

Government Owned Corporations Amendment Bill 2006

Explanatory Notes

General Outline

Policy objectives

To amend the *Government Owned Corporations Act 1993* (the GOC Act) to improve and contemporise the corporate governance framework for the State's government owned corporations (GOC), streamline administrative processes set out in the GOC Act and to make consequential amendments to the *Acts Interpretation Act 1954*, the *Electricity Act 1994*, the *Queensland Investment Corporation Act 1991*, the *State Financial Institutions and Metway Merger Facilitation Act 1996*, the *Transport Infrastructure Act 1994*, the *Transport Planning and Coordination Act 1994*, the *Water Act 2000* and the *Whistleblowers Protection Act 1994*.

Reasons for the Bill

The GOC Act was drafted based upon the corporations law in existence in 1993. The GOC Act was to replicate, as far as possible, the corporations law that applied to public companies. Since that time, substantial changes have been made to company law through the introduction of the *Corporations Act 2001* and subsequent modifications. As the GOC Act is now out of step with current company law requirements, a review of the governance arrangements under the GOC Act has been necessary.

The GOC Act establishes two basic entities, namely the statutory GOC which is established as a body corporate under an Act and is not registered under the *Corporations Act 2001* (Cth) and the company GOC that is incorporated or registered under the *Corporations Act 2001*.

The GOC Act provides that company GOCs are subject to the *Corporations Act 2001*, except so far as the GOC Act otherwise provides. Statutory GOCs are not currently subject to the *Corporations Act 2001*. As a consequence, there are now differences between the governance regimes for statutory GOCs and company GOCs. The laws regulating the conduct

of the statutory GOCs diverge from those regulating company GOCs, particularly because of the Corporate Law Economic Reform Program (CLERP) reforms. There have also been technical amendments made to the *Corporations Act 2001* which have not been reflected in the GOC Act.

To allow time for a government entity to fully corporatise, the GOC Act provides for a staged transition of a government entity to a statutory GOC and then to a company GOC. As transitional issues can be dealt with through the process of a government entity becoming a candidate GOC and through the corporatisation charter, it is now considered the statutory GOC concept is no longer required.

Currently, GOC chief and senior executive appointments are made by Governor in Council on the recommendation of the GOC's board. This was because of difficulties arising under the *Constitution Act 1867* which have now been overcome such that there is no constitutional impediment to removing Governor in Council appointment requirements for both chief and senior executives of GOCs.

The GOC Act currently provides for assets and liabilities to be transferred between GOCs and GOC subsidiaries under a regulation made under section 188 GOC Act. However, third parties who have commercial relationships with the GOCs or GOC subsidiaries may seek to delay or override the transfer in order to further their own commercial interests to the detriment of the State and the people of Queensland. There is therefore need for a mechanism in the GOC Act to facilitate the smooth transition of the assets and liabilities within the GOC sector.

There are a number of other issues that require legislative clarification with respect to the position of GOCs vis-a-vis the State and the application of the *Ombudsman Act 2001* and there are some inconsistencies and redundancies in the GOC Act which need to be removed.

Following the introduction of International Financial Reporting Standards, the Australian Accounting Standards were changed to make them equivalent with the International Financial Reporting Standards. Implementation of these standards means that changes in the value of some assets may directly affect profit, potentially impacting on a GOC's dividend recommendation (even though the gains or losses are not realised). The GOC Act does not currently contemplate these impacts.

Procedural improvements have also been identified regarding the process for setting dividends and some other processes provided for under the GOC Act such as the finalisation of the GOC's corporate plan.

Achievement of Objectives

The most effective way of overcoming the problem of different and out of date regulatory standards being applied to statutory GOCs is to abolish the concept of statutory GOCs and convert all existing statutory GOCs to company GOCs. This effectively only changes the regulatory regimes so that statutory and company GOCs are aligned as originally intended.

The Bill achieves this main policy objective by effecting the amendments in two stages to provide for a transition to company GOC status. The first stage of amendments (Part 2 of the Bill) provides a mechanism for conversion of existing statutory GOCs to company GOCs. It nominates all existing statutory GOCs as candidate GOCs to become company GOCs and prevents further statutory GOCs being created. Part 2 will commence on assent of the Act.

The second stage of the amendments (in Part 3 and the Schedule) will amend the GOC Act by removing all provisions relating to statutory GOCs. These amendments will take effect on a date to be fixed by proclamation, after all statutory GOCs have converted to company GOCs. Other legislation will also be amended to ensure consistency with the above amendments.

Other policy objectives are achieved by:

- removing the requirement for chief and senior executive appointments to be made by Governor in Council and replacing it with the requirement for the GOC board to appoint with prior shareholding Ministers' approval;
- inserting a new provision in the GOC Act which provides a mechanism for the smooth transfer of assets and liabilities within the GOC sector;
- clarifying in the GOC Act an existing Government policy that GOCs do not represent the State unless expressly provided for in an Act;
- clarifying the application of the *Ombudsman Act 2001* to company GOCs, the effect of which will require company GOCs to provide to the Ombudsman information they hold about another agency which is subject to an Ombudsman investigation, if requested;
- streamlining the dividend process by removing the formal consultation requirement prior to dividend recommendations

being made, and clarifying that a GOC board must provide a statement of any adjustments made to its estimated profit before making a dividend recommendation;

- aligning technical provisions in the GOC Act with the *Corporations Act 2001* in relation to the number of shareholders, the optional use of a company seal and updating references to outdated terminology;
- aligning timeframes for completion of a GOC's corporate plan with that of its statement of corporate intent; and
- removing provisions of the GOC Act which have no current application and amending inconsistencies.

