

QUEENSLAND INDUSTRY DEVELOPMENT CORPORATION BILL 1994

EXPLANATORY NOTE

GENERAL OUTLINE

Objectives of the Legislation

The objective of the Bill is to repeal and replace the existing *Queensland Industry Development Act 1985* (the *QIDC Act*) subject to transitional provisions to implement the recommendations of the Corporatisation Charter prepared by the Queensland Industry Development Corporation Corporatisation Working Party (the Charter) and to ensure consistency with the provisions of the *Government Owned Corporations Act 1993* (the *GOC Act*).

Reasons for the Bill

The *QIDC Act* was given assent in 1985 but was drafted before the *GOC Act* was contemplated and there are quite a number of inconsistencies between the two Acts.

For QIDC to effectively implement the recommendations of the QIDC Corporatisation Charter, the *QIDC Act* requires a number of amendments and it was decided that it would be simpler to repeal and replace the existing Act subject to transitional provisions which would ensure the validity of existing contractual arrangements.

The new Act will ensure that the accountability structure and reporting regime mirrors that required under the *GOC Act*.

Estimated Cost for Government Implementation

There will be no cost to the Government.

Consultation

These Bill has primarily concerned the Queensland Treasury and the Queensland Industry Development Corporation (QIDC). The legislation is consistent with the Government's White Paper and *GOC Act* which underwent broad industry and community consultation during preparation, and the recommendations of the QIDC Corporatisation Working Party, (which consisted of representatives from Treasury, QIDC, Office of Cabinet, the rural sector and the SPSFQ).

NOTES ON PROVISIONS**PART 1—PRELIMINARY**

Clause 1 sets out the short title of the Act. The short title of the Act is the *Queensland Industry Development Corporation Act 1994*.

Clause 2 sets out the commencement date of the Act. The Act commences on the day QIDC becomes a government owned corporation. This day is determined by regulation under the *GOC Act*.

Clause 3 sets out the definition of terms used in the Act. Of note is the definition of "spouse" of a person which includes a defacto spouse. This definition is relevant to Part 3, Disclosure by Directors, particularly *Clause 20* (Interest of director) and Part 4, Provisions About QIDC's Employees, particularly *Clause 32* (Disclosure of interests). The purpose is to ensure a wide interpretation of the directors' interests and employees' interests.

Clause 4 interprets the term "consumer" for the purpose of *Clause 14* of the Bill which, in accordance with current Government policy, provides that QIDC cannot provide financial accommodation to a consumer. The term "consumer" is defined to mean a person who seeks financial accommodation from QIDC where the financial accommodation is not part of or for a business or partnership but includes the situation where the financial accommodation is provided by the person seeking it to someone else. For example, the Clause excludes a company from obtaining financial accommodation to provide housing for directors where this is not part of or for the company's business but *Clause 4(2)* allows a company to obtain financial accommodation for the provision of housing to its employees as part of the company's business.

PART 2—QIDC

Clause 5 continues the existence of the existing QIDC as a body corporate and QIDC continues to have a seal and is capable of suing and of being sued in its corporate name.

Clause 6 ensures that the legal personality or identity of QIDC, obligations of QIDC and any legal action pertaining to QIDC are not affected by the continuation of QIDC under the Act.

Clause 7 ensures that QIDC:

- is not in breach of contract or confidence or made guilty of a civil wrong,
- is not in breach of any instrument,
- is not taken to have fulfilled a condition which allows the termination of an instrument or obligation, or that requires any amount to be paid before maturity, and does not release any surety or obligee from an obligation,

purely because of the continuation of QIDC under the Act, the repeal of the *QIDC Act 1985* or QIDC becoming a government owned corporation.

Clause 8 sets out the new objective of QIDC. The new objective of QIDC is “to operate as a financier to Queensland’s primary, secondary, tertiary industries in order achieve a commercial return on its business undertakings”.

Clause 9 reiterates that QIDC has all of the powers given by section 149 of the *GOC Act*, namely the powers of a natural person.

