

Queensland



Government Owned Corporations Act 1993

GOVERNMENT OWNED CORPORATIONS (QGC CORPORATISATION) REGULATION 1994

**Reprinted as in force on 25 August 1997
(includes amendments up to SL No. 167 of 1997)**

Reprint No. 1B

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Information about this reprint

This regulation is reprinted as at 25 August 1997. The reprint shows the law as amended by all amendments that commenced on or before that day (Reprints Act 1992 s 5(c)).

The reprint includes a reference to the law by which each amendment was made—see list of legislation and list of annotations in endnotes.

This page is specific to this reprint. See previous reprints for information about earlier changes made under the Reprints Act 1992. A table of earlier reprints is included in the endnotes.

Also see endnotes for information about—

- **when provisions commenced**
- **editorial changes made in earlier reprint.**

Queensland



**GOVERNMENT OWNED
CORPORATIONS (QGC
CORPORATISATION) REGULATION
1994**

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GOVERNMENT OWNED CORPORATIONS (QGC CORPORATISATION) REGULATION 1994

[as amended by all amendments that commenced on or before 25 August 1997]

PART 1—PRELIMINARY

Short title

1. This regulation may be cited as the *Government Owned Corporations (QGC Corporatisation) Regulation 1994*.

Commencement

2.(1) Part 3 commences on 31 December 1994.

(2) Parts 4 to 7 commence on 1 January 1995.

Purpose

3.(1) The purpose of this regulation is—

- (a) to divest certain assets from, and release certain liabilities of, QEC; and
- (b) to provide for a transition from GBU to QGC, including transferring certain officers and employees of QEC to QGC; and
- (c) to transfer the assets and liabilities mentioned in paragraph (a) to QGC; and
- (d) to make provision about debt owed by QGC because of the transfer of assets to it; and
- (e) to make QGC a GOC.

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(2) The purpose of this regulation extends to matters about QGC after it is declared to be a GOC.

Operation of this regulation is subject to certain Electricity Act transitional provisions

4.(1) The operation of this regulation is limited to the extent necessary to allow subsection (2) to have full effect.

(2) Despite the earlier commencement of a provision of this regulation about employees, assets or liabilities of QEC, the Electricity Act transitional provisions apply as if the provision of this regulation had not commenced.

Example—

Under provisions of this regulation (the “**regulation provisions**”) certain assets of QEC are divested from it and become the assets of QGC. Section 277 (Transfer of assets and liabilities to the department) of the *Electricity Act 1994* allows for the chief executive of the Department of Minerals and Energy to identify certain QEC assets and for the vesting in the State of those assets. Although section 277 commences later than the regulation provisions commence, the section operates as if the regulation provisions had not commenced, so that neither the chief executive’s identification of QEC assets, nor their vesting in the State, is limited by the earlier operation of the regulation provisions.

Definitions

5. In this regulation—

“**CBU**” means the candidate GOC known as Corporate Business Unit of QEC.

“**corporatisation day**” means 1 January 1995.

“**Electricity Act transitional provisions**” means the provisions of Chapter 14 (Transitional) of the *Electricity Act 1994* that are about the employees, assets or liabilities of QEC.

“**GBU**” means the candidate GOC known as Generation Business Unit of QEC.

“**GBU asset**” see section 6.

“**GBU asset schedule**” means the part of the QEC asset schedule showing

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assets of GBU.

“GBU balance sheet” means the part of the QEC balance sheet showing liabilities of GBU.

“GBU liability” see section 7.

“purposes of GBU” does not include purposes of the Electrical Safety Coordination Section of QEC or the Electrical Workers and Contractors Board.

“QEC” means the Queensland Electricity Commission within the meaning of the *Electricity Act 1976*.

“QEC asset schedule” means a schedule prepared under the QTSC corporatisation regulation showing assets of QEC immediately before corporatisation day.

“QEC balance sheet” means a balance sheet prepared under the QTSC corporatisation regulation showing liabilities of QEC immediately before corporatisation day.

“QEC (GBU)” means QEC, but only in its capacity as GBU, including to the extent of the responsibilities of GBU, immediately before corporatisation day.

