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THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NAVAL DEFENCE AMENDMENT BILL 1988

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Defence,
the Hon. Kim Beazley, M.P.)

Naval Defence Amendment Bill 1988

OUTLINE

The Government has formed a company, Australian Defence Industries Pty Ltd, to take over the operations of Defence factories and Garden Island Dockyard. The Bill proposes to amend the Naval Defence Act 1910 to enable wages employees under that Act at Garden Island Dockyard to be transferred to employment with the company.

FINANCIAL IMPACT

The proposed amendment is not expected to have any significant financial impact.

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Notes on Clauses

Clause 1 - Short title, etc

Formal.

Clause 2 - Commencement

This clause provides for the Bill to come into operation on Royal Assent.

Clause 3 - Interpretation

This clause amends section 40 of the Principal Act consequent on the amendments made by clause 4.

Clause 4

This clause inserts a new section 42D in the Principal Act.

New Section 42D - Transfer of persons where functions are to be performed by a Commonwealth authority

This section is intended to enable persons employed under the Principal Act to be transferred from the Garden Island Dockyard to Australian Defence Industries Pty Ltd. The section is based on section 81C of the Public Service Act 1922 but the scope of its operation is much less by comparison because the expression "Commonwealth authority" is defined in narrower terms than is the definition of the same expression in the Public Service Act. A provision in similar terms was inserted into the Supply and Development Act 1939 in 1987 (as section 10A).

Subsection (1) empowers the Minister to certify that a function performed by persons employed under the Act is to be performed by a Commonwealth authority and in that event empowers the authorised person (by writing in the Gazette) to declare that specified persons or classes of persons are in the employment of the authority. The expression "authorised person" is defined in section 40 of the Principal Act as a person appointed by the Minister for the purpose. The Minister has appointed the Secretary to the Department of Defence to be the authorised person.

Subsection (2) provides that on a day specified in the authorised person's declaration the persons become (in effect) transferred to the authority.

Subsection (3) empowers the authority to determine special terms or conditions of employment for the purpose of facilitating the transfer. Accrued entitlements to leave and superannuation will be preserved. New Company awards regarding leave will be the subject of negotiations with unions and any new superannuation scheme would be discussed with the ACTU.