Clause 10 clarifies and outlines examples of powers about finance that QIDC has under the *GOC Act* and the Act. These examples were inserted to avoid any confusion in the market place as to QIDC’s powers in respect of financial transactions. Specifically included are powers to enter into derivative transactions and futures which QIDC requires to offer a complete financial package to their clients and to manage financial risks to QIDC. The powers included in relation to derivative transactions and futures include the powers to:

- enter into transactions to manage or change financial returns or financial or currency risks, including, for example, risks

associated with currency exchange rate, interest rate and discount rate volatility (*Clause 10(q)*);

- enter into transactions to return a gain or avoid a loss by reference to financial or currency obligations or currency exchange rate, interest rate or discount rate movements (*Clause 10(r)*); and
- trade in commodity futures, including for example, cattle, wool, cotton and grain futures (*Clause 10(s)*).

Administrative controls to be agreed with the shareholding Ministers will be introduced to ensure that QIDC acts in a responsible manner and only enters into derivative transactions related to its other financial arrangements.

Clause 11 reinforces the power of QIDC to establish and terminate branches and agencies both in and outside Australia.

Clause 12 establishes that QIDC may act as an agent of the Queensland Government for the purpose of making loans to co-operative companies and that the terms of the agency will be as agreed between QIDC and the Queensland Government. This will allow QIDC to enter into arrangements that allows co-operative companies to continue to gain tax deductions under section 120(1)(c) of the *Income Tax Assessment Act* on the repayment of principal and interest relating to acquisition of business assets.

Clause 13(1) and (2) provides that where an agency agreement exists between QIDC and the Queensland Government, the Queensland Government indemnifies QIDC against a failure by QIDC to recover any part or the whole of the principal of the loan. This type of indemnity is a standard term in any agency agreement. However, it has been inserted in the Bill to satisfy QIDC's concerns that the Australian Taxation Office may not accept that the inclusion of the indemnity in the agency agreement satisfies the provisions of the section 120(1)(c) of the *Income Tax Assessment Act* that the risk of loss of the principal of any such loan lies with the State.

Clause 13(3) authorises the Treasurer to pay an amount, which becomes payable by the Government by virtue of *Clause 13(2)* resulting from its indemnity to QIDC against a failure by QIDC to recover the whole or part of the principal of the loan, from the Consolidated Fund without further appropriation. Section 18 of the *Constitution Act 1867* makes it unlawful for the Legislative Assembly to "originate or pass any vote resolution or Bill for the appropriation of any part of the said consolidated revenue fund

or any other tax or impost to any purpose which shall not first have been recommended by a message of the Governor to the said Legislative Assembly during the session in which such vote shall be passed.” The Governor’s Message relating to this Clause is to be tabled during the session in which this Bill is passed by the Legislative Assembly.

Clause 14 restricts QIDC from providing financial accommodation to consumers as defined in the Act. This restricts QIDC from lending to a person otherwise than as part of or for a business carried on by that person or as a member of a partnership. The restrictions are discussed further in *Clause 4* (Meaning of consumer) above.

Clause 15 gives an explicit Queensland State guarantee to QIDC for its future liabilities as it is a matter of Government policy to explicitly guarantee QIDC’s future liabilities to remove any uncertainty as to the Government’s intended obligations.

Clause 16 confirms the status quo of the State of Queensland in relation to QIDC’s liabilities existing at the time of the commencement of the new Act. This means that the repeal of the existing *QIDC Act* does not affect the existing guarantees of QIDC’s liabilities given under the existing *QIDC Act*.

Clause 17 authorises the Treasurer to pay such amounts which may become due under *Clause 15* (State guarantees future liabilities) or *Clause 16* (QIDC’s existing liabilities) in relation to the Queensland State guarantees to QIDC from the Consolidated Fund without further appropriation. Section 18 of the *Constitution Act 1867* makes it unlawful for the Legislative Assembly to “originate or pass any vote resolution or Bill for the appropriation of any part of the said consolidated revenue fund or any other tax or impost to any purpose which shall not first have been recommended by a message of the Governor to the said Legislative Assembly during the session in which such vote shall be passed.” The Governor’s Message relating to this Clause is to be tabled during the session in which this Bill is passed by the Legislative Assembly.

