PRESS STATEMENT
MALCOLM FRASER 12 APRIL, 1967

A short while ago the Treasurer announced the formation of the Australian Banking Development Refinance Corporation.

This decision has been made after very full discussions between the Government and the Private Trading Banks. The purpose of the new Corporation is to help raise large scale funds for Australia for the development of the vast natural resources that have been and are still being discovered in Australia.

It is well known that over recent years there has been a high rate of overseas investment in iron ore, oxide and oil resources and the Government has been seeking ways and means to gain an increased Australian investment in major fields of this kind.

Up to the present time Australians have not been able to take full advantage of these opportunities because many individual developers have found difficulty in raising the funds that are necessary and thus, in numerous instances, overseas funds have been sought.

It is hoped that this new corporation will redress the balance, at least to some extent.
In short terms, the purpose of the new Corporation is to expand Australia's ownership and control in important major fields of national development. The new institution is yet one more new development in the evolution of the Australian Banking system and it complements our entering new areas such as the term loan and farm loan development funds which have been introduced in recent times.

The capital mobilized by the new institution will add to the direct overseas investment that has done much and will continue to do much for the development of Australia's major resources.

The Australian trading banks, with the support of the Reserve Bank, will establish a corporation to mobilise capital to enable Australian investors to establish or to participate, if necessary, with overseas investors in large scale productive enterprises in Australia.

Strong emphasis will be placed on strengthening Australian ownership and control in the development of natural resources, particularly minerals, oil and gas.

The trading banks will provide the share capital and will make loans to it. The Reserve Bank will lend to the Corporation amounts proportionate to the loans the Corporation receives from the trading banks.
It will have power to borrow and will accept longer-term deposits and other forms of fixed-interest borrowing. It will have the financial strength of the Australian banking system supporting it and thus will be in a position to attract funds from the public.

It would be difficult to tell in precise terms how this Corporation will work, but it is an important step and it could do much to encourage the development of Australia's great resources by Australians for Australia.