

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SNOWY MOUNTAINS ENGINEERING CORPORATION AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Housing and
Construction, the Hon. Stewart West, M.P.)

OUTLINE

Explanatory Memorandum

Snowy Mountains Engineering Corporation Amendment Bill 1985

The purpose of this Bill is to provide for the restructuring and revitalisation of the Snowy Mountains Engineering Corporation so as to create a viable organisation resulting in consequential financial returns to the Commonwealth at levels consistent with sound commercial principles and practices.

The Bill broadens the functions and powers of the Corporation to allow it to progressively introduce Australian firms to overseas markets by way of joint ventures etc. and to expand its charter to make clear that it can compete for a full range of engineering projects.

The restructuring of the Corporation includes the establishment of a 5 member Board of Directors incorporating a Chairperson, a Managing Director and 3 other Directors. All, except the Managing Director, will be part-time office holders, and all the members will be appointed for a maximum period of 3 years and eligible for re-appointment.

Financial Implications

The restructuring and revitalisation of the Corporation will ensure that it operates on a commercial basis.

NOTES ON CLAUSES

Clause 1 - Short title

Provides for the short title of the Act.

Clause 2 - Commencement

Provides for commencement on a day to be fixed by Proclamation.

Clause 3 - Interpretation

Repeals Section 4 of the existing Act and the substituted section defines certain terms used in subsequent provisions of the Bill.

Clause 4 - Establishment of Corporation

Repeals part of Section 6 of the existing Act which makes the Corporation a corporation sole and reconstitutes the Corporation as an ordinary body corporate.

Clause 5 - Repeal of Sections 7-16

Repeals Sections 7-16 (inclusive) of the existing Act.

Clause 6 - Functions of Corporation

Amends Section 17 of the current Act. The substituted sub-sections outline the new functions of the restructured Corporation. These are to investigate, advise on, design, supervise and construct engineering works in Australia and overseas. The Corporation shall, wherever practicable, endeavour to involve and promote the interests of Australian companies and organisations overseas. It also allows for

the Minister, by instrument in writing, to direct the Corporation in the exercise of its powers, particularly directing the Corporation not to undertake work of specified type and in specified places.

Clause 7 - Powers of Corporation

Repeals Section 18 of the existing Act and the substituted section defines the Corporation's powers in connection with the performance of its functions. These include: entering into contracts, carrying out research, charging fees for services provided to clients, arranging payments to contractors and sub-contractors on behalf of clients, carrying out scientific tests, joining in the formation of partnerships and companies and recovering costs incurred on behalf of its clients. These powers can be exercised either alone or in association with other persons.

Clause 8

Repeals Parts IV, V and VI of the current Act. The substituted parts allow for the establishment of the Board and appointment of the Managing Director. They provide for the functions, membership, delegation by the Board, remuneration, resignation of individual members, disclosure of interest, conditions for termination of appointment, acting appointments, meetings of the Board, terms of appointment, staff appointments, financial policy of the Corporation, liability to taxation, etc.

The Bill also provides for the Annual Report of the Corporation to include all directions given and determinations made by the Minister in accordance with the proposed new Section 52 of the Act.

Clause 9 - Transitional

Maintains the effectiveness of anything done (e.g. contracts) under the provisions of the existing Act.

