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AUSTRALIAN SHIPPING COMMISSION AMENDMENT BILL 1977

Date Introduced: 2 November 1977
House: House of Representatives
Presented by: The Honourable P.J. Nixon, M.P.,
Minister for Transport

Short Digest of Bill

Purpose

To amend the *Australian Shipping Commission Act 1956*, mainly to make the Australian National Line operate under equivalent competitive conditions to those of private shipping companies, to allow it to trade intrastate and to bring the legislation into line with that for other Commonwealth transport undertakings.

Background

The Australian Coastal Shipping Agreement 1956, the main purpose of which was to facilitate trade and commerce in coastal shipping and ensure competition between the private companies and the Commission, expired in September 1976. Following discussions with private shipping interests and the Commission, the Government concluded that a new Agreement was not necessary but that certain amendments to the Australian Shipping Commission Act were desirable.

Main Provisions

Clause 6 increases the limit of the Commissioner's power to make acquisitions or disposals or enter into building contracts without Ministerial approval from \$100,000 to \$500,000.

Clause 7 enables the Commission to provide intrastate shipping services in a State which grants the necessary authority to the Commissioner. (The Queensland Government recently passed such legislation, allowing the Commission unrestricted access in the general cargo trade from Brisbane to north Queensland ports.).

Clause 8 requires that, in cases where the Minister directs the Commission to provide or continue to provide a service in the public interest (under section 17 of the Act), he must establish an urgent enquiry to evaluate possible alternative transport arrangements and any related requirements for government assistance. An amendment to section 17 in 1974 provided for the Government to reimburse the Commission for any loss on services operated under section 17 rather than the lesser of that loss and any overall loss made by the Commission. The amendment in clause 8 will allow private operators the possibility of competing for subsidised services.

Australian Shipping Commission Amendment Bill 1977 (Bills Digest 133, 1977)
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Clause 9 requires the Commission to pay dividends in respect of its coastal operations at a reasonable rate on capital as directed by the Minister, and to prepare reports to facilitate the checking of progress towards achieving the required dividend. Also the need for the concurrence of the Treasurer to the Minister's determination of amounts payable by the Commission to the Government is removed (clause 14), and in the determination of the disposal of the balance of profits (clause 17).

Clause 11 empowers the Minister to disapprove within 60 days proposed freight rates set by the Commission in lieu of the existing requirement that all rates be approved by the Minister.

Clause 15 (paragraph (a)) deletes from section 30(1) the requirement for the Minister to certify the need for borrowing by the Commission, leaving it only to the Treasurer's approval. Paragraphs (b) and (c) ensure that, on the Commission's borrowings from the Government, it will pay interest rates determined by the Treasurer to be equivalent to those for comparable private borrowers (as it does already in practice).

Clause 16 makes it clear that the Commission's money may be put in any bank deposits rather than only fixed deposits.

Clause 18 makes the Commission liable for State and Territory as well as Commonwealth taxes.

See Explanatory Memorandum for more detailed explanation of each clause.

3 November 1977

Finance, Industries, Trade and Development Group
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