

RURAL ADJUSTMENT AUTHORITY BILL 1994

EXPLANATORY NOTES

GENERAL OUTLINE

Objectives of the Legislation

The objective of the legislation is to establish an authority to undertake the activities currently performed by the Government Schemes Division of the Queensland Industry Development Corporation (QIDC) as agent for the Government. These activities are aimed at providing various forms of assistance to rural producers and certain small businesses.

The Authority will work closely with the Federal Government, other Queensland Government departments and authorities, rural producer associations and with finance providers to maximise the long term prospects of the economy of the State through provision of assistance to, primarily, the State's rural sector.

Reasons for the Bill

The QIDC Corporatisation Charter recommended that the assistance delivery function previously undertaken by the Government Schemes Division of QIDC should be undertaken by a separate entity at total arm's length from the QIDC, because it is not considered appropriate for a corporatised QIDC to continue its direct links with the Government Schemes function. Legislation is required to establish the independent Authority and provide the necessary legal framework for its operation.

Estimated Cost for Government Implementation

Establishment costs for the Authority will be minimal.

Consultation

There has been extensive consultation within Government as well as with the following bodies:

- The QIDC Corporatisation Working Party
- Government Schemes Committee of QIDC
- Queensland Industry Development Corporation
- Queensland Rural Regions Advisory Council

All parties support the creation of the Authority, in particular the intention to strengthen policy linkages with other rural initiatives.

NOTES ON PROVISIONS**PART 1—PRELIMINARY**

Clause 1 sets out the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the same day as the commencement of the proposed *Queensland Industry Development Corporation Act 1994*.

Clause 3 states that the purpose of the proposed Act is the creation of a body to provide assistance to rural producers and certain small businesses.

Clause 4 defines the expressions and terms used in the proposed Act.

**PART 2—QUEENSLAND RURAL ADJUSTMENT
AUTHORITY**

Clause 5 establishes the proposed Authority.

Clause 6 sets out the legal status of the Authority.

Clause 7 grants the Authority the privileges and immunities accorded to the State.

Clause 8 prescribes that the primary function of the Authority is the administration and provision of assistance under the various schemes. Various other functions of the Authority are also specified.

Clause 9 confers upon the new Authority the various powers that will be necessary for it to carry out its duties. These include entering into contracts, buying and selling property, appointing agents and attorneys and hiring consultants etc.

Clause 10 limits and specifies the manner in which the Authority may borrow and invest its funds.

PART 3—FINANCIAL ASSISTANCE

Clause 11 states that the Governor in Council must approve each assistance scheme administered by the Authority. Details to be included in assistance schemes are specified.

Clause 12 sets out matters relating to the administration of the approved assistance schemes.

Clause 13 specifies that the amounts of financial assistance are to be drawn from the Authority's assistance funds as defined in clause 4.

PART 4—OTHER PROVISIONS ABOUT THE AUTHORITY

Clause 14 states that the Authority has a board of directors.

Clause 15 charges the board with the responsibility for the Authority to

perform its functions and exercise its powers in an appropriate, effective and efficient way.

Clause 16 provides for the board to be comprised of a Chairperson and between five and seven directors, with these to be appointed by the Governor in Council.

Clause 17 provides for a director's term to run for a maximum period of three years. It also sets out events giving rise to a vacancy of office, and empowers the Governor in Council to terminate the appointments of directors.

Clause 18 states that a director is appointed on a part-time basis and on remuneration and allowances fixed by the Governor in Council.

Clause 19 sets out matters relating to the time and place of meetings.

Clause 20 relates to procedures for the conduct of meetings.

Clause 21 places an obligation on directors to notify the board of any direct or indirect financial interest which could conflict with their duties as a director. Unless the board otherwise directs, the director must be absent from the meeting and abstain from any decision making on the issue.

Clause 22 places a requirement on the board to keep minutes of its proceedings.

Clause 23 identifies the Authority as a "Statutory Body" under the *Financial Administration and Audit Act 1977*.