Clause 18 provides that the Treasurer on behalf of the State may require QIDC to pay a fee for the State guarantee under *Clause 15* (State guarantees future liabilities) or *Clause 16* (QIDC’s existing liabilities). The purpose of such a fee is in keeping with commercial practice e.g. bank guarantees, insurance etc. The amount of the fee and the timing and method of payment are to be decided by the Treasurer.

PART 3—DISCLOSURE BY DIRECTORS

Clause 19 defines what matters QIDC is concerned with for the purpose of this Part of the Act. Generally, the matters that QIDC is concerned with include a transaction which QIDC has entered into or is proposing to enter into but may also include a matter that has not been and will not be considered by the Board. The purpose of this is to ensure that directors disclose their interests in all matters which QIDC is concerned with, not only those matters which are considered by the Board.

Clause 20 defines the parameters of director's interests for the purposes of this Part of the Act.

A director is taken to have an interest in a matter if, because of the matter, a benefit will, is likely to, or might accrue to:

- (a) the director,
- (b) a relative of the director, or
- (c) a relative of the director's spouse, or
- (d) a person, other than QIDC, to whom the director has a duty about the matter.

It is to be noted that "spouse" is defined widely in *Clause 4*.

An example of *Clause 20(1)(d)* is—if QIDC has contracted with another corporation, a director of QIDC who is also a director of the other corporation has an interest in the contract.

This Clause does not, by implication, limit what amounts to an interest had by a director.

Clause 21 requires QIDC to keep a Register of Relevant Interests and sets down the responsibilities in relation to that Register. The Register is required to minimise conflict of interests and the requirements are similar to those required by QIDC's competitors. The chief executive officer is responsible for keeping the Register.

Clause 21(3) requires the Register to contain particulars of the interests of each director required by *Clause 24* (Directors to give notice of interests to chief executive officer).

Clause 21(4) requires QIDC to ensure that the Register is open for inspection during normal business hours by the directors, the chief executive officer, the shareholding Ministers, the Auditor-General and persons nominated by the shareholding Ministers or Auditor-General. This is to ensure reasonable access to the information pertaining to interests of directors by those persons who have an entitlement to inspect the Register.

Clause 21(5) requires QIDC to have the Register available and open for inspection by the directors and the chief executive officer immediately before and during each meeting of the Board so that the directors may be informed of any director's interests which may be relevant to matters considered at the meeting.

Clause 21(6) requires QIDC to send a copy of the Register or part of it within seven days to a person entitled to inspect the Register if that person asks for it.

Clause 22 interprets the term "minor interest" for the purposes of this Part of the Act. The term is defined to mean:

- A directorship held by a director of QIDC in another body corporate which is a related body corporate of QIDC;
- A relevant interest ("relevant interest is defined in *Clause 3* as having the same meaning as it does in the Corporations Law) in shares in another body corporate with a nominal value not exceeding 5% of the nominal value of all issued shares of that body corporate.

There are different disclosure requirements and voting entitlements for directors having major and minor interests in related body corporates and these are addressed in *Clause 23* (Definition of relevant interest) and *Clause 26* (Voting by interested director).

Clause 22(4) amplifies the method of determining the nominal value of the director's relevant interest in shares of another body corporate by assuming that:

- an option or right to buy shares in a body corporate under an option contract in which the person has a relevant interest has been exercised and the person has a relevant interest; and
- any convertible note issued by the body corporate in which the person has a relevant interest has been converted into shares and the person has a relevant interest in the shares.

Clause 23 defines the term “relevant particulars” for the purposes of this Part of the Act. The purpose of the definition is to set out what information a director is required to disclose where a director has an interest in a matter with which QIDC is concerned.

Clause 24 details directors’ responsibilities in relation to declaration of interests. These include:

Clause 24(1)—A director who has an interest must give written notice to the chief executive officer containing the relevant particulars (“relevant particulars” is defined in *Clause 23*) of the interest:

- as soon as practical after the relevant facts come to the director’s knowledge, or
- if the facts came to the director’s knowledge before the director’s appointment as a director, as soon as practicable after that appointment.