Alternatives to the Bill

The policy objectives can only be achieved by legislative enactment.

Estimated Cost for Government Implementation

Implementation costs are not expected to be significant.

Consistency with Fundamental Legislative Principles

The Bill raises a fundamental legislative principle of potentially affecting the rights and liberties of third parties without providing them with an opportunity to express a view – *Legislative Standards Act section 4(3)*.

Clause 56 of the Bill inserts a new section into the GOC Act which relates to transfers of assets and liabilities between GOCs or GOC subsidiaries. The section protects the State and other prescribed relevant entities from liability for things done under a regulation made under section 188(1) of the GOC Act.

Clause 56 is necessary to ensure that if the State wanted to transfer assets and liabilities between GOCs or GOC subsidiaries, third parties with commercial relationships with the GOC or GOC subsidiary do not seek to exploit this by attempting to delay or override the transfer to further their own commercial interests to the detriment of the State and the people of Queensland.

As this provision only relates to transfers or rearrangements within the GOC sector, the State remains the ultimate owner. Accordingly, rights of third parties under commercial arrangements would be largely unchanged.

The clause does not provide for the transfer of assets out of the GOC sector. GOC directors remain subject to duties to act in the best interests of the GOC.

Section 61 of the GOC Act currently operates in a similar way to the proposed new section 188A. Section 61 is relevant during the GOC corporatisation process because the same third party issues as described above could arise. Clause 19 of the Bill makes consequential amendments to section 61 of the GOC Act so that it uses wording consistent with that used in the proposed new section 188A. As anything done under the corporatisation facilitative mechanisms involves government owned entities only, the rights of third parties under commercial arrangements would be largely unchanged, as the State remains the ultimate owner.

Consultation

Consultation in relation to the draft Bill was carried out with key stakeholders who comprised the following:

- Queensland State Government
 - Department of the Premier and Cabinet
 - Treasury Department
 - Department of Transport
 - Department of Mines and Energy
 - Department of Natural Resources and Water
 - Department of Justice and Attorney General
 - Department of Industrial Relations
 - Office of the Ombudsman
 - Department of State Development
 - Office of the Public Service Commissioner
 - Office of State Revenue
 - Department of Education and Training and the Arts
 - Department of Local Government, Planning, Sport and Recreation
 - Department of Communities
 - Office of the Queensland Parliamentary Counsel

- All Queensland State government owned corporations

Consistency with Commonwealth legislation

The intent of the Bill is to ensure that all GOCs are subject to the *Corporations Act 2001*, except to the extent that the GOC Act expressly provides otherwise. The operation of the GOC Act is preserved by section 5G of the *Corporations Act 2001*.

Notes on Provisions

Part 1 Preliminary

Clause 1 states the short title of the amending Act.

Clause 2 provides for Part 3 of the amending Act and the schedule to the amending Act to commence on a day to be fixed by proclamation. The remainder of the amending Act will commence on assent.

Part 2 Amendment of *Government Owned Corporations Act 1993*

Clause 3 provides for the GOC Act to be amended.

Clause 4 removes definitions that are redundant having regard to the CLERP reforms and to the introduction of a single type of GOC. This clause also inserts a new definition of 'statutory GOC closing time' which is the time after which Governor in Council can no longer nominate a statutory GOC or part of a statutory GOC to become a company GOC. This is because each statutory GOC in existence immediately prior to the statutory GOC closing time is deemed (by virtue of the amendment to be made by clause 9 of the Bill) to be a candidate GOC to become a company GOC.

Clause 5 clarifies the meaning of a statutory GOC to ensure that no statutory GOCs can be created after the statutory GOC closing time.

Clauses 6 and 7 give effect to the introduction of a single type of GOC by removing the ability for a choice to be made as to corporatisation structure for a government entity, and removing the ability for statutory GOCs or subsidiaries of statutory GOCs to be created. This is because the statutory GOC concept is no longer required.

Clause 8 removes redundant provisions regarding statutory GOCs.

Clause 9 provides that all statutory GOCs are candidate GOCs immediately before the statutory GOC closing time.

Clauses 10 removes redundant definitional provisions containing references to statutory GOCs and company GOCs.

Clause 11 removes a redundant provision regarding nomination of a statutory GOC or part of a statutory GOC to become a company GOC. This nomination process is no longer required because of the introduction of a single type of GOC and removal of the statutory GOC concept.

Clauses 12 and 13 amend the matters that may be included in the draft corporatisation charter to reflect that statutory GOCs will no longer exist and renumber the provisions. The deleted provisions will be redundant as only company GOCs can be created after statutory GOC closing time.

Clauses 14 and 15 bring the GOC Act into line with the *Corporations Act 2001* by replacing the compulsory requirement for certain types of entities to have a seal, and renumber the provisions.

