

# SHIP BOUNTY.

**No. 45 of 1939.**

An Act to provide for the Payment of a  
Bounty on the Construction of Ships and  
Parts of Ships.

[Assented to 8th December, 1939.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, Preamble.  
and the House of Representatives of the Commonwealth of  
Australia, for the purpose of appropriating the grant originated in  
the House of Representatives, as follows :—

1. This Act may be cited as the *Ship Bounty Act* 1939.

Short title.

- Commencement.** 2. This Act shall come into operation on a date to be fixed by Proclamation.
- Definitions.** 3.—(1.) In this Act, unless the contrary intention appears—  
 “authorized person” means any person authorized in writing by the Minister in respect of the matter in relation to which the expression is used ;  
 “Collector” means the Collector of Customs for a State ;  
 “Comptroller-General” means the Comptroller-General of Customs ;  
 “duty of Customs” means the duty of Customs chargeable in pursuance of any Customs Tariff or of any Customs Tariff proposal introduced into the House of Representatives ;  
 “gross tonnage” means the gross tonnage ascertained by measurement in the manner prescribed by the Merchant Shipping Act ;  
 “part of a ship” means a ship the keel of which is laid after the commencement of this Act but the construction of which is not completed at the expiration of the period of the bounty, and “parts of ships” has a corresponding meaning ;  
 “ship” means a vessel used in navigation—  
 (a) which is propelled only by means of power contained in the ship ;  
 (b) which is constructed of iron or steel ;  
 (c) which is a passenger ship, cargo ship, collier, ferry, tug, trawler, hopper barge or tanker, or a vessel for use by any governmental or public utility or service ; and  
 (d) the keel of which is laid after the date of the commencement of this Act,  
 but does not include any such vessel which is a vessel of the naval forces of any part of the King’s dominions ;  
 “the Merchant Shipping Act” means the Imperial Act known as the Merchant Shipping Act, 1894, and includes any Imperial Act amending it or substituted for it ;  
 “the period of bounty” means the period of bounty specified in the Schedule ;  
 “yard” means any premises appointed by the Minister as a shipbuilding yard for the purposes of this Act.
- (2.) In this Act any reference to the Schedule shall be read as a reference to the Schedule to this Act.
- Appropriation.** 4. There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the bounty specified in this Act.
- Limit of annual bounty.** 5.—(1.) The total amount of bounty paid under this Act in respect of ships or parts of ships constructed during any one financial year

shall not exceed the sum of Fifty thousand pounds, nor, during that part of the financial year preceding the first complete financial year of the period of the bounty or succeeding the last complete financial year of that period, exceed a sum which bears the same proportion to Fifty thousand pounds as that part of a complete financial year bears to a complete financial year :

Provided that, when the maximum amount of bounty which may be paid in respect of any financial year or part thereof has not been paid in that year or part, the unpaid balance, or any portion thereof, may be paid in any subsequent financial year or part thereof in addition to the maximum amount in respect of that subsequent financial year or part.

(2.) Where the total amount available in pursuance of this section for the payment of bounty in respect of any financial year or part thereof is insufficient for the payment in full of all valid claims for bounty in respect of that financial year or part thereof, the bounty otherwise payable under this Act in respect of each of those claims shall be reduced to an amount which bears the same proportion to the amount of the claim as the total amount of bounty available in respect of that financial year or part thereof bears to the total amount of valid claims in respect of that financial year or part.

(3.) If the Minister is of the opinion that the total amount of bounty available in pursuance of this section for the payment of bounty in respect of any financial year or part thereof will be insufficient for the payment in full of all valid claims in respect of that financial year or part, he may withhold payment of the whole or any part of all bounties otherwise payable under this Act in respect of that financial year or part until he has ascertained the total amount of valid claims in respect of that financial year or part.

6. The bounty shall, subject to this Act, be payable to the builder of the ships or parts of ships.

To whom  
bounty  
payable.

7. Subject to this Act, the bounty under this Act shall be payable on ships and parts of ships wholly constructed in accordance with the prescribed conditions, in a yard, during the period of bounty.

Specification  
of bounty.

8.—(1.) The rate of bounty payable under this Act in respect of the construction of a ship shall, subject to this Act, be such one of the rates specified in the Schedule as is appropriate to the ship.

Rate of bounty.

(2.) The bounty payable in respect of the construction of a part of a ship shall be such proportion of the bounty which, in the opinion of the Minister, would have been payable if the construction of the ship had been completed during the period of the bounty, as the value of the part of the ship bears, in the opinion of the Minister, to the value which the ship would have on completion.

