Defence Legislation Amendment Bill 1989

Date introduced: 3 May 1989
House: House of Representatives
Portfolio: Defence

Digest of Bill

Purpose
To exempt Australian Defence Industries Pty Ltd from certain State and Territory Laws.

Background
On 12 August 1988, the Minister for Defence announced that the Office of Defence Production (ODP) would be replaced by Australian Defence Industries Pty Ltd (ADI), a public, wholly Government owned company. ADI was formed to turn ODP into a commercially driven business enterprise. It is proposed that ADI will progressively compete against other companies for defence contracts. These changes are expected to save the defence budget approximately $150 million a year.¹

ADI will be Australia’s largest supplier of defence equipment and services, with a turnover of approximately $500 million. ADI’s main focus will be on commercially viable manufacturing and supply of military products and services to the Australian Defence Force (ADF) and development of business in non-defence work and exports. ADI will comprise a corporate headquarters with four operating divisions: ammunition and missiles; naval engineering; weapons and engineering; and military clothing. Each division will be managed as a separate business. ADI will operate from nine locations in three States and the A.C.T. and employ 6700 people. The headquarters will be located in Canberra.²

Main Provisions
Clauses 4 and 5 of the Bill (see below) will operate from 2 May 1989 (clause 2).

A new section 122A, which will be inserted into the Defence Act 1903 by clause 4, will exempt ADI from certain State and Territory laws, including those relating to taxes, rates and charges; the use of land or premises; the environmental consequences of the use of land or premises; and licensing in relation to employment, conduct of business or conduct of a particular type of operation. In the Second Reading Speech it is estimated that the exemption from stamp duty will save $16 million on the transfer of assets to the new body. An additional $60 million will be saved from not having to comply with regulatory laws.
In addition, the regulations may exempt ADI from other State or Territory laws, or prescribe State or Territory laws from which ADI is not exempt. As well, State or Territory laws will apply to ADI property, transactions, acts or things that are not totally connected with defence production. Proposed section 122A will cease operating six years from 2 May 1989.

Clause 5 will allow ADF and civilian employee's employed by the Department of Defence in connection with the manufacture of firearms and a person employed by a prescribed corporation concerned with the manufacture of firearms, to be declared an 'authorised employee'. The effect of this proposed amendment will exempt 'authorised employee's' from State and Territory firearms licensing laws.

References

For further information, if required, contact the Defence Group.

9 August 1989

Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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