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OVERSEAS TAKEOVERS OF AUSTRALIAN
COMPANIES

Joint Press Statement by the Prime Minister and the
Treasurer

The Government has given consideration to some of the problems raised as a consequence of attempts by overseas interests to take over control of Australian companies by market purchases of shares (perhaps in the name of nominees), "first-come first-served" offers for the purchase of shares, and other such measures designed to avoid the need for discussion with the company concerned.

The general view strongly held by the Government is that the shareholders of an Australian company should have the right to amend the company's Articles of Association for the purpose of ensuring that control of the company, exercised through the voting power of the shareholders, remains in Australian hands.

Under the present listing requirements of the Australian Associated Stock Exchanges, a company is not admitted to the Stock Exchange lists unless the company's Articles provide for equal voting rights for all shares of the one class.

The Prime Minister and the Treasurer today discussed the matter with Mr C. T. Looker, President of the Australian Associated Stock Exchanges and informed him of the Government's views. Mr Looker has undertaken to discuss with members of the Australian Associated Stock Exchanges an amendment of the provision mentioned.

The provision in question relates only to the voting rights attaching to a company's shares. The Government's concern is with control of Australian companies and with the ability of shareholders of Australian companies to decide for themselves whether their Articles should contain provisions restricting the voting rights of shares acquired by overseas residents. The proposal discussed with Mr Looker will not, if adopted by the Australian Associated Stock Exchanges, operate to impose restrictions on overseas ownership of shares in Australian companies or in any way inhibit the free transferability of such shares.

CANBERRA
5 December 1968