

T A S M A N I A.



1944.

ANNO SEPTIMO ET OCTAVO  
GEORGII VI. REGIS.

No. 91.

ANALYSIS.

1. Short title and incorporation.
2. Approval of Agreement.
3. Board to have power to give effect to Agreement.
4. Power to Treasurer to make payments, &c.



AN ACT to approve and give effect to an Agreement made between the Tasmanian Wooden Shipbuilding Board, the Commonwealth, and the State, with respect to the sale of the undertaking of the Board, and for matters incidental thereto.

A.D.  
1944.

[24 May, 1944.]

BE it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

1 This Act may be cited as the *Shipbuilding Agreement Act 1944*, and shall be incorporated with the *Shipbuilding Act 1942*,\* in this Act referred to as the Principal Act.

Short title and incorporation.

\* 6 Geo. VI. No. 35, as amended by 7 Geo. VI. No. 7.

*Shipbuilding Agreement.*

A.D. 1944.

Approval of  
Agreement.

**2** The Agreement made the eighth day of May, 1944, between the Tasmanian Wooden Shipbuilding Board constituted under the Principal Act of the first part, the Commonwealth of the second part, and the State of the third part, a copy of which is set out in the Schedule and which is in this Act referred to as "the Agreement", is hereby approved.

Board to have  
power to give  
effect to  
Agreement.

**3** The Board shall, in addition to other powers conferred on it by the Principal Act, be deemed to have power to sell its undertaking and otherwise execute and do all such assurances and things as are required on its part to be executed and done under the provisions of the Agreement.

Power to  
Treasurer  
to make  
payments, &c.

**4—(1)** The Treasurer may, out of moneys available to the State in accordance with the Agreement and out of moneys borrowed under this Act or provided by Parliament for that purpose, make all such payments as may be required to give effect to the Agreement on the part of the State.

(2) The Treasurer may, for the purposes of the Agreement, borrow any sums not exceeding £30,000.

(3) The power of the Treasurer under subsection (2) shall be in substitution for, and not in addition to, the power for that purpose contained in section nine of the Principal Act.

---

THE SCHEDULE.

---

THIS AGREEMENT is made the Eighth day of May One thousand nine hundred and forty-four BETWEEN THE TASMANIAN WOODEN SHIPBUILDING BOARD constituted a body corporate by the *Shipbuilding Act* 1942 of the State of Tasmania (hereinafter called the Board) of the first part THE COMMONWEALTH OF AUSTRALIA (hereinafter called the Commonwealth) of the second part and THE STATE OF TASMANIA (hereinafter called the State) of the third part:

WHEREAS by the said Act the Board was and is authorised (*inter alia*) to engage in carrying on and conducting the business of the building, construction, and repair of ships and to borrow certain moneys for the purposes of the said Act:

AND WHEREAS in pursuance of such authority the Board is now engaged in the construction of ships for the Commonwealth:

AND WHEREAS for the purposes of the said Act the State has borrowed the sum of Thirty thousand pounds (£30,000) from the Commonwealth and the Board has borrowed the sum of Thirty thousand pounds (£30,000) from the State, and no part of the said loans has been repaid:

AND WHEREAS it is intended that the undertaking of the Board shall be acquired by the Commonwealth on the terms and subject to the conditions hereinafter appearing:

AND WHEREAS the Board is not at present empowered to sell its undertaking:

*Shipbuilding Agreement.*

AND WHEREAS the State has agreed to join in and execute this Agreement for the purposes hereinafter appearing: **A.D. 1944.**

NOW, THEREFORE, IT IS AGREED as follows:—

1. THIS Agreement shall not take effect unless and until it is approved by the Parliament of the State.

2. THE State shall propose to the Parliament of the State any legislation necessary to empower the Board to sell its undertaking and otherwise to give effect to this Agreement.

3.—(1) THE Board when duly authorised in that behalf shall sell, and the Commonwealth shall, subject to this Agreement, purchase, the undertaking of the Board.

(2) AS a part of the consideration for the sale the Commonwealth shall pay to the State the sum of Thirty thousand pounds (£30,000) in satisfaction of the debt of the same amount owing by the Board to the State.

(3) AS a further part of the consideration for the sale the Commonwealth shall release, undertake, pay, satisfy, discharge, perform and fulfil all other debts, liabilities, contracts, engagements, and obligations of the Board whatsoever (except contracts of hiring and service with the officers and employees of the Board and any liability of the Board to pay salary, or damages for breach of a contract of service, to any such officer or employee) and shall indemnify the Board, against all actions, proceedings, claims, and demands in respect thereof.

