

SHIPPING CORPORATION OF NEW ZEALAND BILL

EXPLANATORY NOTE

THIS Bill authorises the Minister of Transport to acquire on behalf of the Crown shares in a company to be formed under the name of The Shipping Corporation of New Zealand Limited and having among its objects power to establish and operate shipping and associated services in New Zealand and to or from other places.

Clause 1 relates to the Short Title.

Clause 2 is the interpretation clause defining terms used in the Bill.

Clause 3 authorises the Minister of Transport to subscribe for or otherwise acquire, on behalf of Her Majesty, shares in a company to be incorporated and having among its objects the establishment, maintenance, and operation of shipping and associated services, whether in the home trade or the foreign trade.

Clause 4 empowers the Minister of Finance to advance money to the company, to give guarantees, indemnities, and securities in respect of advances to the company, and to pay the amounts required for the acquisition by the Crown of shares in the company and calls on such shares.

Clause 5 provides that, except with the consent of the Minister of Finance, the company may not borrow except from the Crown and may not mortgage or charge its property except to the Crown.

Clause 6 authorises the Minister to enter into agreements in respect of the operations of the company or the acquisition of any shares by the company.

Clause 7 provides that the Minister may appoint the directors of the company. No person other than an appointee of the Minister may be a director of the company.

Clause 8 provides that the Audit Office is to be the auditor of the company. Certain sections of the Companies Act 1955 relating to auditors are consequentially excluded by *subclause (2)*.

Clause 9 provides that the company must furnish to the Minister an annual report and a copy of its audited accounts, and a copy of that report and those accounts is to be laid before Parliament.

Clause 10 prohibits the sale of any of Her Majesty's shares in the company to any person other than a nominee of Her Majesty.

Hon. Sir Basil Arthur

SHIPPING CORPORATION OF NEW ZEALAND

ANALYSIS

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A BILL INTITULED

An Act to authorise the Minister of Transport to acquire shares in a company to be formed with power to establish and operate shipping and associated services in New Zealand and to and from other places

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BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

10 **1. Short Title**—This Act may be cited as the Shipping Corporation of New Zealand Act 1973.

2. Interpretation—In this Act, unless the context otherwise requires,—

15 “The company” means The Shipping Corporation of New Zealand Limited, a company to be incorporated under the Companies Act 1955:

“Home trade” and “foreign trade” have the meanings as defined in the Shipping and Seamen Act 1952:

“Minister” means the Minister of Transport.

3. Shipping Corporation of New Zealand Limited—

(1) The Minister may from time to time, on behalf of Her Majesty the Queen, subscribe for or otherwise acquire shares in The Shipping Corporation of New Zealand Limited, a company to be incorporated under the Companies Act 1955, and having among its objects the establishment, maintenance, and operation of shipping and associated services, whether in the home trade or the foreign trade. 5

(2) The Minister may exercise on behalf of Her Majesty all Her Majesty's rights and powers as the holder of any shares in the company. 10

4. Power to advance money—(1) The Minister of Finance may from time to time, on behalf of Her Majesty the Queen,—

(a) Advance money to the company: 15

(b) Give in respect of any advances made to the company by any other person any guarantee, indemnity, or security:

(c) Pay the amount required to be paid in respect of the subscription for or other acquisition of any shares in the company pursuant to section 3 of this Act, or in respect of such calls as may from time to time be made in respect of those shares— 20

upon or subject to such terms and conditions as the Minister of Finance thinks fit. 25

(2) All money required to be paid by the Minister of Finance under this section shall, without further appropriation than this section, be paid out of the Consolidated Revenue Account or the National Development Loans Account, as the Minister of Finance directs. 30

(3) Where any money is required to be paid under this section and the money is paid out of the National Development Loans Account, the authority of the Minister of Finance to borrow money under section 11 of the New Zealand Loans Act 1953 shall be deemed to be extended as if the money so paid had been duly authorised to be transferred from the National Development Loans Account to another fund or account as mentioned in that section. 35

5. Minister of Finance's consent to borrowing—The company shall not, without the consent of the Minister of Finance,— 40

(a) Borrow from any person other than Her Majesty the Queen; or

(b) Mortgage or charge its property or issue any debenture in favour of any person other than Her Majesty the Queen.

5 **6. Agreements**—The Minister may from time to time, on behalf of Her Majesty the Queen, enter into any agreement with the company or with any person in respect of any matter relating to the business of the company or the acquisition by the company of shares in any other company.

10 **7. Appointment of directors**—(1) The Minister may from time to time appoint such persons as he thinks fit to be directors of the company, to hold office in accordance with the articles of association of the company.

(2) No person other than a person appointed by the Minister under subsection (1) of this section shall be a director
15 of the company.

8. Accounts of the company—(1) Notwithstanding anything in the Companies Act 1955, the accounts of the company shall be kept in such form as the Minister of Finance approves, and shall be audited by the Audit Office, which for that
20 purpose shall have and may exercise all such powers as it has under the Public Revenues Act 1953 in respect of public money and public stores and persons dealing therewith.

(2) Nothing in sections 151 to 153 or in sections 163 to 166 of the Companies Act 1955 shall apply with respect to the
25 company.

9. Annual report and accounts to be presented to Parliament—(1) As soon as may be reasonably practicable after the end of each financial year of the company, the company shall furnish to the Minister a report of its operations for
30 that financial year, together with a copy of its audited balance sheet and accounts for that year.

(2) A copy of that report and audited balance sheet and accounts shall be laid before Parliament as soon as practicable after their receipt by the Minister.

35 **10. Sales of shares by the Minister**—The Minister shall not sell or otherwise dispose of any of Her Majesty's shares in the company to any person other than a nominee holding the shares on Her Majesty's behalf.