FOREIGN OWNERSHIP AND CONTROL REGISTRATION BILL 1984

Date Introduced: 13 September 1984
House: Senate
Presented by: Senator J. Evans

Short Digest of Bill

Purpose

To establish a Register of Foreign Corporations which would permit the public to obtain information about the activities of foreign corporations in Australia.

Background

Throughout its history Australia's economic development has been influenced by foreign investment. Foreign investment has always been the subject of considerable controversy. Whatever the merits of this debate it has long been realized that basic information is difficult to obtain. Aggregate statistical information, published by the Australian Bureau of Statistics, allows those interested to obtain at best a quantitative impression of the combined activities of foreign investors. By establishing a Register of Foreign Companies, this Bill would, according to the second reading speech, "identify the big foreign owners and will identify the value of those portions of Australia which they own or control". Most of the information which would appear in the Register presently exists but in a form which prevents easy access by the public.

Main Provisions

Clause 4 defines the "prescribed corporations" which are the subject of the Bill. Prescribed corporations are foreign corporations

- holding assets in excess of $3 million in land, mineral rights, shares and securities issued in Australia, other prescribed assets, or holding in excess of $1 million in any single asset;

- which are holding corporations of Australian companies whose assets exceed $3 million or
with single assets exceeding $1 million in value;

which are holding companies for any of the above.

Different minimum values may be prescribed for this section. "Foreign corporation" is itself widely defined (section 3).

The obligations of these corporations to furnish information to the Treasurer are prescribed under clauses 5, 6 and 7.

Clause 5 refers to a prescribed corporation, which is a registered foreign corporation under the Companies Act and lodges a copy of its balance-sheet with the National Companies and Securities Commission. The Bill would require that corporation to lodge a copy of its balance-sheet with the Treasurer.

Clause 6 refers to the obligations of other prescribed corporations. They are required to lodge a copy of that balance-sheet which they are required to furnish under the law in their place of incorporation. The Treasurer may require additional information of the corporations. If the place of incorporation does not require the preparation of a balance-sheet, foreign corporations are required to furnish a balance-sheet as if they were a company subject to the Companies Act.

In addition to the balance-sheet, prescribed corporations are required to furnish additional information under clause 7. Among other things the prescribed corporation has to supply the value of its total Australian assets, together with the value of its land, mineral rights, shares and securities of Australian corporations and any other prescribed assets. Individual items with a value exceeding $1 million must be separately identified. Statements furnished must be examined and certified as to their accuracy by an auditor (clause 8).

Clause 10 requires the Treasurer to keep a Register of Foreign Corporations containing the information furnished by prescribed corporations. For each corporation there will be information as to the name and address of the corporation and its agents together with the information the corporation is required to lodge with the Treasurer.

Provision is made for the public's inspection of the register (clause 11), penalties for corporations failing
to comply with the Act (clause 12), and the making of regulations under this Act (clause 13).

For further information, if required, contact:

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