

FOR PRESS :



P. M. NO. 83/1968

AMENDMENT TO A. C. T. COMPANIES ORDINANCE

Statement by the Prime Minister, Mr John Gorton

There are market reports of unusually large purchases of shares in an Australian life insurance company - M. L. C. Ltd. Shares so bought have been registered in the names of nominee companies. They now represent approximately 36 per cent of the total issued capital of the Company and the rate of purchasing has recently risen so dramatically as to suggest the possibility of a "raid" designed to take over the Company. Because the real buyers of the shares are cloaking their identity, and are believed to be foreign buyers, this has caused concern to the Government.

The Australian insurance company concerned controls \$750 million worth of Australian and New Zealand savings accumulated over the years and its invested funds are increasing at the rate of \$75 million a year as a result of savings by Australians and New Zealanders.

The Government does not believe that this accumulated Australian capital should be allowed to fall under the control of anonymous and probably foreign interests.

We therefore intend to amend the A. C. T. Companies Ordinance in relation to life insurance companies to require that nominee shareholders must reveal to the Insurance Commissioner the identity of the beneficial owners of the shares, and to restrict persons who are not residents of Australia, or companies which are not controlled by residents of Australia, from holding more than a certain percentage of shares in the Australian Company.

The amending ordinance will operate so as to redress the effect of any transactions taking place after today and will provide a transitional period within which existing shareholdings are to be adjusted.

The Government believes this action will protect the interests of the policy holders. We also believe that Australians will share our determination that control over their Australian savings, and decisions on the investment of their Australian savings, shall remain in the control of an Australian company and will not be allowed to fall under the control of overseas interests.

CANBERRA,
22 September 1968