

Gladstone Power Station Agreement

No. 28 of 1970

An Act relating to an Agreement between the Commonwealth and the State of Queensland with respect to the Construction of a Power Station at Gladstone.

[Assented to 17 June 1970]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *Gladstone Power Station Agreement Act 1970*. Short title.
2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
3. The agreement a copy of which is set out in the Schedule to this Act is approved. Approval of agreement.
4. The payments (including advances) by the Commonwealth to the State of Queensland provided for by the agreement referred to in the last preceding section may be made, by way of financial assistance to that State on the terms and conditions contained in that agreement, out of the Consolidated Revenue Fund, which is appropriated accordingly. Financial assistance.

THE SCHEDULE

Section 3.

AN AGREEMENT made the eighth day of April One thousand nine hundred and seventy BETWEEN THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Commonwealth") of the one part and THE STATE OF QUEENSLAND (in this agreement called "the State") of the other part.

WHEREAS—

- (a) it is desirable in the interests of the State and of the Commonwealth generally that works be carried out to increase the capacity of thermal power generating facilities to meet requirements of an export oriented industrial complex in the State;
- (b) the State proposes to undertake the works described in this agreement for the construction of works for a thermal power station at Gladstone and associated facilities at a total cost estimated on 1968 prices of One hundred and fifty five million dollars (\$155,000,000) and has requested the Commonwealth to provide financial assistance to the State for the carrying out of those works;
- (c) the said thermal power station and associated facilities are intended to have a total installed generating capacity of 1,100 megawatts of which approximately 600 megawatts will be reserved by the State for special industrial purposes in Central Queensland;

THE SCHEDULE—*continued*

- (d) the Commonwealth and the State have agreed that appropriate financial assistance for the carrying out of the works consists of an amount of Eighty million dollars (\$80,000,000) subject to any escalation of the costs above 1968 prices of the said works repayable by the State as provided in this agreement; and
- (e) the Parliament of the Commonwealth will be requested to authorize the grant of financial assistance to the State upon and subject to the terms and conditions set out in this agreement.

Definitions.

NOW IT IS HEREBY AGREED AS FOLLOWS:—

1. In this agreement, unless the contrary intention appears—

“financial year” means a period of twelve calendar months ending on the thirtieth day of June;

“the Minister” means the Minister for National Development of the Commonwealth and includes such other Minister of State of the Commonwealth or member of the Federal Executive Council as is for the time being acting for and on behalf of that Minister;

“the State Treasurer” means the Treasurer of the State and includes such other Minister of the Crown as is for the time being acting for and on behalf of the Treasurer of the State;

“the Treasurer” means the Treasurer of the Commonwealth and includes such other Minister of State of the Commonwealth or member of the Federal Executive Council as is for the time being acting for and on behalf of the Treasurer; and

“the works” means the thermal power station of approximately 1,100 megawatts and transmission works for the transmission of electricity to the organizations specified in clause 3 of this agreement to be constructed in the vicinity of Gladstone, Queensland.

Approval of Agreement.

2. This agreement shall have no force or effect and shall not be binding on either party until it has been approved by the Parliament of the Commonwealth.

Proposals for consumption of electrical power.

3. The Commonwealth shall not be required to make any payments under this agreement unless and until the State produces evidence satisfactory to the Minister that the State has entered into or proposes to enter into agreements, arrangements or options for the consumption of electrical power by organizations which will have in the aggregate a total requirement of installed generating capacity of approximately 600 megawatts of the proposed capacity of the said thermal station. For the purposes of this clause “organizations” means companies or persons who operate or control or plan to operate or control industrial enterprises in Central Queensland which will export a substantial proportion of their products or will produce goods of a kind which will be supplied to industries producing goods predominantly for export.

Financial assistance.

- 4.—(1.) Subject to compliance by the State with the provisions of this agreement, the Commonwealth will in accordance with and subject to the provisions of this agreement provide financial assistance to the State in an amount equal to the amount obtained by multiplying the expenditure on the works by the fraction eighty over one hundred and fifty five $\left(\frac{80}{155}\right)$.

(2.) For the purposes of this agreement expenditure on the works means expenditure made or incurred by the State on or in connexion with the works during the period commencing the twenty-sixth day of September, 1969 and ending the thirtieth day of June, 1977 and includes planning, design and administrative expenses directly related to carrying out the works but does not include expenses that would have been or would be incurred whether or not the works were carried out.