Clause 16 replaces references to ‘memorandum and articles’ and the ‘Corporations Law’, to ensure consistency with the *Corporations Act 2001* and removes a redundant reference to company GOC as a result of the introduction of a single type of GOC.

Clause 17 removes redundant provisions regarding statutory GOCs as a result of the introduction of a single type of GOC.

Clause 18 updates references to sections of the *Corporations Act 2001* and removes a redundant reference to a company GOC.

Clause 19 replaces existing section 61 of the GOC Act with a new section 61. This amendment is consequential on the proposed inclusion of a new section 188A in the GOC Act as outlined in clause 56 of the Bill. This clause provides that existing legal relationships continue despite anything done under Part 5 of the GOC Act, protects the State and other relevant

entities from liability for things done under this Part and provides that if advice, notice, consent or approval is required to do something under this Part, then advice is taken to be obtained, and notice, consent or approval is taken to be given unconditionally.

Clause 20 removes the ability for a government entity to transition to a statutory GOC or a subsidiary of a statutory GOC and renumbers the provisions.

Clauses 21 and 22 remove references to redundant sections from the GOC Act relating to statutory and company GOCs as a result of the introduction of a single type of GOC.

Clause 23 removes the requirement for the first chief executive officer of a GOC to be appointed by Governor in Council, and replaces it with a streamlined appointment process that requires appointment by the GOC's board with the prior written approval of the shareholding Ministers under section 102 of the GOC Act. It also clarifies the meaning of shareholding Ministers and the GOC's board when referring to candidate GOCs and removes a redundant reference to company GOC. The clause also removes a provision that displaced the *Corporations Act 2001* as the appointment process is no longer directly inconsistent with the *Corporations Act 2001*.

Clause 24 removes the requirement for the first senior executives of a GOC to be appointed by Governor in Council, and replaces it with a streamlined appointment process that requires appointment by the GOC's board with the prior written approval of the shareholding Ministers under section 168 of the GOC Act. It also clarifies the meaning of shareholding Ministers and the GOC's board when referring to candidate GOCs and removes a redundant reference to company GOC. The clause also removes a provision that displaced the *Corporations Act 2001* as the appointment process is no longer directly inconsistent with the *Corporations Act 2001*.

Clauses 25 and 26 remove redundant references to section 65 in the GOC Act relating to statutory GOCs as candidate GOCs and candidate GOC associates will now only need to comply with section 66 (on becoming a GOC it must be a public company limited by shares).

Clause 27 clarifies that statutory GOCs can not be established on or after the amending Act commences.

Clauses 28 and 29 update references to the 'Corporations Law' by replacing with references to the *Corporations Act 2001*.

Clause 30 brings the GOC Act into line with the *Corporations Act 2001* by removing the requirement to have five shareholders. GOCs will have two

shareholding Ministers with an equal number of voting shares and equal voting rights, but not necessarily equal non-voting shares.

Clause 31 replaces a reference to ‘memorandum or articles’ to ensure consistency with the *Corporations Act 2001*.

Clause 32 removes a redundant provision regarding non-voting shareholders as GOCs will not have non-voting shareholders upon commencement of the amending Act.

Clauses 33 to 38 replace references to ‘memorandum and articles’, ‘memorandum or articles’ and the ‘Corporations Law’, to ensure consistency with the *Corporations Act 2001*.

Clause 39 removes a redundant section regarding the first board of a statutory GOC as only company GOCs can be created after the statutory GOC closing time.

Clause 40 replaces a reference to ‘memorandum and articles’ to ensure consistency with the *Corporations Act 2001*.

Clause 41 clarifies the applicability of the provision to candidate GOCs and candidate GOC associates as a result of the introduction of a single type of GOC. It also removes redundant references to company GOCs and replaces a reference to memorandum and articles of association to ensure consistency with the *Corporations Act 2001*.

Clause 42 inserts a new section which provides that chapter 3, part 6, division 1 regarding the chief executive officer of a statutory GOC, applies to a statutory GOC subsidiary as if it were a statutory GOC. The clause clarifies that any provisions of the subsidiary’s constitution which may require consultation to occur between the subsidiary’s board and the GOC board before appointing the chief executive officer of the subsidiary, are not limited by the application of the section. The clause also clarifies the meaning of shareholding Ministers when referring to statutory GOC subsidiaries.

Clause 43 removes the requirement for a company GOC’s chief executive officer to be appointed by Governor in Council, and replaces it with a streamlined appointment process that requires appointment by the GOC’s board with the prior written approval of the shareholding Ministers. This clause also removes a provision that displaced the *Corporations Act 2001* as the appointment process is no longer directly inconsistent with the *Corporations Act 2001*.

Clause 44 inserts a new section which provides that the chief executive officer of a GOC subsidiary (which is not a subsidiary prescribed under a regulation made under section 177 (1) of the GOC Act) is to be appointed by the subsidiary's board with the prior written approval of the shareholding Ministers. This will ensure consistency of appointment processes for all GOCs and GOC subsidiaries. The clause also clarifies that any provisions of the subsidiary's constitution which may require consultation to occur between the subsidiary's board and the GOC board before appointing the chief executive officer of the subsidiary, are not limited by the application of the section.