This Clause requires a director to notify his or her interests to QIDC so that QIDC becomes aware of director’s interests as soon as they are known by the director. There is a maximum penalty of 50 penalty units for non compliance.

Clause 24(2) requires the chief executive officer to enter the relevant particulars for the director who gave notice in the Register and to give a copy of the notice to each other director within three days of receiving the notice. This is required so that the interest is noted on the Register quickly and that other directors are made aware of the interest.

Clause 24(3) requires the directors to ensure that the particulars of the directors’ interests are formally recognised by the Board by causing them to be recorded in the minutes of the next meeting of the Board held after the notice is given.

Clause 24(4) accepts that where a notice given by a director under *Clause 29* (General duty to make disclosure) contains the relevant particulars of an interest had by the director in something with which QIDC is concerned, the notice is taken to be given under this Clause.

Clause 24(5) reduces the frequency of individual disclosures where a director gives a general notice to the effect that the director is an officer or member of a specified entity and is to be regarded as interested in each transaction that may, after the notice is given, be entered into by QIDC with the entity, by allowing that the notice is sufficient compliance with *Clause*

24(1) for a transaction entered into, by the entity with QIDC within one year after giving the notice.

Clause 24(6), to ensure that notice of disclosure under *Clause 24(5)* contains sufficient information for the Board to take into consideration, precludes the operation of *Clause 24(5)*. This means that a general notice under *Clause 24(5)* will not be sufficient unless:

- (a) the notice states the nature extent of the director's interest in the entity, and
- (b) when the question of confirming or entering into the transaction is first considered by the Board, the extent of the director's interest in the entity is not greater than that stated in the notice.

Clause 24(7) allows that, where the interest of a person in the body corporate is a minor interest (as defined in *Clause 22*), it is sufficient compliance with *Clause 24(6)(a)* if the notice contains a statement to that effect. This reduces the time spent by the Board on review of interests.

Clause 25 has the purpose of allowing the Board to ask a director to provide further information in relation to a director's interest should it require it to make more informed decisions. It authorises the Board to obtain additional information in relation to directors interests where the Board is of the opinion that the notice given by a director under *Clause 24* is insufficient to enable the Board to decide whether the interest is material or to decide what action should be taken about the matter in QIDC's interests.

The Board may ask the director to give further written particulars or to answer questions to give further information about the interest.

The Clause requires the director to comply with the requirement and has a maximum penalty of 50 penalty units for non compliance.

The Clause also provides that the other provisions of the division do not limit the powers of the Board under this Clause.

Clause 26 details the voting entitlements of directors with interests in matters which the Board is considering in order to minimise the possibility of conflict of interest. A distinction is made in relation to minor interests and other interests which are not minor interests. If the interest is minor, the Board must then consider whether it is material. The relevant director is not entitled to vote on a resolution about the matter only if the Board resolves that the minor interest is a material interest.

If the director's interest is not a minor interest, the director is entitled to vote on a resolution only if the Board has resolved that the director's interest is not a material interest.

Clause 26(4) precludes a director who has given notice under *Clause 24* of an interest the director has in a matter, from voting on a resolution about whether the director or another director has a material interest in the matter.

The director therefore takes no part in determining whether his or her interest is a material interest.

Clause 26(5), to ensure proper recording of the resolution, requires the directors present at the Board meeting at which the resolution is passed to ensure that the minutes of the meeting record:

- the passing of the resolution; and
- the name of the directors who cast votes in favour of the resolution and the names of those who cast votes against the resolution (if any) and the names of those directors who abstained from voting (if any).

Clause 26(6) also defines a quorum for these provisions only if at least two directors are present who are entitled to vote on any motion that may be moved in relation to the matter.

Clause 26(7) allows QIDC's shareholding Ministers to deal with a matter, if the Board cannot deal with it because of *Clause 26(6)*, by each signing consent to a proposed resolution. This allows matters to be resolved when a quorum is not present.