(3.) If the rate of duty of Customs upon any ship of a description specified in the Schedule is increased above the rate applicable to

that description of ship on the date of commencement of the period of bounty, the Minister shall forthwith cause to be made such reduction in the rate of bounty payable—

- (a) in the case of a ship or part of a ship the construction of which is commenced after the date of the increase in the rate of duty of Customs—as is equivalent to that increase ; or
- (b) in the case of a ship or part of a ship the construction of which is commenced before the date of the increase in the rate of duty of Customs in pursuance of a contract which provides, in the event of an increase in the rate of duty, for an increase of the price payable to the builder—as is equivalent to the amount by which the price payable to the builder is increased.

(4.) Where, after the rate of bounty has been reduced in pursuance of sub-section (3.) of this section, any reduction or increase occurs in the rate of duty of Customs in respect of any ship of a description specified in the Schedule, the Minister shall forthwith cause to be made—

- (a) in the case of a ship or part of a ship the construction of which is commenced after the date of the reduction or increase in that rate of duty—such increase or reduction, as the case may be, in the rate of bounty theretofore payable as is equivalent to that reduction or increase in the rate of duty ; or
- (b) in the case of a ship or part of a ship the construction of which is commenced before the date of the reduction or increase in that rate of duty in pursuance of a contract which provides, in the event of a reduction or increase in the rate of duty, for a reduction or increase, as the case may be, of the price payable to the builder—such increase or reduction, as the case may be, in the rate of bounty theretofore payable as is equivalent to the amount by which the price payable to the builder is reduced or increased.

Provided that nothing in this sub-section shall authorize any increase in the rate of bounty so as to exceed the appropriate rate specified in the Schedule.

Payment of  
bounty by  
instalments.

9.—(1.) The Minister may in his discretion, on application in writing by the builder of a ship, approve of the payment of the bounty by instalments.

(2.) When the Minister approves of the payment of bounty by instalments the instalments shall be payable after the expiration of each quarter (or portion of a quarter) of the period of the bounty ending on the last day of the months of March, June, September and December, and each instalment shall not exceed an amount equal to such proportion of the bounty which would, in the opinion of the

Minister, be payable on the completion of the construction of the ship during the period of the bounty, as the value, in the opinion of the Minister, of the portion of the ship constructed during the preceding quarter (or portion of a quarter) bears to the value which, in the opinion of the Minister, the ship would have on completion.

10.—(1.) Where the net profit of a builder from the construction and sale of ships and parts of ships during any financial year or part thereof exceeds the rate of ten per centum per annum on the capital actually used by the builder in that construction and sale, the Minister may withhold from the builder payment of bounty in respect of the construction of ships and parts of ships during that financial year or part thereof, and may recover any bounty which has been paid in respect thereof.

Reduction of bounty where profit exceeds ten per centum per annum.

(2.) Where the payment of any bounty has resulted or would result in the net profit of a builder, after taking the bounty into account, from the construction and sale of ships and parts of ships during any financial year or part thereof exceeding the rate of ten per centum per annum on the capital actually used by the builder in that construction and sale, the Minister may—

- (a) require the builder to refund the portion of the bounty paid to him which has resulted in the net profit, after taking the bounty into account, having exceeded the rate of ten per centum per annum on that capital, and that portion shall thereupon be recoverable; or
- (b) withhold from the builder payment of such further bounty as would result in the net profit, after taking the bounty into account, exceeding the rate of ten per centum per annum on that capital.

(3.) Notwithstanding anything contained in this section, where the Minister finds that a builder has, after taking into account the bounty which would, but for this section, have been payable to him, made a net profit which has exceeded the rate of ten per centum per annum on the capital actually used in the construction and sale of ships and parts of ships, the Minister may, in taking action under this section, make such allowance as he, in his absolute discretion, thinks fit in respect of any net profit of less than ten per centum per annum, or any loss, which the builder may have made during any previous financial year or part thereof (after taking into account the bounty paid to him in respect of that financial year or part thereof) during which this Act is in operation.

(4.) For the purposes of this section, the Minister may—

- (a) determine what amount of capital is from time to time actually used, and what amount of net profit is derived thereon, by any builder in the construction and sale of ships or parts of ships; and

(b) determine, and include with the amount of capital actually used and net profit thereon derived by the builder, any amount of capital actually used and the net profit thereon derived by any other person (whether subsidiary to or affiliated with the builder or not) in the distribution or sale of ships to users thereof.

(5.) In the determination under sub-section (4.) of this section of the amount of net profit derived by a builder from the construction and sale of ships and parts of ships, income tax assessed under any Act or State Act shall not be deducted from the profit so derived by that builder.