“QEC intellectual property” means QEC Intellectual Property under the Power Station Sale Agreement mentioned in the State agreement under the *Gladstone Power Station Agreement Act 1993*.

“QETC” means Queensland Electricity Transmission Corporation.

“QGC” means Queensland Generation Corporation.

“QTSC” means Queensland Transmission and Supply Corporation.

“QTSC corporatisation regulation” means the *Government Owned Corporations (QTSC Corporatisation) Regulation 1994*.

“TBU” means the subsidiary of CBU known as Transmission Business Unit of QEC.

“third party intellectual property” means Third Party Intellectual Property under the Power Station Sale Agreement mentioned in the State agreement under the *Gladstone Power Station Agreement Act 1993*.

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Meaning of “GBU asset”

6.(1) A GBU asset is an asset shown in the QEC asset schedule as an asset of GBU.

(2) An asset is also a GBU asset although not shown in the QEC asset schedule as an asset of GBU if—

- (a) it is not shown in the QEC asset schedule as an asset of CBU or TBU; and
- (b) immediately before corporatisation day it is an asset of QEC held for the purposes of GBU; and
- (c) it is not an asset that becomes an asset of the State under section 277 (Transfer of assets and liabilities to the department) of the *Electricity Act 1994*.

(3) Despite anything in subsection (1) or (2), all QEC intellectual property held by QEC immediately before corporatisation day is also a GBU asset.

Meaning of “GBU liability”

7.(1) A GBU liability is a liability shown in the QEC balance sheet as a liability of GBU.

(2) A liability is also a GBU liability although not shown in the QEC balance sheet as a liability of GBU if—

- (a) it is not shown in the QEC balance sheet as a liability of CBU or TBU; and
- (b) immediately before corporatisation day it is a liability to which QEC is subject for the purposes of GBU; and
- (c) it is not a liability that becomes a liability of the State under section 277 (Transfer of assets and liabilities to the department) of the *Electricity Act 1994*.

PART 2—PREPARATORY MATTERS

Share capital

8. On the commencement of this section, QGC is taken to have a share capital of \$7 000 000 000 made up of 7 000 000 000 ordinary shares of \$1 each.¹

PART 3—QEC IS DIVESTED OF GBU ASSETS AND RELEASED FROM GBU LIABILITIES

GBU assets and liabilities

9.(1) This section takes effect immediately after 31 December 1994.

(2) QEC is divested of all GBU assets and released from all GBU liabilities.

PART 4—TRANSITION TO QGC

Division 1—Staff

Officers and employees

10.(1) A person who, immediately before corporatisation day, was an officer or employee of QEC for the purposes of GBU becomes an officer or employee of QGC.

¹ This section provides for QGC's authorised share capital. Under section 58(2) of the Act, before QGC becomes a GOC, it must apply the part of its capital that the responsible Ministers direct in paying up, in full, shares in itself.

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(2) Until the rights of the officer or employee are changed, the officer or employee continues to be entitled to all existing and accruing rights of employment.

(3) To the extent that a right mentioned in subsection (2) is preserved by section 174 (Preservation of leave entitlements of certain former officers and employees of government entities) of the Act, subsection (2) has no effect.

(4) If a person mentioned in subsection (1) was suspended by QEC before corporatisation day, the suspension continues, and must be dealt with by QGC.

(5) This section does not apply to a person who becomes an officer of the department under section 276 (Transfer of officers to the department) of the *Electricity Act 1994*.

Positions of officers and employees

11.(1) A person who under this Division becomes an officer or employee of QGC becomes the holder of a position equivalent to the position the person held for the purposes of GBU.

(2) Despite subsection (1), a person does not, under this Division, become the chief executive officer of QGC.

Division 2—General

Extent of application of Division

12. This Division applies subject to the operation of sections 286 (References to electricity boards, electricity authorities and electricity supply industry) and 287 (Gladstone power station provisions) of the *Electricity Act 1994*.

QGC is successor of QEC (GBU)

13.(1) QGC is the successor in law of QEC (GBU).

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(2) Subsection (1) applies subject to the operation of this regulation, the QTSC corporatisation regulation and the *Electricity Act 1994*.

Instruments

14.(1) This section applies to an instrument (other than a statutory instrument) in existence immediately before corporatisation day.

