AUSTRALIAN OVERSEAS PROJECTS CORPORATION BILL 1978

Date Introduced: 12 April 1978
House: House of Representatives
Presented by: Rt. Hon. J.D. Anthony,
Minister for Resources

Short Digest of Bill

Purpose

To establish an Australian Overseas Projects Corporation (AOPC) to assist Australian firms to compete for overseas development projects.

Background

The establishment of an AOPC was first announced in November 1977 as part of the Liberal-NCP election policy platform. As explained in the Minister's Second Reading Speech, the Government believes that Australian private organisations' chances of successfully tendering for contracts will be improved with access to expertise available in government instrumentalities or with government backing in one form or another. Further explanation of the need for an AOPC is contained in the Second Reading Speech.

The powers and functions of the AOPC proposed in this Bill are narrower than those of the Australian Overseas Trading Corporation (AOTC) proposed by the Labor Government in 1975. The objectives of Labor's AOTC were to promote trade with the centrally planned economies and the Middle East countries, and also to assist smaller Australian manufacturers to develop new export markets; acting as principal or agent the AOTC was to have full powers to buy or sell in export or import markets. Opponents of the AOTC felt that the Corporation would compete against the private sector in general trading. The AOPC proposed in this Bill will be concerned only with development projects overseas, and is to be prohibited from engaging in general trading. (The legislation for the AOTC was defeated in the Senate in October 1975).

It is intended that the Corporation should commence operations at the beginning of 1978-79.

Main Provisions

The AOPC will:
- provide information on opportunities for Australian involvement in overseas development projects (paragraph 6(1)(a)).

- assist Australian private organisations to negotiate for or carry out overseas development projects (paragraph 6(1)(b) and (c)) e.g. by providing technical advice (paragraph 6(2)(a)) or, on request, joining into a consortium with a private organisation (paragraph 6(2)(b)).

- provided it is requested to do so, agree to carry out the whole or part of an overseas development project with a view to arranging for the work to be done by Australian private organisations (paragraphs 6(1)(d) and 9(1)(a)). The Corporation itself will only act as prime contractor if no capable Australian private organisation is willing to do it (sub-clause 9(2)).

Parts III and IV of the Bill relate to the establishment of an AOPC Board, the appointment of a Managing Director and the engagement of the staff of the Corporation. The Board will consist of a full-time Managing Director and seven part-time Directors; four of whom will be drawn from the private sector and one of whom will have experience in rural industry (sub-clauses 13(1), (2), (3) and (4)).

Part V of the Bill sets down the financial and accounting policies and responsibilities of the Corporation. The Corporation is to operate commercially (clause 33) and charge a fee for its services (sub-clause 10(c)). An initial working capital of $2 million is to be provided (clause 34) and the Corporation will be empowered to enter into contingent liabilities up to an initial limit of $50 million (clause 43).