Clause 27 prevents the invalidation of transactions which may have been invalidated only by virtue of the effect of the disclosure provisions or by virtue of a director contravening the provisions relating to declaration of interests.

Clause 28 requires QIDC to keep a Register of General Disclosures and sets down the responsibilities in relation to that Register. The Register is required to minimise conflict of interests and the requirements are similar to those required by QIDC's competitors. The chief executive officer is responsible for making entries in the Register.

Clause 28(3) requires the Register to contain the notices given by each director under *Clause 29* (General duty to make disclosure).

Clause 28(4) requires that, within seven days after receiving notice from a director under *Clause 29* (General duty to make disclosure) or within three days after receiving notice of any change of particulars previously advised under the Clause, the chief executive office must enter the notice in the Register.

Clause 28(5) requires QIDC to ensure that the Register is open for inspection during normal business hours by the directors, the chief executive officer, the shareholding Ministers, the Auditor-General and a person nominated by the shareholding Ministers or Auditor-General. This is to ensure reasonable access to the information pertaining to interests of directors by those persons who have an entitlement to inspect the Register.

Clause 28(6) requires QIDC to have the Register available and open for inspection by the directors and the chief executive officer immediately before and during each meeting of the Board so that the directors may be informed of any director's interests which may be relevant to matters considered at the meeting.

Clause 28(7) requires QIDC to send a copy of the Register or part of it within seven days to a person entitled to inspect the Register if that person asks for it.

Clause 29 details director's responsibilities in relation to general disclosures similar to those required by directors of competing financial institutions, to minimise the possibility of exceeding the limits of related party transactions and to minimise the possibility of conflict of interests.

Clause 29(1) requires the directors to give written notice to the chief executive officer of:

- (a) particulars of directorships and changes of directorships held by the director in public companies and subsidiaries of public companies, unless they are related bodies of QIDC; and
- (b) other matters affecting or about the director that are necessary to allow QIDC to comply with Chapter 6 of the Corporations Law (which contains takeover provisions). This is aimed at ensuring that QIDC will be aware of directors' interests in a target company whenever it is making a takeover offer. Under the Corporations Law, directors' interests in shares in the target company are taken to be interest held by QIDC in the target company.

Failure to comply has a maximum penalty of 50 penalty units.

If *Clause 29(1)(a)* is relevant, *Clause 29(2)(a)* requires the director to give the necessary notice within 14 days after he or she becomes a director of the company or subsidiary.

If *Clause 29(1)(b)* is relevant, *Clause 29(2)(b)* requires the director to give the necessary notice as soon as practicable after the director becomes aware that QIDC requires, or will require, information about the matters to allow it to comply with Chapter 6 of the Corporations Law.

Clause 29(3) allows sufficient compliance with *Clause 29(1)(a)* if the person is a director of one or more subsidiaries of the same holding company and it is disclosed that the person is the holder of one or more directorships of the group of companies that are subsidiaries of the holding company.

Clause 30 ensures that transactions entered into or something else done by QIDC is not invalidated by virtue of the effect of the disclosure provisions or of contravention of the provisions relating to general disclosures.

Clause 31 provides that the provisions in the *GOC Act* relating to the disclosure of interests by directors, section 134 (Disclosure of interests) and section 135 (Voting by interested director) are not applicable as they are covered by this Part of the Act.

PART 4—PROVISIONS ABOUT QIDC’S EMPLOYEES

Clause 32 defines terms applicable to this Clause and the requirements for disclosure of interests by QIDC employees to enable QIDC to make suitable arrangements for dealing with potential conflict of interests by employees.

Clause 32(1) states that an “officer” includes the chief executive officer and another employee of QIDC. It also defines that a “financial interest” for an officer:

- does include a financial interest of the officer’s spouse, or a member of the officer’s family who normally lives with the officer; but

- does not include an interest that the officer has in a matter in common with members of the public.