(2) An instrument applying to QEC for the purposes of GBU is to apply to QGC in place of QEC to the extent that it applied for the purposes of GBU.²

(3) Without limiting subsection (2), an instrument—

- (a) to which, immediately before corporatisation day, QEC was a party for the purposes of GBU, is taken to be an instrument to which QGC is a party in the same way QEC was a party for the purposes of GBU; and
- (b) given to, by or in favour of QEC for the purposes of GBU is taken to be an instrument given to, by or in favour of QGC in the way it was given to, by or in favour of QEC for the purposes of GBU; and
- (c) in which a reference is made to QEC for the purposes of GBU (including, for example, an instrument to which QEC was a party for the purposes of GBU) is taken to be an instrument in which the reference is made to QGC in the way the reference was made to QEC for the purposes of GBU; and
- (d) under which an amount is or may become payable to or by QEC for the purposes of GBU is taken to be an instrument under which the amount is or may become payable to or by QGC in the way the amount was or might have become payable to or by QEC for the purposes of GBU; and
- (e) under which other property is to be, or may become liable to be, transferred, conveyed or assigned to or by QEC for the purposes

² Under this provision and equivalent provisions in the QTSC corporatisation regulation, it is possible that an instrument that previously applied to QEC alone could apply to 2 or more of QGC, QTSC and QETC.

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of GBU is taken to be an instrument under which the other property is to be, or may become liable to be, transferred, conveyed or assigned to or by QGC in the way the property was to be, or might have become liable to be, transferred, conveyed or assigned to or by QEC for the purposes of GBU.

(4) Despite anything in subsections (1) to (3), a licence under which, immediately before corporatisation day, QEC has a right to use QEC intellectual property or third party intellectual property applies to QGC in place of QEC.

(5) Subsections (1) to (3) do not apply to an instrument which QEC, on or before 31 December 1994, agrees with QGC to assign to QGC, or with QTSC to assign to QTSC, or with QETC to assign to QETC, if it is agreed the assignment is to become effective at a time earlier than the commencement of section 3 of the *Electricity Act 1994*.

Pending proceedings

15.(1) QGC becomes a party to a proceeding mentioned in Schedule 1 instead of QEC.

(2) Subject to subsection (1), a proceeding (other than a proceeding mentioned in Schedule 2 to the QTSC corporatisation regulation) by or against QEC arising out of acts or omissions of QEC for the purposes of GBU that is not finished before corporatisation day may be continued and finished by or against QGC to the extent it might have been continued by or against QEC for the purposes of GBU.

PART 5—TRANSFER OF ASSETS AND LIABILITIES

Transfer of assets and liabilities to QGC

16.(1) The assets mentioned in section 9(2) become the assets of QGC.

(2) The liabilities mentioned in section 9(2) are assumed by QGC.

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Consideration for transfer of assets to QGC

17.(1) The assumption of liabilities by QGC under section 16(2) is part of the consideration for the transfer of assets to QGC under section 16(1).

(2) The remainder of the consideration is the creation of a debt owed by QGC to the shareholding Ministers of the GOC that QGC becomes under this regulation.

(3) The terms of the debt are in Schedule 2.

(4) The amount of the debt is the market value, at 1 January 1995, of the assets shown in the GBU asset schedule, less—

- (a) the amount, at 1 January 1995, of the liabilities shown in the GBU balance sheet; and
- (b) any amount that QGC's responsible Ministers direct QGC, under section 58(2) of the Act, to apply in paying up shares in itself.

(5) For subsection (4)—

- (a) the market value, at 1 January 1995, of an asset is, unless another valuation is decided under subsection (6), taken to be the market value shown for the asset in the GBU asset schedule for 1 January 1995; and
- (b) the amount, at 1 January 1995, of the liabilities is, unless another amount is decided under subsection (6), taken to be the amount of the liabilities shown in the GBU balance sheet for 1 January 1995.

(6) The shareholding Ministers of the GOC that QGC becomes under this regulation may change the GBU asset schedule or the GBU balance sheet at any time not later than 31 March 1996 to correct the market value of an asset or the amount of a liability as at 1 January 1995.

(7) A change mentioned in subsection (6) must be taken into account for calculating the debt amount under subsection (4).