- (3.) For the purposes of this agreement expenditure on the works—

- (a) shall include interest which has been paid or is payable by the State as from the date on which the payment to which the interest relates was made in connexion with the works, not being a date earlier than the twenty-sixth day of September, 1969;
- (b) shall be deemed to include a sum equal to the interest that would accrue on payments or advances from the Commonwealth for the periods commencing on the respective dates when such moneys were made available and ending on the date determined in accordance with paragraph (a) of sub-clause (1.) of clause 8 of this agreement if the payments and advances were subject to interest at the rate specified in sub-clause (2.) of that clause;
- (c) subject to paragraph (d) of this sub-clause, shall include interest accrued under sub-clause (1.) of clause 8 of this agreement which the State requests the Commonwealth to treat as expenditure on the works for the purposes of this agreement;

THE SCHEDULE—*continued*

(d) shall not, in relation to a part of the works that has been completed, include interest that accrues under sub-clause (1.) of clause 8 of this agreement after the fifteenth day of January or the fifteenth day of July next following upon the production of electrical power from that part of the works in respect of the expenditure that has been incurred on that part of the works.

5.—(1.) The Commonwealth will, at the request of the State, from time to time and subject to the provisions of this agreement, make payments to the State in pursuance of the last preceding clause of amounts equal to the amounts obtained by multiplying the amounts of expenditure on the works by the fraction eighty over one hundred and fifty five $\left(\frac{80}{155}\right)$.

Payments
by the
Commonwealth.

(2.) The State will furnish to the Treasurer such documents and other evidence in support of each request by the State for a payment to it by the Commonwealth under sub-clause (1.) of this clause as the Treasurer may from time to time reasonably request, whether the request is made by the Treasurer before or after the Commonwealth has made a payment pursuant to the request by the State.

(3.) Any statement of expenditure by the State forwarded to the Commonwealth in connexion with a request for payment under sub-clause (1.) of this clause shall be examined and reported upon in the manner more particularly described in sub-clause (2.) of clause 15 of this agreement.

6.—(1.) The Treasurer may, at such times and in such amounts as he thinks fit, make advances to the State on account of an amount that may become payable to the State under clause 5 of this agreement.

Advances
by the
Commonwealth.

(2.) An amount or part of any amount advanced by the Treasurer under this clause may be deducted by the Commonwealth from amounts to be paid subsequently under sub-clause (1.) of clause 5 of this agreement. If there are no further amounts to be paid under that sub-clause or if the amounts or part of any amount so advanced exceed the amount payable under sub-clause (1.) of clause 5 the amount or the excess of the amount, as the case may be, shall be refunded by the State to the Treasurer at his request.

7. The State shall ensure that an amount, or any part of an amount, paid or advanced to the State under this agreement is not used or applied except for the purpose of meeting or of reimbursing to the State expenditure on the works.

Use of
payments and
advances.

8.—(1.) The State shall be liable to pay to the Commonwealth interest on—

Interest.

- (a) so much of each amount which has been paid or advanced to the State and not being a payment or advance as specified in paragraph (b) of this sub-clause and which is repayable by the State under this agreement as has not for the time being been repaid or refunded to the Commonwealth, calculated from a date on or after the thirty-first day of December 1974 as determined by the Treasurer after consultation with the State Treasurer, at the rate provided in this clause;
- (b) payments or advances made by the Commonwealth to the State subsequent to the date determined pursuant to the last preceding paragraph and being payments or advances repayable under this agreement, calculated from the date on which the payment or advance was made, at the rate provided in this clause; and
- (c) interest accrued under paragraphs (a) and (b) of this sub-clause up to the date determined under sub-clause (1.) of clause 9 of this agreement which has not been paid by the State under sub-clause (6.) of that clause.

(2.) The rate at which interest is payable by the State under this clause shall be six and four tenths per centum per annum (6.4%).

9.—(1.) The State shall repay to the Commonwealth so much of the payments made by the Commonwealth under clause 5 of this agreement and of the amounts advanced and not refunded under clause 6 of this agreement as were made or advanced in respect of the works together with interest accrued in accordance with sub-clause (1.) of clause 8 of this agreement by sixty equal consecutive half-yearly payments, compounded of principal and interest, over a period of thirty years. The period of thirty years shall commence on the fifteenth day of January or the fifteenth day of July next following a date to be determined by the Treasurer after consultation with the State Treasurer as the date of the completion of the works and payments shall be made on each fifteenth day of July and fifteenth day of January thereafter until the final payment has been made.

Repayments by
the State, with
interest.

THE SCHEDULE—*continued*

(2.) The amount of a half-yearly payment by the State provided for by the last preceding sub-clause shall not be reduced except by virtue of the succeeding provisions of this clause.

