

## FEDERAL AID ROADS AGREEMENT ACT, 1926.

No. 1771 of 1926.

An Act to ratify an Agreement between the Commonwealth and the State of South Australia in relation to the construction and reconstruction of certain roads to be known as Federal Aid Roads.

[Assented to 16th December, 1926.]

WHEREAS on the sixth day of December, nineteen hundred and twenty-six, the Agreement set out in the schedule to this Act (hereinafter called "the Agreement") was entered into between the Commonwealth and the State of South Australia: AND WHEREAS it is provided by the Agreement that it shall have no force or effect until approved, adopted, authorised, or ratified by the Parliaments of the Commonwealth and of the State: AND WHEREAS it is expedient that the Parliament of the State should ratify the Agreement:

Be it therefore enacted by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

Short title.

1. This Act may be cited as the "Federal Aid Roads Agreement Act, 1926."

Ratification  
of the  
Agreement.

2. The Agreement is hereby approved and ratified.

Financial  
provision.

3. The moneys required for the purposes of carrying the Agreement into effect shall be paid out of moneys provided by Parliament for those purposes.

---

s. 1. VICTORIA v. THE COMMONWEALTH (1926) 38 C.L.R. 399. Held that the Federal Aid Roads Act, 1926, of the Commonwealth authorising agreements as set out in the schedule, is a valid enactment.

## THE SCHEDULE.

## FEDERAL AID ROADS AGREEMENT ACT, 1926.

## THE SCHEDULE

AGREEMENT made the sixth day of December One Thousand nine hundred and twenty-six BETWEEN THE COMMONWEALTH OF AUSTRALIA (in this Agreement called "The Commonwealth") and THE STATE OF SOUTH AUSTRALIA (in this Agreement called "The State")

WHEREAS the Commonwealth proposes to make available to the different States for the purpose of the construction and reconstruction of certain roads to be designated "Federal Aid Roads" the total sum of Two million pounds (£2,000,000) in each year for a period of ten years.

AND WHEREAS the Commonwealth proposes to distribute the said sum of £2,000,000 between the different States on the basis of three-fifths population and two-fifths area.

AND WHEREAS in pursuance of such proposal the Commonwealth has agreed to make available to the State the sum of Two million two hundred and eighty thousand pounds (£2,280,000) during a period of ten years for the purpose of the construction and reconstruction of Federal Aid Roads in the State of South Australia upon and subject to the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:—

1. THIS Agreement shall have no force or effect and shall not be binding on either party unless and until it is approved adopted authorised or ratified by the Parliaments of the Commonwealth and of the State.

2. (1) THE Commonwealth will subject to and for the purposes of this Agreement provide the sum of Two million two hundred and eighty thousand pounds (£2,280,000) during the period of ten years commencing on the first day of July One thousand nine hundred and twenty-six.

(2) The said sum of Two million two hundred and eighty thousand pounds (£2,280,000) will be paid by the Commonwealth into a Trust Account established for the purpose under Section 62A of the *Audit Act* 1901-1924 of the Commonwealth by payments into such account of the sum of Two hundred and twenty-eight thousand pounds (£228,000) in each year during the said period of ten years.

(3) Payments will be made to the State out of the moneys for the time being in the said Trust Account in such amounts at such times and subject to such conditions as the Minister may from time to time determine.

3. (1) SUBJECT to clause 7 of this Agreement the State will provide an additional sum of One million seven hundred and ten thousand pounds (£1,710,000) for the purposes of this Agreement.

(2) The said sum of One million seven hundred and ten thousand pounds (£1,710,000) shall be provided by the State in instalments at the rate of Fifteen shillings (15s.) for each One pound sterling paid to the State out of the said Trust Account.

(3) Of the amount to be provided by the State under this clause the sum of Two hundred and thirteen thousand seven hundred and fifty pounds (£213,750) shall be provided from Revenue. The balance of the amount to be provided by the State may at the option of the State be provided out of current roads expenditure or from Revenue or loan moneys.