Clauses 45 and 46 amend the timeframe for the shareholding Ministers and the board to reach agreement on the draft corporate plan for a subsequent financial year, to bring it into line with the timeframe that applies to the agreement of the statement of corporate intent.

Clause 47 removes a redundant subsection regarding the annual return as this is no longer a concept used under the *Corporations Act 2001* and renumbers the remaining subsections.

Clause 48 removes a redundant division. This division is redundant as there are no subsidiaries of GOCs that are not companies registered as a corporation under the *Corporations Act 2001*.

Clause 49 removes the requirement for GOCs to formally consult with shareholding Ministers before making a dividend recommendation. The clause also clarifies those items which must accompany a GOC board's dividend recommendation to shareholding Ministers. Historically, profit may have been impacted by unrealised capital gains from upwards revaluation of non-current assets. However, the range of items which could now affect profit has increased as a result of changes to the Australian Accounting Standards following the adoption of the International Financial Reporting Standards. For example, changes in the value of other assets could also affect profit thus impacting on a GOC's dividend recommendation. This clause requires a GOC's board to submit to shareholding Ministers with its dividend recommendation a statement of the amount of any adjustments made to its estimated profit and reasons for those adjustments. This will enable each GOC to address the accounting issues particular to their circumstances.

Clause 50 amends section 160 of the GOC Act consequential to amendments made to section 159. This clause inserts a new subsection which outlines those items that must accompany a GOC board's dividend recommendation regarding interim dividends to shareholding Ministers.

This clause also replaces an existing subsection (4) with two new subsections (4) and (4A). Subsection (4) requires shareholding Ministers to have regard to any adjustment identified by the GOC board to its estimated profit position when determining the amount the GOC is to be directed to pay under existing subsection (3)(b) of the GOC Act. Subsection (4A) preserves the existing cap on the maximum amount which shareholding Ministers can direct a GOC to pay under subsection (3)(b).

Clause 51 clarifies the meaning of a GOC's board and shareholding Ministers where this part of the GOC Act applies to a GOC subsidiary. The clause also clarifies that any provisions of the subsidiary's constitution which may require consultation to occur between the subsidiary's board and the GOC board before appointing senior executives of the subsidiary, are not limited by the application of section 168 of the GOC Act.

Clause 52 removes the requirement for senior executives of a GOC to be appointed by Governor in Council, and replaces it with a streamlined appointment process that requires appointment by the GOC board with the prior written approval of the shareholding Ministers. This clause also removes a provision that displaced the *Corporations Act 2001* as the appointment process is no longer directly inconsistent with the *Corporations Act 2001*.

Clause 53 inserts a new provision into the GOC Act which confirms that a GOC does not represent, and never has represented the State, unless expressly provided for in an Act.

Clause 54 removes the complete immunity which statutory GOCs prescribed by regulation have from the *Ombudsman Act 2001* and instead provides that a statutory GOC prescribed by regulation is not a public authority for the purposes of the *Ombudsman Act 2001*. This clause also renumbers the paragraphs. There are currently no statutory GOCs prescribed by regulation, so although this amendment takes effect on assent, there will be no practical change. This amendment is being made to retain the alignment between statutory GOCs prescribed by regulation and company GOCs.

Clause 55 removes the complete immunity of company GOCs from the *Ombudsman Act*, and instead provides that a company GOC is not a public authority for the purposes of the *Ombudsman Act*. This amendment will place company GOCs on equal footing with any other corporation or individual regarding application of the *Ombudsman Act 2001*. It will ensure the Ombudsman can obtain information from company GOCs relevant to an investigation of an agency.

Clause 56 inserts a new section 188A in the GOC Act which provides that existing legal relationships continue despite anything done under a regulation made under section 188(1) of the GOC Act and protects the State and other relevant entities from liability for things done under a regulation made under section 188(1). This clause also provides that if advice, notice, consent or approval is required to do something under a regulation made under section 188(1), that advice is taken to be obtained, and notice, consent or approval is taken to be given unconditionally.

Clause 57 inserts a new Chapter 5 with a transitional provision which provides that shares held by non-voting shareholders before the commencement of the amending Act are transferred to the GOC Minister on the commencement of the amending Act.

Clause 58 removes an inconsistency in schedule 1 of the GOC Act regarding the eligibility of appointment of public service officers as directors of GOCs.

Clause 59 removes the requirement for the chief executive officer of a statutory GOC to be appointed by the Governor in Council, and replaces it with a streamlined appointment process that requires appointment by the GOC's board with the prior written approval of the shareholding Ministers.

Clause 60 replaces footnotes in schedule 3 of the GOC Act with notes where necessary for consistency with current legislative drafting practice, clarifies that staff of the Audit Office are staff of the Queensland Audit Office, replaces references to 'Corporations Law' to ensure consistency with the *Corporations Act 2001*.

