

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

AMENDMENTS TO SHIPS (CAPITAL GRANTS) BILL 1987

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport,
the Hon. Peter Morris MHR)

SHIPS (CAPITAL GRANTS) BILL 1987

OUTLINE

The Bill provides an incentive for the introduction of modern technologically advanced ships to the Australian fleet. The incentive is in the form of a taxable grant of 7% of the capital cost of eligible ships.

PURPOSE OF AMENDMENT

The purpose of this amendment is to remove an inconsistency between clauses 7 and 8 and clause 22.

Sub-clause 8(4), which sets out conditions to be met for receipt of the grant, requires inter alia that the ship has been operated by Australian residents and that the number of crew has not exceeded the maximum crew number for the voyage. However, provision is included in 8(4)(f) and 7(2) for non-residents and additional crew respectively to be approved under clause 22.

Clause 22, as originally drafted, states that only shipowners in receipt of a grant may apply for an approval. This would prevent the shipowner from, e.g, seeking to take on a warranty engineer to rectify teething problems on a newly commissioned ship before the grant was paid. This is not the intention of the clause.

By amending clause 22 in the way proposed, the shipowner will be able to seek an approval to vary crew size or residency requirements temporarily from the time the first crew is taken on. A category certificate would be in force for any new building before commissioning.

NOTES ON CLAUSES

PART V - CREWS OF SHIPS FOR WHICH GRANT PAID

The references in the Explanatory Memorandum to Sub-clauses 22(1) and 22(5) should be amended to reflect the amendment to be moved on behalf of the Government.

(1) As a consequence of the following amendments the heading of Part V, page 9, be amended to read "CREWS OF SHIPS"

(2) Clause 22, page 10, paragraph 2 should read

"Under sub-clause (1) a shipowner who owns a ship for which there is a category certificate may apply to the Secretary for approval to operate the ship at a crew level higher than the maximum crew level for that ship if the shipowner considers this is required due to special circumstances."

(3) Clause 22, page 10, paragraph 6 should read

"Sub-clause (5) allows a shipowner who owns a ship for which there is a category certificate to apply to the Secretary for approval to operate the ship with non-Australian residents as crew members if the shipowner considers that this is required due to special circumstances."

These amendments are necessary to remove an inconsistency between clauses 7 and 8 and clause 22.

Sub-clause 8(4), which sets out conditions to be met for receipt of the grant, requires inter alia that the ship has been operated by Australian residents and that the number of crew has not exceeded the maximum crew number for the voyage. However, provision is included in 8(4)(f) and 7(2) for non-residents and additional crew respectively to be approved under clause 22.

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