

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**SUPPLEMENTARY BUDGET ESTIMATES 2015-16**

Finance Portfolio  
20 October 2015

**Department/Agency:** Department of Finance

**Outcome/Program:** 2/2.1

**Topic:** HMAS Tobruk and the gifting of de-commissioned naval vessels to States

**Senator:** Parry

**Question reference number:** F86

**Type of question:** Written

**Date set by the committee for the return of answer:** Friday, 4 December 2015

**Number of pages:** 2

**Question:**

1. Who, or which Department, can gift a de-commissioned ship to a state for non-military use?
2. What de-commissioned ships have been gifted to states in the past and for what purpose?
  - a) Was there any other Commonwealth funding provided in addition to the ship?
  - b) If so, what was the amount and for what purpose?
  - c) What was the cost of each of these projects to the Commonwealth?
  - d) What was the cost to the State?
3. Does any other Commonwealth Department have involvement with the sale or disposal of decommissioned naval vessels?
  - a) If so, what is their involvement?
4. Is it true that the cost of berthing the HMAS Tobruk in Sydney is \$5,000 /day, whereas it could be berthed at Bell Bay for \$1.55 per metre per day; that is, less than \$200/day?
5. What steps are required to obtain the HMAS Tobruk for recreational use by a State or Territory Government?
6. Which Department or Agency can assist a State or Territory Government with the process for acquiring the HMAS Tobruk for recreational purposes?

**Answer:**

1. On or before 30 June 2014

Under the *Financial Management and Accountability Act 1997* (FMA Act), which was in force until 30 June 2014, an official or Minister could not make a gift of public property unless:

- it was expressly authorised by law; or
- the Finance Minister had given written approval to the gift being made; or
- the Commonwealth had acquired the property to use as a gift.

The Finance Minister delegated the power to give written approval to gift public property to chief executives of FMA Act agencies in only limited circumstances. These limited circumstances included where an item of public property:

- was surplus to agency requirements and was of historical or symbolic significance to the recipient; or
- held other special significance to the recipient and there were compelling reasons to justify its gifting to that recipient.

Outside these limited circumstances, the Finance Minister's written approval to make a gift of public property was required.

On or after 1 July 2014

Similar arrangements are in place under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which came into force on 1 July 2014. Section 66 of the PGPA Act provides the Finance Minister the power to gift relevant property. The Finance Minister has delegated this power to accountable authorities of non-corporate Commonwealth entities in limited circumstances. The notable difference is that accountable authorities of Commonwealth entities now have the additional power to transfer Commonwealth property to state and territory governments without the need for the Finance Minister's authorisation.

2. – 6. The Department of Finance did not have a role in the disposal of HMAS *Tobruk* nor has it had a role in the disposal or gifting of other de-commissioned naval vessels. These questions should be directed to the Department of Defence.