Clause 61 makes amendments to schedule 4 of the GOC Act, to extend those changes made to Chapter 3 of the GOC Act to prescribed company GOC subsidiaries. These include:

- replacing references to 'memorandum and articles' and 'Corporations Law', to ensure consistency with the *Corporations Act 2001*;
- removing appointment provisions for the chief executive officer of a company GOC subsidiary with appointment by the subsidiary's board with the prior written approval of the shareholding Ministers;
- clarifying that any provisions of the subsidiary's constitution which may require consultation to occur between the subsidiary's board and the GOC board before appointing the

subsidiary's chief executive officer, are not limited by the application of section 102(1) of the schedule;

- removing a provision that displaced the *Corporations Act 2001* as the appointment process for the chief executive officer of a company GOC subsidiary is no longer directly inconsistent with the *Corporations Act 2001*;
- inserting a new subsection which outlines that a company GOC subsidiary does not represent, and never has represented the State, unless expressly provided for in an Act;
- replacing section 184 with a new section which removes the complete immunity of a company GOC subsidiary from the *Ombudsman Act 2001* and providing that a company GOC subsidiary is not a public authority for the purposes of the *Ombudsman Act 2001*; and
- removing redundant subsections.

Clause 61 also inserts a note explaining how Chapter 3 is applied to schedule 4 and replaces footnotes in schedule 4 with notes where necessary for consistency with current legislative drafting practice. The clause establishes that the provisions of Chapter 3 of the GOC Act apply to each company GOC subsidiary with the changes outlined in part 2 of schedule 4, after the commencement of part 2 of the amending Act.

Clause 61 also replaces a reference to 'shareholders' with 'shareholding GOCs' to ensure consistent terminology across the GOC Act.

Clause 61 also replaces sections 76 to 80 of schedule 4 of the GOC Act with sections 76 and 77. This amendment effectively reduces five sections of schedule 4 into two sections for legislative clarity.

Part 3 Other amendments of Acts

Clause 62 provides that the schedule amends other Acts.

Schedule Amendments of Acts commencing by proclamation

Acts Interpretation Act 1954

Clause 1 removes redundant definitions of ‘company GOC’ and ‘statutory GOC’ in section 36.

Electricity Act 1994

Clause 1 removes the redundant definition of ‘GOC’ in schedule 5 of the *Electricity Act 1994* as GOC is defined in the *Acts Interpretation Act 1954* and removes the redundant definition of ‘statutory GOC’ in schedule 5 as a result of the introduction of a single type of GOC.

Government Owned Corporations Act 1993

Clause 1 removes redundant definitions of ‘company GOC’ and ‘statutory GOC’ in section 3 of the GOC Act as a result of the introduction of a single type of GOC.

Clause 2 replaces the definition of ‘responsible Ministers’ in the GOC Act with a new definition to remove redundant references to statutory GOCs.

Clause 3 replaces the definition of ‘shareholding Ministers’ in section 3 of the GOC Act with a new definition to take into account the removal of redundant references to statutory GOCs and company GOCs.

Clause 4 removes redundant references to statutory GOC.

Clause 5 renumbers the subsections in section 5 of the GOC Act.

Clause 6 removes a redundant section regarding types of GOCs as a result of the introduction of a single type of GOC.

Clause 7 removes a redundant reference to statutory GOC.

Clause 8 removes a reference to the ability to alter types of GOCs as this will no longer be possible.

Clause 9 removes a redundant reference to company GOCs as there is no longer a need to distinguish different types of GOCs.

Clause 10 removes redundant references to statutory GOCs, subsidiaries of statutory GOCs and company GOCs and replaces them with a reference to a subsidiary of a GOC.

Clause 11 replaces the definition of 'candidate GOC' with a new definition to take into account the removal of statutory GOCs.

Clause 12 removes a redundant reference to changing type of GOC as there will no longer be different types of GOC.

Clause 13 removes a redundant section relating to candidate GOC changing its type as there will no longer be different types of GOC.

Clause 14 removes redundant reference in heading of section 31 of the GOC Act.

Clause 15 replaces a redundant subsection with a new subsection that does not refer to a statutory GOC.

Clause 16 removes a redundant section referring to statutory GOC.

Clauses 17, 18, 19 and 20 remove redundant references to statutory GOCs and renumber the paragraphs in sections 50 and 53 of the GOC Act.

Clauses 21 and 22 replace references in section 54A(3) to the title of section 57B and to the title of schedule 2, with the new title of section 57B and new title of schedule 2 as amended by the amending Act.

Clause 23 replaces existing subsection 57(3) with a new subsection which removes a reference to statutory GOC and clarifies that schedule 1 applies to the interim board of directors of an entity to become a GOC or GOC subsidiary.

Clause 24 removes existing section 57B and replaces it with a new section which clarifies the application of schedule 1 and schedule 2 of the GOC Act as amended by the amending Act.

Clause 25 removes a redundant reference to 'company'.

Clause 26 removes redundant reference to company GOC and subsidiary of a company GOC and replaces it with reference to GOC and GOC subsidiary.

Clause 27 removes redundant references to 'a candidate GOC of a particular type' and 'a subsidiary of a candidate GOC of a particular type'.

Clause 28 renumbers the subsections of section 62.

Clause 29 removes a redundant division relating to statutory GOCs.

Clause 30 removes a redundant division heading relating to company GOCs.

Clause 31 replaces an existing section with a new section that does not refer to company GOCs.

Clause 32 removes a redundant division relating to statutory GOCs.