Rates of wage  
and conditions  
of employment,

11.—(1.) Where, in the locality where ships or parts of ships in respect of the construction of which bounty is claimed are constructed, any standard rates of wages or conditions of employment to be paid or observed in respect of any persons employed in the construction of those ships or parts of ships have been—

(a) prescribed by any award, order or determination of the Commonwealth Court of Conciliation and Arbitration or of any other industrial authority of the Commonwealth or of a State or Territory or in any industrial agreement registered under any law of the Commonwealth or of a State or Territory ; or

(b) declared to be fair and reasonable in accordance with the provisions of sub-section (2.) of this section,  
a builder when making any claim for bounty in respect of the construction of any ships or parts of ships shall certify to the Collector that the rates of wages and the conditions of employment observed by him in respect of the persons employed in the construction of ships and parts of ships were not less favorable to the persons so employed than the rates and conditions so prescribed or declared.

(2.) If, in the locality where ships or parts of ships in respect of the construction of which bounty is claimed are constructed, the rates of wages and conditions of employment to be paid and observed in respect of any persons employed in the construction of those ships or parts of ships have not been prescribed by any award, order or determination of the Commonwealth Court of Conciliation and Arbitration or of any other industrial authority of the Commonwealth or of a State or Territory or in any industrial agreement registered under any law of the Commonwealth or of a State or Territory, the Minister may make application to the Chief Judge or a Judge of the Commonwealth Court of Conciliation and Arbitration for a declaration as to what rates of wages and conditions of employment are fair and reasonable for persons employed in the construction of ships and parts of ships in that locality.

(3.) If the Minister finds that the rates of wages paid to, or the conditions of employment, or any of them, observed in respect of, persons employed in the construction of ships and parts of ships upon which bounty is claimed were less favorable to those persons than the

rates and conditions prescribed or declared as specified in paragraph (a) or paragraph (b), as the case may be, of sub-section (1.) of this section, he may direct that the whole or any part of any bounty shall not be payable and that whole or part, as the case may be, shall thereupon not be payable.

**12.** Bounty shall not be paid on the construction of a ship or part of a ship unless, in the opinion of the Comptroller-General, the workmanship of all parts of the ship, or the part of a ship, as the case may be, and its equipment is in all respects satisfactory.

Workmanship  
to be  
satisfactory.

**13.—(1.)** Where, in the opinion of the Minister, ships or parts of ships are, or are proposed to be, built at premises under such conditions as are from time to time prescribed, he shall appoint those premises as a yard for the purposes of this Act.

Yards to be  
appointed by  
Minister.

(2.) The Minister may require any person applying for the appointment of his premises as a yard under this section to furnish information as to the nature of the business or proposed business and such other matters as the Minister thinks fit.

**14.—(1.)** A builder shall keep, to the satisfaction of the Minister, separate accounts, books and documents showing, from time to time, in relation to ships and parts of ships subject to bounty, the capital actually used in, and the costs of, the construction and sale of the ships and parts of ships, the selling prices and revenue from sales thereof, and the profits derived from the construction and sale.

Separate  
accounts. &c.

(2.) A builder shall, in respect of each half-year ending on the thirty-first day of December and each financial year ending on the thirtieth day of June respectively, furnish to the Comptroller-General a balance-sheet, profit and loss account, manufacturing account and trading account, and such other information in relation to the construction and sale of ships and parts of ships subject to bounty as the Minister requires.

(3.) The accounts and information so furnished, together with the value at cost and details thereof of the ships or parts of ships recorded therein as having been lying or standing at or in the yard of the builder at the end of each such period, shall be certified by the builder and his auditor to be true and correct in every particular.

**15.—(1.)** Any authorized person may, at all reasonable times, go on board any ship or part of a ship on which bounty has been paid or claimed or enter any yard where ships or parts of ships on which bounty has been paid or claimed are being or have been constructed, and may—

Stocktaking  
and  
inspection of  
construction  
and accounts.

- (a) inspect any such ship or part of a ship ;
- (b) inspect the process of construction of any such ship or part of a ship ; and
- (c) inspect the accounts, books and documents relating to the construction and sale of any such ship or part of a ship.

(2.) The builder of any such ship or part of a ship, and the owner or occupier of any such yard, shall provide the authorized person with all reasonable facilities and assistance to enable him to give effect to any or all of the matters specified in sub-section (1.) of this section.

Penalty (for any contravention of this sub-section) : Fifty pounds.

Power to  
require  
persons to  
answer  
questions and  
produce  
documents.

**16.**—(1.) The Comptroller-General, a Collector or any authorized person may, by notice in writing, require any person whom he believes to be capable of giving any information in relation to the construction or sale of ships or parts of ships on which bounty has been paid or claimed to attend before him at the time and place named in the notice, and then and there to answer questions and to produce to him such accounts, books and documents in relation to the construction or sale as the Comptroller-General, Collector or authorized person thinks necessary.

