

**GRAIN HANDLING AUTHORITY (CORPORATISATION) BILL  
1989**

NEW SOUTH WALES



**EXPLANATORY NOTE**

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

The object of this Bill is to establish a State owned corporation, within the context of the State Owned Corporations Act 1989, in relation to grain handling.

The Bill provides initially for the establishment of NSW Grain Corporation Limited as a SOC, but enables its eventual replacement by NSW Grain Corporation Holdings Limited as a SOC. It is envisaged that this substitution would take place when the first company ("Grain Corporation") becomes a subsidiary of the second company ("Grain Holdings").

The Bill also provides for the transfer of certain assets, rights and liabilities of the Grain Handling Authority to Grain Corporation, and for the eventual dissolution of the Authority.

The Bill contains other provisions, as described below.

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**PART 1 - PRELIMINARY**

**Clause 1** specifies the short title of the proposed Act.

**Clause 2** provides that the proposed Act is to commence on a proclaimed day or days.

**Clause 3** contains definitions used in the proposed Act, and also provides that words and expressions used in the proposed Act have the same meanings as they have in the State Owned Corporations Act 1989.

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### **PART 2 - ESTABLISHMENT OF STATE OWNED CORPORATION**

**Clause 4** provides for the insertion of the name of Grain Corporation in Schedule 1 to the State Owned Corporations Act 1989. This action is contemplated by the State Owned Corporations Act, and has the effect of making Grain Corporation a SOC.

**Clause 5** provides for the later substitution of the name of Grain Holdings for that of Grain Corporation in the State Owned Corporations Act. As mentioned above, this action would take place when Grain Corporation becomes a subsidiary of Grain Holdings.

### **PART 3 - TRANSFER OF ASSETS, RIGHTS AND LIABILITIES**

**Clause 6** empowers the Minister to direct the transfer of the business undertaking of the Grain Handling Authority to Grain Corporation. On the direction taking effect, the assets of the Authority vest in Grain Corporation and the rights and liabilities of the Authority become those of Grain Corporation.

**Clause 7** empowers the Minister to direct that assets, rights and liabilities be excluded from the business undertaking transferred to Grain Corporation, and these are instead transferred to another person nominated by the Minister on behalf of the Crown.

**Clause 8** empowers the Minister to direct the transfer of other assets, rights and liabilities belonging to the State and used by the Grain Handling Authority. Such a transfer is to be made to Grain Corporation, Grain Holdings or a subsidiary of either.

**Clause 9** provides that the Grain Handling Authority is subject to the control and direction of the Minister for the purposes of the transfers mentioned above.

### **PART 4 - DISSOLUTION OF AUTHORITY**

**Clause 10** provides for the dissolution of the Grain Handling Authority.

**Clause 11** provides that members of the Grain Handling Authority cease to hold office on its dissolution. Compensation is payable under Part 8 of the Public Sector Management Act 1988 to a person so affected, unless the person is appointed to the service of Grain Corporation, Grain Holdings or a subsidiary of either.

**Clause 12** repeals the Grain Handling Act 1954 and all regulations in force under that Act.

### **PART 5 - MISCELLANEOUS**

**Clause 13** establishes a Grain Handling Ministerial Corporation for the purpose of being a repository of assets, rights and liabilities of the Grain Handling Authority that are not transferred to Grain Corporation, Grain Holdings or a subsidiary of either.

**Clause 14** facilitates the process by which Grain Corporation can become a subsidiary of Grain Holdings.

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Clause 15 deals with any changes of names that might occur for Grain Corporation and Grain Holdings.

Clause 16 empowers the Governor-in-Council to make regulations for the purposes of the proposed Act, including regulations of a savings or transitional nature.

Clause 17 is a formal provision giving effect to the amendments set out in Schedule 1.

**SCHEDULE 1 - AMENDMENT OF ACTS**

References to the Grain Handling Authority or any predecessor are removed from the Land Tax Management Act 1956, the Pipelines Act 1967 and the Wheat Marketing Act 1984.

The Public Authorities (Financial Arrangements) Act 1987 is amended to insert State owned corporations as bodies which are eligible to be prescribed by regulation as authorities for the purposes of Part 2 of that Act.

The Public Sector Management Act 1988 is amended to require, where compensation has been paid to a person removed from a statutory office, proportionate repayment of the compensation if the person is employed by a State owned corporation during the period compensated.

The State Owned Corporations Act 1989 is amended:

- (a) to insert references to "rights" in addition to assets and liabilities, to bring it into conformity with the language used in the proposed Act; and
  - (b) to provide that Ministers who hold shares in a subsidiary of a State owned corporation may transfer their shares to the corporation or a subsidiary of the corporation.
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