Clause 33 removes a redundant division heading relating to company GOCs.

Clause 34 removes redundant references to 'company' in sections 69 and 70.

Clause 35 removes redundant reference to 'Company' in heading of section 70.

Clause 36 removes a redundant division relating to statutory GOCs.

Clause 37 removes redundant division headings.

Clause 38 removes redundant references to 'company' in section 76, 77(1) and 81(1).

Clause 39 relocates and renumbers section 81 of the GOC Act as section 85A.

Clause 40 removes a redundant division relating to statutory GOCs.

Clause 41 removes a redundant division heading.

Clause 42 removes redundant references to 'company' in sections 88 to 90.

Clause 43 removes a redundant division relating to statutory GOCs.

Clause 44 removes a redundant division heading relating to company GOCs.

Clause 45 removes redundant references to 'company' in sections 95 to 96A and in the heading of section 96B.

Clause 46 removes a redundant division relating to statutory GOCs.

Clause 47 removes a redundant heading relating to company GOCs.

Clause 48 removes redundant references to 'company' in section 102 and 102A.

Clause 49 removes a redundant division relating to statutory GOCs.

Clause 50 removes redundant division headings relating to company GOCs and GOCs generally.

Clause 51 removes redundant references to ‘company’.

Clause 52 removes redundant references to requirements of statutory GOCs’ annual report as there will no longer be statutory GOCs.

Clause 53 renumbers the subsections of section 131.

Clause 54 removes a redundant division relating to statutory GOCs.

Clause 55 removes redundant division headings relating to company GOCs and GOCs generally.

Clause 56 removes redundant references to ‘company’ in section 145.

Clause 57 removes a redundant division relating to statutory GOCs.

Clause 58 removes a redundant heading relating to company GOCs.

Clause 59 removes redundant references to ‘company’ from sections 152 and 153.

Clause 60 removes a redundant subsection from section 159 which relates to the dividend of a statutory GOC.

Clause 61 removes a redundant reference to company GOC in section 159(6).

Clause 62 replaces the reference in section 159(8) to subsection (4)(b), with a new reference to section 159(3)(b) due to paragraph renumbering.

Clause 63 renumbers the paragraphs in section 159.

Clause 64 replaces the reference in section 159A(1) to section 159(4), with a new reference to section 159(3) due to paragraph renumbering in section 159.

Clause 65 removes a redundant reference in section 159A(2) to section 127 as this section will no longer exist.

Clause 66 removes a redundant division heading.

Clause 67 removes a redundant division relating to employees of statutory GOCs as statutory GOCs will no longer exist.

Clause 68 removes redundant division headings relating to company GOCs and GOCs generally.

Clause 69 removes a redundant reference to ‘company’ in section 167.

Clause 70 removes redundant division headings relating to GOCs generally and company GOCs.

Clause 71 removes redundant references to ‘company’ in section 177.

Clause 72 removes a redundant division relating to statutory GOCs.

Clause 73 removes redundant references to ‘company’ in section 183 and 184.

Clause 74 removes a redundant reference to ‘company GOC’ in section 192(4) and replaces it with a reference to GOC.

Clause 75 inserts a new section 193A into chapter 4 of the GOC Act which provides for the GOC Act to be numbered and renumbered in the next reprint of the GOC Act.

Clause 76 inserts a new section 195 into chapter 5 of the GOC Act which provides that any references to a company GOC or a statutory GOC in an Act or document, may be taken to be a reference to a GOC.

Clause 77 removes the existing title of schedule 1 and replaces it with a new title and authorising provisions.

Clause 78 inserts a new part 1AA into schedule 1 which provides definitions of ‘interim board’ and ‘relevant entity’ for the purposes of schedule 1. This preserves the existing operation of section 57 of the GOC Act as it relates to the interim board of an entity to become a GOC or GOC subsidiary.

Clause 79 amends the heading of part 1 schedule 1 to clarify the part is in relation to the interim board of relevant entities.

Clause 80 removes a redundant section in schedule 1 relating to the appointment of directors to the board of a statutory GOC and inserts a new section which provides that the Governor in Council is to appoint the directors of an interim board of a relevant entity.

Clause 81 replaces the reference to ‘board’s’ in schedule 1 section 2, with a reference to ‘interim board’s’ to reflect that schedule 1 applies to interim boards of directors.

Clauses 82 and 83 replace references to ‘board’ in the heading of part 2 and sections 3 to 5, 7 to 10 and 15 with a reference to ‘interim board’ to reflect that schedule 1 applies to interim boards of directors.

Clause 84 removes redundant section 7(2) in schedule 1 which refers to 135(3) of the GOC Act which will be removed by the amending Act.

Clause 85 removes redundant words in section 11(2) in schedule 1 which refer to statutory GOCs and replaces them with a reference to a relevant entity.

Clause 86 removes the existing title of schedule 2 and replaces it with a new title and authorising provision. This preserves the existing operation of section 57B of the GOC Act as it relates to candidate GOC associates and associate subsidiaries.

Clause 87 inserts a new part 1 into schedule 2 which provides definitions of 'interim board', 'relevant entity' and 'responsible Ministers' and new part 2 heading.