(2.) The Comptroller-General, the Collector or any authorized person to whom any accounts, books or documents are produced in pursuance of this section may make and take away copies of or extracts from those accounts, books or documents.

(3.) No person shall be excused from answering any question or producing any accounts, books or documents when required so to do under this section on the ground that the answer to the question or the production of the accounts, books or documents might tend to criminate him or make him liable to a penalty ; but his answer shall not be admissible in evidence against him in any civil or criminal proceeding other than a proceeding for an offence against this Act.

(4.) Where a builder has failed to attend or to answer any question or to produce any accounts, books or documents, when required so to do under this section, the Minister may, if he thinks fit, withhold payment of any bounty payable to the builder until he has attended, answered the question or furnished the required accounts, books, or documents, as the case may be.

Power to  
examine  
upon oath.

**17.** The Comptroller-General, a Collector or any authorized person may administer an oath to any person required to attend before him in pursuance of section sixteen of this Act and may examine such person upon oath.

Affirmation in  
lieu of oath.

**18.**—(1.) Where any person required to attend before the Comptroller-General, a Collector or an authorized person in pursuance of section sixteen of this Act conscientiously objects to take an oath, he may make an affirmation that he conscientiously objects to take an oath, and that he will state the truth, the whole truth, and nothing but the truth, to all questions that may be asked him.

(2.) An affirmation so made shall be of the same force and effect, and shall entail the same penalties, as an oath.



19. Any person who refuses or fails—

- (a) to attend before the Comptroller-General, a Collector or an authorized person ;
- (b) to be sworn or to make an affirmation ; or
- (c) to answer questions or produce accounts, books or documents, when so required in pursuance of this Act, shall be guilty of an offence.

Penalty for refusing to answer question, &c.

Penalty : Fifty pounds.

20. The Minister may require any builder to give security by bond, guarantee or cash deposit, or by all or any of these methods, for due compliance by him with the provisions of this Act and the regulations or for the performance of any undertaking given by him in pursuance of this Act or the regulations.

Security for compliance with Act.

21. No bounty shall be authorized to be paid on any ship or part of a ship unless the builder furnishes proof to the satisfaction of the Minister that the requirements of this Act and the regulations have been substantially complied with.

Bounty not payable unless Act complied with.

22.—(1.) Any person who—

- (a) obtains any bounty which is not payable ;
  - (b) obtains payment of any bounty by means of any false or misleading statement ; or
  - (c) presents to any officer or other person doing duty in relation to this Act or the regulations any account, book or document, or makes to any such officer or person any statement, which is false in any particular,
- shall be guilty of an offence.

Offences.

Penalty : Five hundred pounds or imprisonment for twelve months.

(2.) Where a person is convicted, under sub-section (1.) of this section, the Court may, in addition to imposing a penalty under that sub-section, order the person to refund to the Minister the amount of any bounty wrongfully obtained.

23.—(1.) A return shall be prepared, not later than the thirty-first day of August of each year, and shall be laid before each House of the Parliament within fifteen sitting days of that House after the preparation of the return.

Return for Parliament.

(2.) The return shall set forth in respect of the preceding financial year—

- (a) the name and address of each builder to whom bounty was paid ;
- (b) the total amount of bounty paid to each builder on each ship or part of a ship together with particulars as to the gross tonnage or estimated gross tonnage of the ship and the extent to which construction has progressed in respect of each ship on which bounty was paid ; and
- (c) such other particulars as are prescribed.

## Regulations.

24. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act, and in particular for prescribing—

- (a) the form in which applications for bounty shall be made ;
- (b) the conditions to be observed by builders in respect of giving notice of their intention to claim bounty and the time or times within which applications for bounty shall be lodged with the Collector ;
- (c) the conditions of construction of ships or parts of ships at yards ; and
- (d) penalties not exceeding Fifty pounds for any breach of the regulations.

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THE SCHEDULE.

Description of Ships.	Rate of Bounty.	Period of Bounty.
	Per gross ton.	
	£    s.    d.	
Ships the gross tonnage of which—		} Three years from the date on which this Act comes into opera- tion.
(a) exceeds 100 but does not exceed 750 ..	12 10 0	
(b) exceeds 750 but does not exceed 900 ..	12 0 0	
(c) exceeds 900 but does not exceed 1,050 ..	11 10 0	
(d) exceeds 1,050 but does not exceed 1,200 ..	11 0 0	
(e) exceeds 1,200 but does not exceed 1,350 ..	10 10 0	
(f) exceeds 1,350 but does not exceed 1,500 ..	10 0 0	