Clause 24 requires the Authority to prepare an administration budget which is to be approved by the Minister.

Clause 25 relates to the status of the Seal of the Authority.

Clause 26 states that certain State Acts (the *Criminal Justice Act 1989* and the *Equal Opportunity in Public Employment Act 1992*) are applicable to the operation of the Authority.

Clause 27 provides for the Authority to delegate its powers to directors or officers of the Authority.

PART 5—STAFF OF THE AUTHORITY

Clause 28 stipulates that the Authority is to have a Chief Executive Officer (CEO) who is responsible for ensuring that the Authority observes the policies of the board.

Clause 29 requires Governor in Council approval for the appointment of the CEO.

Clause 30 prohibits the appointment of a director as the CEO.

Clause 31 states that the CEO is not classified as a public servant as defined under the *Public Service Management and Employment Act 1988*.

Clause 32 states that the term of the CEO is to be determined by the Governor in Council, with this term to run for a maximum of five years.

Clause 33 stipulates that the CEO is not to undertake any other paid employment or to take an active role in the management of a company without prior board approval.

Clause 34 permits the Authority to determine the CEO's pay and conditions.

Clause 35 allows the Governor in Council to appoint a person to act as CEO in certain circumstances.

Clause 36 allows the Authority to employ persons on the terms and conditions that it sees fit, subject to any relevant awards or industrial agreements. Such employees will not be classified as public servants as defined under the *Public Service Management and Employment Act 1988* and the *Public Sector Management Commission Act 1990*.

Clause 37 allows the Authority to arrange with another entity, as specified, to provide staff for the Authority.

Clause 38 requires officers to disclose any direct or indirect financial interests to the Authority.

PART 6—MISCELLANEOUS

Clause 39 stipulates that directors and officers of the Authority must act honestly in the discharge of their duties.

Clause 40 prohibits directors and officers of the Authority from divulging information that they might have gained from their duties and activities with the Authority.

Clause 41 prohibits persons, including applicants for assistance under a scheme, from providing information which they know is false or misleading.

Clause 42 prohibits persons, including applicants, from providing documents which they know are false or misleading or incomplete.

Clause 43 empowers the Authority to reclaim funds which have been provided as a result of information or documents which were false or misleading.

Clause 44 empowers the Governor in Council to make regulations under the Act.

PART 7—SAVINGS, TRANSITIONAL AND VALIDATION PROVISIONS

Clause 45 defines the terms and expressions used in Part 7 of the Act.

Clause 46 provides for transitional references to existing Acts.

Clause 47 states that a reference to any of the specified Acts is to be taken as a reference to this Act.

Clause 48 provides for the assets and liabilities in relation to the QIDC's Government Scheme Division to be vested with the Authority.

Clause 49 provides for unfinished legal proceedings relating to the Government Schemes Division to be continued by the Authority.

Clause 50 requires the Registrar of Titles and other relevant persons to record the vesting of property dealt with in Clause 48. Such a request will not be liable to fees or stamp duty.

Clause 51 provides for the determination of interest rates, and validation of prior interest rate adjustments in relation to particular loans under the Young Farmers Establishment Scheme, the interest rates for which were originally subject to individual Orders in Council.

Clause 52 allows regulations to be made to assist in the transition of functions from Government Schemes Division to the Authority.

Clause 53 specifies an expiry date for this Division of the Act.

Clause 54 specifies that documentation applying to the Government Schemes Division is to apply to the Authority.

Clause 55 provides that all of the schemes of assistance that were previously administered by the QIDC's Government Schemes Division are taken to be approved assistance schemes for the purposes of this Act.

Clause 56 provides for the validation of any previous schemes of assistance administered by the QIDC's Government Schemes Division which might inadvertently have missed receiving approval under the QIDC Act 1985.

PART 8—REPEALS

Clause 57 provides for the repeal of certain Acts as specified in the Schedule.