Clause 32(2) has the purpose of applying the Clause on disclosure to an officer of QIDC in relation to any financial interest in a matter which is, or is likely to be the subject of a financial arrangement by or with QIDC and the officer is dealing with the matter or knows that he or she may deal with it.

Clause 32(3) provides that the officer must disclose the nature of any financial interest to QIDC as required by the Board's directions under *Clause 32(4)*. It also provides for a maximum penalty of 50 penalty units for failure to disclose the required information on the financial interest.

Clause 32(4) requires the Board to give each officer written directions about how the officer is to disclose the nature of the officer's financial interest to QIDC. The purpose of this Clause is to ensure that QIDC's officers are given guidance in relation to disclosure of interests

Clause 33 preserves the existing arrangements and entitlements of QIDC employees who are contributors or members of State public sector superannuation schemes.

Section 173 of the *GOC Act* contains certain savings provisions which enable officers and employees of government owned corporations who were previously officers of the public service who were contributors to the State Service Superannuation Fund or members of the State Superannuation Public Sector Scheme to continue to be contributors to the State Service Superannuation Fund or members of the State Superannuation Public Sector Scheme where the government owned corporation does not maintain or participate in a superannuation scheme for its employees. QIDC does maintain or participate in a scheme for its employees. Therefore section 173 of the *GOC Act* does not apply because of this technicality. Where the government owned corporation does maintain or participate in a superannuation scheme for its employees these officers can stop being to be contributors or members under arrangements prescribed by regulation and become members of the scheme maintained or participated in by the government owned corporation.

Clause 33 was inserted because section 173 of the *GOC Act* does not apply to QIDC. *Clause 33* is the equivalent of section 173 of the *GOC Act* and continues the arrangements for existing contributors and members of the State superannuation schemes and deems those persons to be officers

within the meaning of the *State Superannuation Act 1972* or eligible for membership of the scheme under the *Superannuation (State Public Sector) Act 1990*.

Clause 34 preserves existing leave entitlements (including long service leave) for QIDC employees at the time of commencement of the Act who were officers of the public service and were appointed to or seconded to perform the duties of an officer of QIDC but by virtue of the *QIDC Act 1985* became an employee of QIDC.

PART 5—MISCELLANEOUS

Clause 35 provides for QIDC's exemption from the *Freedom of Information Act 1992* and the *Judicial Review Act 1991*.

Clause 35(3) provides that the *Freedom of Information Act 1992* does not apply to a document received or brought into existence by QIDC in conducting its commercial activities or such community service obligations (as defined in the *GOC Act*) as are prescribed by regulation, such activities and obligations being together defined as QIDC's "excluded activities". *Clause 35(4)* further provides that the *Judicial Review Act 1991* does not apply to a decision made by QIDC when conducting its "excluded activities".

Clause 35(2) allows a regulation to be made to declare the activities that are taken to be, or not to be, activities conducted on a commercial basis.

Community service obligations of a government owned corporation are, as indicated in section 121(1)(a) of the *GOC Act*, activities that are not in the commercial interests of a government owned corporation to perform and, under this Clause, would generally be subject to the *Freedom of Information Act 1992* and the *Judicial Review Act 1991*.

This exemption will be picked up in the Schedule to the *Freedom of Information Act 1992* and the *Judicial Review Act 1991*. These Schedules are created by amendments to the *Freedom of Information Act 1992* and the *Judicial Review Act 1991* made by the Queensland Investment Corporation Amendment Bill 1994 which also removes the existing exemptions for QIDC. The effect of these amendments is that these Acts will not relate to

documents received or brought into existence or decisions made in carrying out the activities of a government owned corporation mentioned in the Schedule to the *Freedom of Information Act 1992* and the *Judicial Review Act 1991*

Clause 36 restricts QIDC to using its corporate name or an abbreviation of that name. This is to prevent QIDC from calling itself a bank as it is not able to fully perform as a bank in that it cannot provide retail banking facilities or provide finance for what are essentially owner occupied homes.

Clause 37 empowers the Governor in Council to make regulations under the Act. These regulation making powers are of a general nature and specific regulation making powers in relation to transitional arrangements are contained in *Clause 48*.