Clause 88 replaces redundant section 1 regarding the appointment of a chief executive officer of a statutory GOC and inserts a new section which provides that the chief executive officer of a relevant entity is to be appointed by the entity's interim board with the prior written approval of the responsible Ministers.

Clause 89 replaces references to 'board' in sections 2, 3 and 5 of schedule 2, with references to 'interim board' to reflect that schedule 2 applies to interim boards of directors.

Clause 90 inserts new words into schedule 2, section 4 to clarify that the chairperson is the chairperson of the interim board.

Clause 91 inserts new sections into schedule 2 which outline the duties of the chief executive officer of an interim board, that actions undertaken for a relevant entity by the chief executive officer are considered to have been done by the relevant entity, that the chief executive officer of a relevant entity may delegate the chief executive officer's functions to appropriately qualified employees and that senior executives of a relevant entity are to be appointed by the relevant entity's interim board with the prior written approval of the responsible Ministers. This preserves the existing operation of section 57B of the GOC Act as it relates to candidate GOC associates and associate subsidiaries.

Clause 92 removes redundant references to 'company' in the heading of schedule 3, parts 1 to 3 of schedule 3 and the headings of parts 4 and 5 of schedule 3.

Clause 93 removes a redundant reference to '*company GOC subsidiary*' in schedule 3, part 3, section 5 and removes redundant references to '*company*' in schedule 3, parts 4 and 5.

Clause 94 removes redundant references to ‘*Company*’ in schedule 3, parts 4 and 5.

Clause 95 removes redundant references to ‘company’ in the heading of schedule 4, in part 1 of schedule 4 and the heading of part 2 of schedule 4.

Clause 96 removes a redundant reference to ‘*company*’ in schedule 4, part 1, section 2.

Clause 97 outlines that the provisions of Chapter 3 of the GOC Act apply to each GOC subsidiary with the changes outlined in part 2 of schedule 4, after the commencement of the first amendment of the GOC Act under the schedule of the amending Act.

Clause 98 removes a redundant reference to ‘*Company*’ from the heading of schedule 4, part 2, chapter 3.

Clause 99 removes redundant division headings in parts 1, 2, 3, 5, 6, 11, 12, 13 and 17 of schedule 4, part 2, chapter 3.

Clause 100 removes a redundant reference to ‘Company’ in the heading of section 66 of schedule 4.

Clause 101 replaces a reference to ‘company GOC’ in section 66 of schedule 4 with a reference to ‘GOC’.

Clause 102 removes redundant references to ‘*company*’ in sections 69, 76, 81(1), 85 and 153 of schedule 4, part 2, chapter 3 and in parts 10 to 12 of schedule 4.

Clause 103 removes redundant references to ‘company’ in sections 69, 70, and 76 of schedule 4, part 2, chapter 3 and in parts 4 to 17 of schedule 4.

Clause 104 removes redundant reference to ‘Company’ in section 70 of schedule 4, part 2, chapter 3.

Clause 105 relocates and renumbers section 81 of schedule 4 as section 85A.

Clause 106 removes a redundant reference to requirements of an annual report of a company GOC subsidiary.

Clause 107 renumbers subsection of section 131 in schedule 4.

Clause 108 inserts a new section into schedule 4 relating to the application of the Corporations Act to officers of GOCs which replicates section 145 of the GOC Act but provides that the section itself does not apply. This is consistent with the way schedule 4 applies chapter 3 of the GOC Act.

Queensland Investment Corporation Act 1991

Clause 1 replaces the existing long title of the *Queensland Investment Corporation Act 1991* with a new long title to clarify what the *Queensland Investment Corporation Act 1991* provides for.

Clause 2 removes redundant definitions from section 3 of the *Queensland Investment Corporation Act 1991*.

Clause 3 inserts a note under the definition of Corporation to clarify that Queensland Investment Corporation is a government owned corporation.

Clause 4 removes section 5 relating to the constitution of the corporation and section 12 relating to affixing of the seal as they will be redundant following the transfer of incorporation to the *Corporations Act 2001*.

Clause 5 removes part 3 on the objectives and powers of the corporation from the *Queensland Investment Corporation Act 1991* as it is redundant following the transfer of incorporation to the *Corporations Act 2001*.

Clause 6 relocates section 28 as section 37A in part 7.

Clause 7 removes part 4 on the duties and liabilities of directors from the *Queensland Investment Corporation Act 1991* as it is redundant following transfer of incorporation to the *Corporations Act 2001*.

Clause 8 replaces existing paragraph (a) of section 36 with new paragraph (a) that does not reference redundant sections of the *Queensland Investment Corporation Act 1991* and clarifies section 174 of the GOC Act does not apply to Queensland Investment Corporation as a GOC.

Clause 9 removes redundant dot points from section 36(b) of the *Queensland Investment Corporation Act 1991*.

Clause 10 amends section 42(2) of the *Queensland Investment Corporation Act 1991* so that the indemnity provided for under section 42(1) applies only for anything done before 1 October 1994, i.e. the date upon which Queensland Investment Corporation became a GOC under the GOC Act.