(3.) In addition to making payments in accordance with sub-clause (1.) of this clause, the State may on the fifteenth day of January or on the fifteenth day of July in any year, after having given to the Treasurer notice in writing of at least one month of its intention to do so, pay to the Commonwealth an amount of One hundred thousand dollars (\$100,000) or a multiple thereof.

(4.) Interest at the rate provided in the last preceding clause shall accrue on amounts paid by the State in accordance with the last preceding sub-clause, calculated from the date of payment and compounded with half-yearly rests on each fifteenth day of January and fifteenth day of July.

(5.) When on any fifteenth day of January or fifteenth day of July the payment due by the State under sub-clause (1.) of this clause exceeds the amount by which the unrepaid balance of the total amount repayable under that sub-clause together with interest accrued on that total amount up to and including that date exceeds the total of the amounts paid together with interest accrued on those amounts up to and including that date under sub-clause (4.) of this clause, the State shall pay to the Commonwealth the amount of the second-mentioned excess in lieu of the amount of the payment due under sub-clause (1.) of this clause, and no further payments shall be required to be made by the State to the Commonwealth under this clause.

(6.) Notwithstanding anything expressed to the contrary in the preceding sub-clauses of this clause, the State may pay to the Commonwealth amounts of interest which have not been included in expenditure on the works by virtue of sub-clause (3.) of clause 4 of this agreement. The interest which the State may pay shall be that which accrues from the fifteenth day of January or the fifteenth day of July next following the date of production of electrical power from the completed parts of the works and payments may be made on each fifteenth day of July and fifteenth day of January thereafter.

Works to be carried out efficiently.

10. The State shall ensure that the works are carried out efficiently and in conformity with sound engineering and financial practices.

Approval for the letting of contracts.

11. The State shall not let contracts for the performance of any part of the works to a value in excess of One million dollars for any one contract without obtaining the prior approval of the Minister.

Supply of information.

12. The State shall furnish, at the request of the Minister, such information in relation to the planning, design and execution of the works or such other information for the purpose of or in relation to this agreement as he may require. The State shall also furnish at the request of the Minister, full particulars of the consumption of electricity from the works.

Financial statements.

13. The State shall—

- (a) keep full accounts and records of all financial transactions, work done, and plant, stores, materials and equipment used or disposed of, in connexion with the works; and
- (b) furnish to the Treasurer, as soon as possible after the completion of each financial year in which there is expenditure on the works, a progress report on the performance of the works, together with financial statements showing expenditure on the works up to the preceding thirtieth day of June, the latest estimate of the complete cost of the works, and the estimated amounts of annual expenditure necessary to complete the works.

Annual estimates.

14. The State shall prepare and furnish to the Treasurer not later than the thirtieth day of April in each year a statement or statements showing the estimated expenditure on the works during the next succeeding financial year and estimates of the amounts that the State will request the Commonwealth to pay to the State under this agreement during that financial year.

Audit.

15.—(1.) The accounts, books, vouchers, documents and other records of the State relating to the carrying out of the works shall be subject to audit by the Auditor-General of the State.

(2.) Until such time as the total amount of the financial assistance to be provided to the State under this agreement has been provided by the Commonwealth and supporting evidence to the satisfaction of the Treasurer in relation to all amounts paid or advanced is furnished

THE SCHEDULE—*continued*

by the State, a report on the audits and on the financial statements in respect of each financial year shall be furnished by the Auditor-General of the State to the Treasurer as soon as possible after the completion of the financial year, indicating, *inter alia*—

(a) whether the financial statements are based on proper accounts and records and are in agreement with those accounts and records; and

(b) whether the expenditure of moneys is in accordance with this agreement, and including reference to such other matters arising out of the audits and financial statements as the Auditor-General of the State considers should be reported to the Treasurer.

16. Any notice, request or other communication to be given or made under this agreement by the Commonwealth to the State shall be deemed a sufficient notice if it is in writing signed by the Minister or by any person thereunto authorized in writing by him and any notice, application, request or other communication to be given or made by the State to the Commonwealth or the Minister shall be deemed a sufficient notice if it is in writing signed by the State Treasurer or any person thereunto authorized in writing by him. Notices.

IN WITNESS WHEREOF this agreement has been signed as at the day and year first above written.

SIGNED for and on behalf of THE COMMON-
WEALTH OF AUSTRALIA by the Right Honourable
JOHN GREY GORTON, the Prime Minister of the
Commonwealth, in the presence of—
R. W. SWARTZ

J. G. GORTON

SIGNED for and on behalf of THE STATE OF
QUEENSLAND by the Honourable JOHANNES
BJELKE-PETERSEN, the Premier of the State, in the
presence of—
GORDON W. CHALK

JOH. BJELKE-PETERSEN