4. (1) If any instalment provided by the State as aforesaid is or includes loan moneys of the State the State shall at the time when the instalment is provided so inform the Commonwealth and specify the amount of loan moneys in the instalment.

(2) The Commonwealth shall thenceforward in each year during the remainder of the said period of ten years withdraw from moneys in the said Trust Account and pay into the Sinking Fund hereinafter mentioned an amount equal to Three pounds per centum (£3%) per annum accruing from day to day on the amount of loan moneys in the instalment.

(3) The State shall on the thirtieth day of June in each year after the expiration of the said period of ten years pay into the said Sinking Fund an amount equal to £3 per centum per annum accruing from day to day on each

amount of loan moneys included in an instalment provided by the State as afore-said until the amount paid into the Sinking Fund under this and the preceding sub-clause in respect of that instalment (together with all interest credited thereto) is sufficient to repay the loan moneys included in such instalment.

(4) The Sinking Fund hereinbefore referred to is the National Debt Sinking Fund established under the *National Debt Sinking Fund Act 1923-1925* of the Commonwealth or any amendment thereof or any Sinking Fund established in lieu thereof and all moneys paid into such Fund will be deemed to accumulate each year at the average annual effective rate of interest earned during that year by Sinking Fund moneys.

(5) A certificate by the body or person for the time being controlling the said Sinking Fund moneys stating the average annual effective rate of interest earned during any year by Sinking Fund moneys shall be conclusive as to the matter stated.

5. For the purposes of this Agreement the following classes of roads shall be deemed to be Federal Aid Roads:—

- (i) Main roads which open up and develop new country;
- (ii) Trunk roads between important towns; and
- (iii) Arterial roads to carry the concentrated traffic from developmental, main, trunk and other roads.

6. (1) ALL moneys paid to the State under this Agreement and all moneys provided by the State under this Agreement shall be expended solely on the construction and reconstruction of Federal Aid Roads.

(2) One-fourth of the moneys paid to the State under this Agreement and one-fourth of the moneys to be provided by the State under this Agreement shall be expended solely on the construction of Federal Aid Roads.

(3) The Minister shall have the power to decide from time to time how the balance of the moneys paid to the State under this Agreement and the balance of the moneys to be provided by the State under this Agreement shall be expended but so that such moneys shall be expended solely in the construction of Federal Aid Roads and/or the reconstruction of Federal Aid Roads.

7. (1) WHERE a road being constructed or being reconstructed under this Agreement passes through a town whose population (according to the latest statistics available at the time the work is being done) does not exceed Five thousand (5,000) persons such road may be constructed through the town or reconstructed (as the case may be) as if the town did not exist Provided that the width of any road constructed or reconstructed through a town pursuant to this clause shall not except with approval in writing of the Minister exceed twenty feet.

(2) If any portion of the cost of constructing or reconstructing a road pursuant to this Agreement is contributed by the Municipal or other local governing authority of a town referred to in the last preceding sub-clause the amount to be provided by the State under clause 3 of this Agreement shall be reduced by the amount so contributed Provided however that the State shall not require any such municipal or other local governing authority to contribute more than one-half of the amount to be provided by the State as its proportion of the cost of constructing or reconstructing such road.

8. (1) THE State shall to the satisfaction of the Minister make proper provision for the adequate and continuous maintenance in good repair and condition of all roads constructed or reconstructed in pursuance of this Agreement. Such maintenance shall be taken in hand immediately following upon the completion of the construction or reconstruction of any road or portion thereof and shall be met from moneys provided by the State.

(2) If any such road is not adequately and continuously maintained in good repair and condition to the satisfaction of the Minister the State shall not (if the Minister so directs) be entitled to payment of any further moneys out of the said Trust Account until the road has been put in good repair and condition to the satisfaction of the Minister and until proper provision to the satisfaction of the Minister has been made by the State for the road being adequately and continuously maintained in good repair and condition.

9. (1) PRIOR to the submission by the State of any proposals for expenditure of any moneys provided by the Commonwealth and the State in pursuance of this Agreement the State shall submit to the Minister for his approval full particulars of the roads proposed to be constructed or reconstructed during the period of five