State Financial Institutions and Metway Merger Facilitation Act 1996

Clause 1 inserts definitions of ‘company GOC’ and ‘statutory GOC’ into the *State Financial Institutions and Metway Merger Facilitation Act 1996* to clarify that the definitions are those as in force before the commencement of the first amendment of the GOC Act under the schedule of the amending Act.

Transport Infrastructure Act 1994

Clause 1 removes redundant objective regarding Queensland Rail from section 2(d) of the *Transport Infrastructure Act 1994* as it is no longer necessary given the other amendments being made to the *Transport Infrastructure Act 1994*.

Clause 2 removes redundant reference to GOCs in section 2(e) of the *Transport Infrastructure Act 1994* as it is no longer necessary given the other amendments being made to the *Transport Infrastructure Act 1994*.

Clause 3 amends section 271(4) of the *Transport Infrastructure Act 1994* to provide that subsections (2) and (3) of section 271 do not apply if the management of a port is transferred between GOC Act entities. The amendment is necessary because if any port GOCs are established in the future, they will be incorporated under the *Corporations Act 2001* and would not be created under the GOC Act.

Clause 4 replaces reference to Act in section 271(4)(b) with a reference to the *Government Owned Corporations Act 1993*.

Clause 5 amends section 272(3) of the *Transport Infrastructure Act 1994* to provide that the section does not apply if the management of a port is transferred between GOC Act entities.

Clause 6 replaces existing section 274(A) with new section which outlines what a regulation under the *Transport Infrastructure Act 1994* may declare for a GOC Act entity. The effect of the section has not changed; references have been changed.

Clause 7 removes redundant reference to *Government Owned Corporations Act 1993* in section 278(1) of the *Transport Infrastructure Act 1994*.

Clause 8 inserts a new section 278A into Chapter 8 of the *Transport Infrastructure Act 1994* which provides that the functions or powers of a GOC which is a port authority are not limited by Chapter 8 of the *Transport Infrastructure Act 1994*.

Clause 9 removes redundant references to sections of the *Government Owned Corporations Act 1993* which will be removed by the amending Act.

Clause 10 removes redundant dot points from section 294(3) of the *Transport Infrastructure Act 1994* which refer to redundant sections of the *Government Owned Corporations Act 1993* and replaces them with

references to the relevant sections of the *Government Owned Corporations Act 1993* as amended by the amending Act.

Clause 11 inserts a new subsection into section 438 which provides that Queensland Rail's functions are not limited by section 438 as Queensland Rail will become subject to the *Corporations Act 2001* as a company GOC.

Clause 12 removes redundant reference to *Government Owned Corporations Act 1993* in section 463(a) of the *Transport Infrastructure Act 1994*.

Clause 13 inserts a new subsection into section 463 of the *Transport Infrastructure Act 1994* which provides that the functions, powers or obligations of a GOC which is a port authority are not limited by section 463.

Clause 14 removes existing definition of transport GOC and replaces it with a new definition that provides a transport GOC is a GOC on which functions are conferred under this Act.

Clause 15 inserts a definition of GOC Act entity into schedule 6 of the *Transport Infrastructure Act 1994*.

Transport Planning and Coordination Act 1994

Clause 1 amends the definition of transport GOC in section 3 of the *Transport Planning and Coordination Act 1994*.

Water Act 2000

Clause 1 inserts a note into section 1122(1) of the *Water Act 2000* to clarify that SunWater is a government owned corporation.

Clause 2 removes redundant section 1122(5) from the *Water Act 2000*.

Whistleblowers Protection Act 1994

Clause 1 removes redundant reference to GOCs in section 7(2) of the *Whistleblowers Protection Act 1994* as the *Whistleblowers Protection Act 1994* will no longer apply to GOCs.

Clauses 2 and 3 remove redundant subsection (6), which provides for the application of the Act to GOCs, from section 10 of the *Whistleblowers Protection Act 1994* and renumbers the subsections.

Clause 4 removes redundant part of footnote in section 25(1) which refers to division 5 of the *Whistleblowers Protection Act 1994*. Division 5 of the *Whistleblowers Protection Act 1994* is to be omitted by Clause 7.

Clause 5 removes reference in section 26(2) to division 4, 5 or 6 of the *Whistleblowers Protection Act 1994* and replaces it with a reference to 4 or 6 only, and includes a new footnote which quotes the heading of division 4 and division 6.

Clause 6 removes reference in section 27(6) to divisions 4 to 6 of the *Whistleblowers Protection Act 1994* and replaces it with a reference to divisions 4 and 6.

Clause 7 removes redundant division 5 from part 4 of the *Whistleblowers Protection Act 1994* which provides for a limitation on disclosure processes for GOCs as the *Whistleblowers Protection Act 1994* will no longer apply to GOCs.

Clause 8 removes redundant reference to statutory GOC in schedule 1 of the *Whistleblowers Protection Act 1994*.

Clauses 9 and 10 remove paragraph (j) from the definition of public sector entity in section 2(1) of schedule 5 of the *Whistleblowers Protection Act 1994*, as the *Whistleblowers Protection Act 1994* will no longer apply to GOCs. It also renumbers the paragraphs.

Clause 11 removes existing wording of section 2(2)(a) of the *Whistleblowers Protection Act 1994* and replaces it with new words to outline that a GOC is not a public sector entity.