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AUSTRALIAN SHIPPING COMMISSION AMENDMENT BILL 1982

Date Introduced: 21 October 1982
House: House of Representatives
Presented by: Hon. R. J. D. Hunt, Minister for
Transport and Construction

Short Digest of Bill

Purpose

To give the Australian Shipping Commission more autonomy in its financial operations, to organise its activities along more commercial lines and to specify the terms and conditions of the employment of Commissioners and officers.

Background

The Australian Shipping Commission, trading as the Australian National Line, is one of several Commonwealth statutory authorities which operate in the market place. For the most part, however, such authorities have not operated as purely commercial enterprises. On the one hand, they have enjoyed certain advantages over comparable private undertakings, such as benefiting from government guaranteed borrowing and government patronage. On the other hand, they have been restricted in their operations by governmental policy directives and government-imposed financial and employment constraints.

It is the philosophy of the present Government that such artificial distortions retard the efficiency with which these enterprises operate and moves have been made to cause a number of such bodies to function along more commercial lines. The partial deregulation of the Australian National Line was one of the recommendations of the committee undertaking the Review of Commonwealth Functions (RCF). The present Bill gives effect to several of the RCF recommendations in respect of ANL, especially in the areas of staffing, contracts and the setting of fares and freight rates. It also embodies the recommendation that ANL should develop a corporate plan with the aim of achieving efficiency and commercial viability.

It should be noted, however, that even though the Bill would grant the Commission a greater degree of autonomy in its operations, ANL will still not be fully deregulated. It will still benefit from government guarantees; it will still be subject to ministerial control of its financial targets and dividend policy; and it could still have to operate with a gearing ratio quite different from that of a comparable commercial enterprise.

Main Provisions

Clauses 4-9 propose amendments to the Australian Shipping Commission Act 1965 relating to the appointment of the Chairman, deputy Chairman and the Commissioners of the Australian Shipping Commission, their remuneration and allowances and the disclosure of interests. In addition, the amendments are also concerned with meetings of the Commission, the ability of the Commission to delegate its powers, and its functions. Under clause 9, the functions of the Commission will be extended to cover incidental functions as well as providing shipping services.

Clause 10 will amend section 16 of the Principal Act to allow the Commission to enter into contracts for the acquisition or disposal of any property, right or privilege up to the value of \$2 million without Ministerial approval. Currently, this limit is set at \$500,000. The Commission will require Ministerial approval for financial leases.

Clause 11 repeals sections 17, 17A, 18 and 19 of the Principal Act. Under the new section 17, the Commission will be required to conduct its operations efficiently and in a manner which accords with commercial practice. The new section 18 proposes that the Government will no longer be able to direct the Commission to abide by certain policies except where the Minister is satisfied that it is in the public interest to do so. Such directions will have to be tabled in the Parliament within seven sitting days. Under the new section 19, the Commission will be entitled to reimbursement of the costs associated with complying with the directions.

The new provisions of section 19A will enable the Commission to fix rates of charges for its services, subject to Ministerial approval of the bases upon which charges are set. By the new section 19B, the Commission will be required to prepare a Corporate Plan which should outline the objectives, strategies and policies for the purposes of ensuring that the Commission fulfils its duties on a long term basis.

Clauses 13 and 14 provide that the Commission may, without the Minister's approval, determine the terms and conditions of employment for all staff other than the salary of the General Manager.

Clause 15 provides for the General Manager's salary and allowances to be continued to be set by the Remuneration Tribunal.

Clause 17 repeals section 29 of the Principal Act and the new section 29 will allow the Commission to determine a financial target for each year's operations. The Minister may vary the target and provide reasons for the variation. In addition, the new section makes provision for a review of the financial results of the Commission during the year.

Under the new section 29A, the Commission shall recommend to the Minister a dividend for the financial year or propose not to pay a dividend. The Minister may accept the recommendation or direct the Commission to pay a dividend of a specified amount.

Clause 19 inserts a new section 31 into the Principal Act which provides for the Commission's borrowings, with the Treasurer's approval, from non-Commonwealth sources. The new section 32 allows for Government guaranteeing of the Commission's borrowings.

By clause 20, the Commission, after payment of a dividend, will be allowed to disburse profits in the manner it decides.

Under clause 25, the new section 44 will allow the Minister to request information in relation to the Commission's operations as the Minister requires.

For further information, if required, contact:

19 November 1982

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