(4) THE said sale shall be completed before the First day of July One thousand nine hundred and forty-four and the Board shall execute and do all such assurances and things as shall reasonably be required by the Commonwealth for vesting in it the said undertaking.

4. UPON the completion of the said sale—

i. The State shall repay to the Commonwealth the said sum of Thirty thousand pounds (£30,000) borrowed by the State from the Commonwealth; and

ii. All contracts relating to the said undertaking or to the construction of ships heretofore made by and between the parties hereto or any two of them shall be deemed to be absolutely rescinded and determined as from the time of such completion.

5.—(1) AS from the completion of the said sale the said undertaking and all assets acquired by the Commonwealth in addition to the same, or in substitution for any part thereof, (which said undertaking, and additional or substituted assets, are hereinafter collectively called the annexe) shall be held by the Commonwealth on behalf of itself and the State.

(2) THE capital expenditure upon the annexe shall not exceed the sum of Eighty thousand pounds (£80,000), which shall be contributed as to five-eighths thereof by the Commonwealth, and as to three-eighths thereof by the State PROVIDED THAT the Commonwealth and the State may by mutual consent contribute in the like proportion, for the purpose of such expenditure a further sum or sums not exceeding in the aggregate Eight thousand pounds (£8000).

(3) THE annexe shall be managed by the Public Works Department of the State or such other contractor as shall be mutually approved.

(4) To provide for the depreciation and loss in value of the assets of the annexe which may occur prior to the sale thereof there shall be included in the production cost of the twenty (20) cargo vessels which the Board agreed to build for the Commonwealth (or such lesser number as may be completed either by the Board or by the approved contractor) an amount equal to three-fifths of the capital moneys expended in setting up the annexe. The Director of Finance of the Ministry of Munitions shall from time to time determine the amount to be included in the production cost of each such cargo vessel (but so that the aggregate of all such amounts shall not exceed three-fifths of the said capital moneys) and upon notification of his determination the approved con-

*Shipbuilding Agreement.*

**A.D. 1944.** tractor shall pay the amount so determined to the Commonwealth and such amount shall be deposited by the Commonwealth to the credit of the Annexe Capital Account in the Commonwealth Bank of Australia. Such amounts shall be credited in the accounts of the annexe to an account to be styled "Reserve for Depreciation and Amortisation". Upon completion of the said cargo vessels an amount equal to the Reserve for Depreciation and Amortisation shall be divided in cash between the Commonwealth and the State in the proportion in which they shall have contributed to the capital expenditure of the annexe and shall be applied by them in reduction of their respective contributions.

(5) WHEN the Commonwealth shall no longer require the annexe for any purpose connected with the public safety or the defence of the Commonwealth or for the construction of ships for any purpose whatsoever it shall notify the State accordingly in writing and within six (6) months after such notification it shall elect either to retain or to dispose of the annexe and shall notify the State accordingly in writing. If the Commonwealth shall elect to retain the annexe for its own use the price to be paid by it shall be determined by a valuer to be appointed by it and the State. If the Commonwealth shall elect to dispose of the annexe the State may, at any time within six (6) months after notification to it to that effect by notice in writing to the Commonwealth, elect to purchase the same at a price to be determined by a valuer so appointed as aforesaid. If the State shall not elect to purchase the annexe the Commonwealth shall sell the same within a reasonable period. The proceeds of any sale of the annexe shall be divided between the Commonwealth and the State in the proportion in which they shall have contributed to the capital expenditure of the annexe.

(6) ANY notice required to be delivered to the Commonwealth for the purposes of this Agreement may be delivered to the Secretary of the Treasury of the Commonwealth and any notice required to be delivered to the State for the purposes of this Agreement may be delivered to the Under-Treasurer of the State.

IN WITNESS whereof the parties hereto have executed these presents.

THE COMMON SEAL of the Tasmanian Wooden }  
Shipbuilding Board was hereunto affixed in } (L.S.)  
the presence of—  
T. A. ADAMS, Chairman.  
L. A. ST. LEGER, Secretary.

SIGNED SEALED AND DELIVERED by the Director- }  
General of Munitions constituted under the }  
National Security (Munitions) Regulations } E. LEWIS. (L.S.)  
for and on behalf of the Commonwealth of }  
Australia in the presence of—  
C. J. W. GILLAN.

SIGNED SEALED AND DELIVERED by the Premier }  
of the State of Tasmania on behalf of the } ROBERT COSGROVE.  
said State in the presence of— } (L.S.)  
E. PARKES.