PART 5—REFERRAL TO COMMONWEALTH PARLIAMENT

Clause 38 explains that the object of this Part is to remove a constitutional barrier that would effectively prevent QIDC undergoing prudential supervision by the Reserve Bank of Australia.

Clause 39 signifies that it is the Queensland Parliament's intention that the reference of power in relation to QIDC and its subsidiaries so that QIDC will be required to observe requirements under the *Banking Act 1959*, particularly in respect of requirements relating to prudential matters. The purpose of this is to ensure that QIDC follows the requirements and is subject to the supervision of the Reserve Bank of Australia in relation to prudential and other related matters. This intended to make clear that it is not intended that QIDC be a bank.

Clause 40 defines terms applicable to this Part and defines QIDC to include a subsidiary of QIDC (within the meaning of the *Corporations Law*) and QIDC under a changed name. The purpose of this is to ensure that QIDC's subsidiaries are included in the prudential supervision of QIDC. When considering QIDC, the Reserve Bank of Australia will need to look at the operation of its subsidiaries.

The Clause also defines “State banking” in accordance with section 51(xiii) of the Commonwealth Constitution which gives the Commonwealth powers to make laws with respect to “Banking, other than State banking, etc”.

Clause 41 is the actual referral of the matters of State banking relating to QIDC to the Parliament of the Commonwealth subject to a defined period. The defined period is set by regulation made under *Clause 43*.

Clause 42 precludes the Commonwealth of Australia from requiring QIDC to possess a banking authority in order to carry out the business of banking. Another option was to require QIDC possess a banking authority under the *Banking Act 1959 (C’wlth)*. It is intended that instead of holding a banking authority, QIDC will be included in the definition of “bank” under the *Banking Act 1959 (C’wlth)*. The option was determined to be the best option for QIDC and follows the arrangements made in the case of the State Bank of New South Wales. This option means, that, although QIDC is defined as a “bank” under the *Banking Act 1959 (C’wlth)*, it is not authorised to operate as a bank in the wider sense because it does not have a banking authority. Its definition as a “bank” is required only so that it can be made subject to supervision in relation to prudential and other matters.

Clause 43 establishes that this Part may be terminated by regulation under the Act.

Clause 44 binds the State of Queensland by the provisions of this Part of the Act.

PART 7—SAVINGS AND TRANSITIONAL PROVISIONS

Clause 45 defines the term “repealed Act” used in this Part of the Act to mean the existing *QIDC Act 1985*.

Clause 46 validates and continues the approval of Governor in Council to establish, maintain, participate in or amend superannuation schemes given under the existing *QIDC Act*. Under the existing *QIDC Act*, QIDC could only establish, maintain, participate in or amend superannuation schemes with the approval of Governor in Council. This means that QIDC will not

need to obtain a new approval of Governor in Council under section 172(a) of the *GOC Act*. The approval under the existing Act will be taken to be an approval under section 172 of the *GOC Act*.

Clause 47 terminates the appointments of existing directors of QIDC on the commencement of the Act. The new Board will be appointed under section 94A of the *GOC Act* by Governor in Council. The appointment of the new Board will commence upon the existing Board vacating office.

Clause 48 provides for regulations under the Act for any required transitional arrangements. These regulations may be required to cover any omissions relating to the transition of QIDC from the existing *QIDC Act* to the replacement *QIDC Act*.

Clause 49 repeals Part 7 of the Bill (Savings and Transitional Provisions) one year after the Clause commences. This results in this Part not being included in any reprint of the replacement *QIDC Act* one year after the commencement of this Clause. Under the provisions of section 20A of the *Acts Interpretation Act 1954* the repeal of this Part does not end the saving and transitional provisions contained in this Part, that is the savings and transitional provisions will continue to apply as if the Clause had not been repealed.

PART 8—REPEALS

Clause 50 repeals the *Queensland Industry Development Corporation Act 1985* and the *Queensland Industry Development Corporation Act and Another Act Amendment Act 1991* which are replaced by the Bill when enacted.