



Queensland

Government Owned Corporations (NQBP Amalgamation) Regulation 2012

Explanatory Notes for SL 2012 No. 22

made under the

Government Owned Corporations Act 1993 (Qld)

General outline

Short title

Government Owned Corporations (NQBP Amalgamation) Regulation 2012.

Authorising law

Section 161 of the *Government Owned Corporations Act 1993 (Qld)*

Policy objectives and the reasons for them

The objective of the regulation is to give effect to the final stage of the recommendations of the *2008 Review of the Queensland Port Network Structure ('the Review')*, which recommended the implementation of a five port authority network for Queensland's port Government Owned Corporations.

The implementation of a streamlined structure was directed towards building export strength, strengthening regional capacity and ensuring economic viability, employment growth and further trade development.

The first stage in the implementation of the Review's recommendations was effected by the *Government Owned Corporations (Queensland Ports Restructure) Regulation 2009*, which redistributed a number of businesses operated by Ports Corporation of Queensland Limited (PCQ), and declared North Queensland Bulk Ports Corporation Limited (NQBPA) to be a Government Owned Corporation (GOC). This regulation also revoked the GOC status of PCQ and Mackay Ports Limited (MPL), to enable all shares in these entities to be transferred by deed to NQBPA.

The regulation will give effect to the final stage in the restructure of the Queensland port GOC sector to a five port authority structure, by amalgamating the assets and operations of NQBPA with those of its wholly-owned subsidiaries PCQ and MPL.

Achievement of policy objectives

The regulation achieves its objectives by transferring the assets and business operations of PCQ and MPL to NQBPA. Consistent with the recommendations of the Review, it is expected that the amalgamation of operations into one corporate entity will result in more streamlined operations, enabling greater focus on trade development. The amalgamation is also expected to foster a culture of a single consolidated entity amongst employees.

Consistency with policy objectives of authorising law

The regulation is consistent with the main objectives of the Government Owned Corporations Act 1993, that is to ensure that GOCs will be commercially successful in the conduct of their activities, and to ensure the overall efficiency and effectiveness of GOCs.

Inconsistency with policy objectives of other legislation

The regulation is consistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

Consideration was given to effecting the amalgamation by way of a non-legislative option, such as inter-company transfers between NQBPA, PCQ and MPL. Ultimately, it was determined that, as it was a Government

decision to implement a five port authority structure, it was appropriate that the amalgamation be effected by legislation. The use of the regulation-making power in section 161 of the *Government Owned Corporations Act 1993* has been relied upon in implementing a number of Government-initiated restructures. As such, the process offers certainty to affected stakeholders.

Benefits and costs of implementation

The main benefit of the regulation will be to streamline the operations of NQBP, thereby enabling NQBP to focus on trade development and growth.

It is not anticipated that there will be additional costs to Government.

Consistency with fundamental legislative principles

The regulation raises no issues in regards to fundamental legislative principles.

Consultation

The implementation of the five port authority structure, as recommended by the Review, was the subject of extensive consultation between Treasury, the Department of Transport and Main Roads, the Department of Justice and Attorney-General, the affected port GOCs and relevant union organisations.

Ongoing consultation has been undertaken between Treasury, the Department of Transport and Main Roads, NQBP and relevant union organisations regarding the amalgamation.

Queensland Treasury Corporation and the Queensland Audit Office have been consulted regarding the various financial aspects of the amalgamation.

The Regulatory Review Branch has been consulted regarding the need to prepare a Regulatory Assessment Statement (RAS). The date of approval of the proposal predates the implementation of the RAS system. Additionally, it has been advised that as the proposal concerns the internal management of a public sector entity, the regulation is considered to be excluded from the RAS system.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Treasury Department.

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