

SIGNED for and on behalf of THE STATE OF TASMANIA by the Honourable FRANCIS ROGER GROOM, Minister for Transport, in the presence of—  
R. TAYLOR

F. ROGER GROOM