PART 6—QGC BECOMES STATUTORY GOC

Declaration of QGC as GOC

18.(1) Subsection (2) takes effect as soon as the assets and liabilities mentioned in section 9(2) become the assets and liabilities of QGC under section 16 (Transfer of assets and liabilities to QGC).

(2) QGC is a GOC.

PART 7—FUNCTIONS OF QGC

QGC's functions

19. QGC's functions are stated in the *Government Owned Corporations (QGC Restructure—Stage 2) Regulation 1997*.

PART 8—AFTER QGC IS DECLARED A GOC

QGC must issue further shares

24.(1) Under section 8, QGC is taken to have a share capital of \$7 000 000 000, made up of 7 000 000 000 ordinary shares of \$1 each.

(2) Under section 58 of the Act, 2 of the shares have been issued.³

(3) QGC must issue a further 2 699 999 998 of the shares on 3 March 1995.

(4) QGC must issue a further 68 914 282 of the shares on 30 June 1995.

³ Under the Act, each of QGC's 2 shareholding Ministers holds an equal number of the issued shares (see sections 71 to 74 of the Act).

SCHEDULE 1

PROCEEDINGS TO WHICH QGC BECOMES A PARTY INSTEAD OF QEC

section 15(1) of the regulation

Court	Proceeding Number	Plaintiff	Defendant
Supreme Court Rockhampton	Writ No. 175 of 1986	Anthony John Osborne	Queen sland El ectri ci ty Commission
Supreme Court Rockhampton	Writ No. 7 of 1987	Garry Paul Percival	Queen sland El ectri ci ty Commission
Supreme Court Rockhampton	Writ No. 58 of 1987	Roman Ift	Simon Engineering C Itoh & Co Queensland Electricity Commission Workers' Compensation Board of Queensland C E Health Underwriting Insurance (Australia)
Supreme Court Rockhampton	Writ No. 11 of 1988	Paul Leslie Jose	Queensland Electricity Commission

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SCHEDULE 1 (continued)

Court	Proceeding Number	Plaintiff	Defendant
Supreme Court Brisbane	Writ No. 12 of 1990	Paul Innes	Queensland Electricity Commission
Supreme Court Brisbane	Writ No. 198 of 1990	Alexander Robert O'Neill	Queensland Electricity Commission
Supreme Court Brisbane	Writ No. 304 of 1991	Peter Rosak	Queensland Electricity Commission
District Court Gladstone	Plaint No. 82 of 1992	John Stewart Gourley	Queensland Electricity Commission
Magistrates Court Gladstone	Plaint No. 89 of 1992	Ian Patrick Brushe	Queensland Electricity Commission
Supreme Court Rockhampton	Writ No. 47 of 1993	Ljubisav Radovanovic	Queensland Electricity Commission
District Court Gladstone	Plaint No. 49 of 1993	Gary Ian Underdown	Queensland Electricity Commission
District Court Brisbane	Plaint No. 617 of 1993	Colin Elton McElligott	Queensland Electricity Commission
Supreme Court Brisbane	Writ No. 1008 of 1993	Patrick John Keith McAuliffe	Queensland Electricity Commission

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SCHEDULE 1 (continued)

Court	Proceeding Number	Plaintiff	Defendant
District Court Gladstone	Plaint No. 16 of 1994	John Edward McGarraw	Queensland Electricity Commission
District Court Rockhampton	Plaint No. 27 of 1994	Neville Patrick Dunne	Queensland Electricity Commission
Magistrates Court Gladstone	Plaint No. 126 of 1994	Ronald Keith Plant	Queensland Electricity Commission

SCHEDULE 2

TERMS OF DEBT

section 17(3) of the regulation

Definitions

1. In this Schedule—

“**business day**” means a business day for Sydney.

“**11 a.m. rate**” means the rate calculated by taking the buy rate (low side) of the first rate quoted on the page numbered “AFMZ” of the Reuters Monitor System at, or approximately at, 11 a.m. (Sydney time).

“**QTC**” means Queensland Treasury Corporation.

Interest payable

2.(1) QGC must pay interest on the amount of debt unpaid from time to time.

(2) The interest is calculated on a daily basis and is payable monthly in arrears.

(3) The interest for a month is payable on the 15th day of the next month.

