Date Introduced: 20 March 1980
House: House of Representatives
Presented by: Hon. R.J. Hunt, M.P., Minister for Transport

Short Digest of Bill

Purpose

To amend the Australian National Railways Act 1917 to enable the Australian National Railways Commission, with the approval of the Treasurer, to borrow money by means of the issue of Commonwealth guaranteed securities.

Background

In the past, borrowings of the ANR Commission have been undertaken by the Commonwealth Government on behalf of the Commission, and have appeared in the Commonwealth Government's Budget outlays. The effect of the new borrowing provisions proposed by this Bill will be to enable the Commission, under certain conditions, to borrow in its own right, as do Telecom, the Australian Wheat Board and the A.C.T. Electricity Authority at present. This means that future borrowing, when undertaken in this manner, will not appear as part of Commonwealth Budget outlays. However the borrowing requirement of the public sector as a whole will be unchanged by the new provisions.

The Australian Shipping Commission Act is being amended to include similar provisions.

As stated in the Minister's Second Reading Speech, a new Agreement covering the construction of a standard gauge railway between Adelaide and Crystal Brook is being negotiated with South Australia. Subject to Parliamentary approval of the new Agreement, it is envisaged that funds for the project (of which $62 million has been approved under the Infrastructure financing arrangements) will be raised by the Commission issuing securities for sale to commercial institutions and the public under the new borrowing provisions contained in this Bill.

Main Provisions

A definition of securities is to be inserted into section 4 of the Principal Act (clause 3). Securities are
defined to include stocks, debentures, promissory notes and bills of exchange.

The existing borrowing powers of the Commission, which are contained in section 57B of the Principal Act, are to be repealed and replaced by ss.57B-57BD (clause 4).

Section 57BB contains the new provisions which will enable the Commission, with the approval of the Treasurer, to borrow money by means of the issue of Commonwealth guaranteed securities.

New sections 57B and 57BA rewrite existing provisions to take account of the separate functions of the Treasurer and the Minister for Finance.

Clause 5 enables the Treasurer, by notice in the Gazette, to exempt the securities issued by the Commission from stamp duties on issue and any subsequent sale or transfers.

Further details are provided in the Explanatory Memorandum circulated to all members and senators.