SNOWY MOUNTAINS ENGINEERING CORPORATION BILL 1985

Date Introduced: 27 March 1985
House: House of Representatives
Presented by: Hon. S.J. West, M.P., Minister for Housing and Construction

Short Digest of Bill

Purpose

To restructure the Snowy Mountains Engineering Corporation, widen its powers and functions and establish a Board of Directors.

Background

The Snowy Mountains Authority was established by the Commonwealth Government under the Snowy Mountains Hydro-Electric Power Act 1949, and came into existence on 1 August 1949. The Snowy Mountains Scheme was the largest engineering project undertaken in Australia, involving the construction of 16 large dams and 145 kilometres of tunnels. The Scheme employed workers from 30 nations and considerable engineering skills were accumulated. As the Scheme neared completion in the late 1960s, the Government considered how to best utilise these skills. Consequently, the Snowy Mountains Engineering Corporation (the Corporation) was established by the Snowy Mountains Engineering Corporation Act 1970 to undertake engineering work in Australia or overseas. The Corporation has undertaken some major engineering work in Australia over recent years, including the construction of the Shoalhaven Scheme for the New South Wales Government, and has completed 1,100 projects in 35 countries since its establishment.

The Corporation operated profitably from its establishment until the 1983/84 financial year. However it made a net loss of $5.6m in the 1983/84 year and estimates a net loss of $3.5m for the 1984/85 financial year. The present Bill aims to improve the Corporation's competitive position by removing existing restrictions on the range of engineering activities that the Corporation may perform, and by placing the management of the Corporation in the hands of a Board of Directors.
Outline

The Bill repeals the Snowy Mountains Engineering Corporation Act 1970, and substitutes a new structure bearing the same name.

Main Provisions

The Bill will come into effect on a date fixed by proclamation (clause 2).

Clause 5 continues the existence of the Corporation and states that it shall have the power to acquire, hold or dispose of property and to sue or be sued.

The functions of the Corporation are to investigate, advise on, design, supervise or construct engineering works in Australia or overseas. The Corporation shall, as far as is practicable, use Australian organisations in its overseas work (clause 6).

The Corporation is to have the power to do all things necessary for the performance of its functions, such as entering into contracts and forming partnerships or companies (clause 7).

Clause 8 enables the Minister to give written directions to the Corporation on the performance of its functions and, in particular, to not perform specific works.

Clauses 9 to 28 deal with the establishment of a Board of Directors.

The functions of the Board as to its control of the policy and affairs of the Corporation are set out in clause 10. The Board is required to inform the Minister of policy decisions (clause 12).

Clause 11 details the membership of the Board, namely, a Chairperson, Managing Director and 3 other Directors. The Chairperson and the 3 other Directors will be appointed on a part-time basis.

Clause 16 requires Directors to disclose any direct or indirect pecuniary interest in a matter to be considered by the Board.

Clauses 20 to 28 deal with the powers and functions of the Managing Director.

Clause 22 deals with the appointment of the Managing Director. It requires that the person appointed
must have experience in engineering and is not to be 65 years or older.

The Managing Director is prohibited from entering into other paid employment without the Minister's approval (clause 23).

Clauses 30 to 40 deal with the Corporation's finances.

The Corporation is to operate on sound commercial principles and to gain sufficient revenue to meet expenditure and permit payment to the Commonwealth of a reasonable return on the Corporation's capital (clause 30).

Clause 31 enables the Minister for Finance to make funds available to the Corporation.

Interest is not payable to the Commonwealth on the Corporation's capital. The Minister may determine what amount of profits are to be paid to the Commonwealth and the Corporation's capital is repayable to the Commonwealth at such times and in such amounts as the Minister determines (clause 32).

Clause 34 enables the Corporation to borrow funds, with the approval of the Treasurer, and to use its assets as security.

Clause 35 contains the Government's guarantee for payment of the Corporation's debts.

Clause 37 requires the Corporation to prepare, and submit to the Minister, estimates of revenue and expenditure.

Clause 38 forbids the Corporation from entering into contracts with a value of more than $500,000 without the Minister's approval.

Clause 41 requires the Board to provide information requested by the Minister.

Clause 46 repeals the previous Acts concerned with the Corporation.

For further information, if required, contact:

Science, Technology and Environment Group

15 April 1985

LEGISLATIVE RESEARCH SERVICE
References

1. For a general description of the Scheme, see 'Snowy Mountains Story', Cooma-Monaro Shire Council, 1982.