(4) The interest rate for a day is the 11 a.m. rate for that day.

(5) However, if the day is not a business day, the rate of interest for the day is the 11 a.m. rate for the last business day before the day.

Role of QTC

3.(1) QTC is to calculate the interest payable.

(2) QTC’s calculation binds QGC unless QTC makes an error that is not a trivial error.

SCHEDULE 2 (continued)

Term of debt

4. The debt is repayable on or before 1 January 2005.

Assignment of debt

5. The debt may be assigned in whole or in part by the shareholding Ministers by giving written notice to QGC.

ENDNOTES

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2 Date to which amendments incorporated

This is the reprint date mentioned in the Reprints Act 1992, section 5(c). Accordingly, this reprint includes all amendments that commenced operation on or before 25 August 1997. Future amendments of the Government Owned Corporations (QGC Corporatisation) Regulation 1994 may be made in accordance with this reprint under the Reprints Act 1992, section 49.

3 Key

Key to abbreviations in list of legislation and annotations

AIA	=	Acts Interpretation Act 1954	(prev)	=	previously
amd	=	amended	proc	=	proclamation
ch	=	chapter	prov	=	provision
def	=	definition	pt	=	part
div	=	division	pubd	=	published
exp	=	expires/expired	R[X]	=	Reprint No.[X]
gaz	=	gazette	RA	=	Reprints Act 1992
hdg	=	heading	reloc	=	relocated
ins	=	inserted	renum	=	renumbered
lap	=	lapsed	rep	=	repealed
notfd	=	notified	s	=	section
om	=	omitted	sch	=	schedule
o in c	=	order in council	sdiv	=	subdivision
p	=	page	SIA	=	Statutory Instruments Act 1992
para	=	paragraph	SL	=	subordinate legislation
prec	=	preceding	sub	=	substituted
pres	=	present	unnum	=	unnumbered
prev	=	previous			

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4 Table of earlier reprints

TABLE OF EARLIER REPRINTS

[If a reprint number includes an arabic letter, the reprint was released in unauthorised, electronic form only.]

Reprint No.	Amendments included	Reprint date
1	to SL No. 21 of 1995	17 February 1995
1A	to SL No. 174 of 1995	10 March 1997

5 List of legislation

Government Owned Corporations (QGC Corporatisation) Regulation 1994 SL No. 448

made by the Governor in Council on 15 December 1994
notfd gaz 16 December 1994 pp 1792–7
pt 3 commenced 31 December 1994 (see s 2(1))
pts 4–7 commenced 1 January 1995 (see s 2(2))
remaining provisions commenced on date of notification
exp 15 December 2004 (see SIA s 54)

as amended by—

Government Owned Corporations (QGC Corporatisation) Amendment Regulation (No. 1) 1995 SL No. 21

notfd gaz 10 February 1995 pp 552–3
commenced on date of notification

Government Owned Corporations (QGC Corporatisation) Amendment Regulation (No. 2) 1995 SL No. 174

notfd gaz 9 June 1995 pp 1165–71
commenced on date of notification

Government Owned Corporations (QGC Restructure—Stage 2) Regulation 1997 SL No. 167 ss 1–2, 27 sch 2

notfd gaz 26 June 1997 pp 899–900
ss 1–2 commenced on date of notification
remaining provisions commenced 1 July 1997 (see s 2(2))

6 List of annotations

Purpose

s 3 amd 1995 SL No. 21 s 3

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PART 7—FUNCTIONS OF QGC

pt hdg sub 1997 SL No. 167 s 27 sch 2

QGC's functions

s 19 sub 1997 SL No. 167 s 27 sch 2

Status of QGC

s 20 om 1997 SL No. 167 s 27 sch 2

Functions of QGC

s 21 om 1997 SL No. 167 s 27 sch 2

Limitation on function

s 22 om 1997 SL No. 167 s 27 sch 2

QGC to help QTSC

s 23 om 1997 SL No. 167 s 27 sch 2

PART 8—AFTER QGC IS DECLARED A GOC

pt hdg ins 1995 SL No. 21 s 4

QGC must issue further shares

s 24 ins 1995 SL No. 21 s 4
amd 1995 SL No. 174 s 3