

Government Owned Corporations Regulation 2024

Explanatory notes for SL 2024 No. 161

made under the

Government Owned Corporations Act 1993

General Outline

Short title

Government Owned Corporations Regulation 2024

Authorising law

Sections 2, 4, 5, 24, 118 and 167(1) of the *Government Owned Corporations Act 1993*

Policy objectives and the reasons for them

Under Part 7 of the *Statutory Instruments Act 1992*, the *Government Owned Corporations Regulation 2014* (the 2014 Regulation) expires on 1 September 2024. The provisions contained in the 2014 Regulation remain necessary for the continued effective operation of the *Government Owned Corporations Act 1993* (the GOC Act). In particular, it facilitates the operation of the GOC Act by:

- declaring particular government entities as government owned corporations (GOCs); and
- applying particular provisions of the *Financial Accountability Act 2009* and *Financial and Performance Management Standard 2019*. (These matters relate to GOC annual reporting requirements.)

Achievement of policy objectives

As a GOC is an incorporated entity declared by a regulation under the GOC Act to be a GOC, the GOC Act is unable to function in the way the policy intended it without subordinate legislation. A detailed review of the 2014 Regulation confirmed the need to have a regulation to support the functionality of the GOC Act.

The *Government Owned Corporations Regulation 2024* replaces the 2014 Regulation, with amendments to update provisions including:

- removing all references to SPARQ Solutions Pty Ltd (SPARQ) as a prescribed subsidiary and WorkCover Queensland (WorkCover) as candidate GOC;
- omitting sections 3 to 6 and Schedule 2 because there will be no prescribed subsidiary or candidate GOC, making these provisions redundant; and
- updating the 2014 Regulation to align with the current annual reporting provisions of the *Financial and Performance Management Standard 2019* (2019 FPMS). The 2014 GOC Regulation prescribes provisions of the *Financial and Performance Management Standard 2009* (2009 FPMS) as annual reporting standards for the GOCs. The 2009 FPMS has since expired and been remade as the 2019 FPMS. It is necessary to update the references to align with 2019 FPMS, with the key change the inclusion of Section 42 which requires annual financial statements to not be released prior to tabling in Parliament, noting there are already prescribed timeframes for tabling and publication. This aligns GOCs with all other departments and statutory bodies and current adopted practice.

References to SPARQ and WorkCover (and related provisions) were considered no longer required. Specifically:

- SPARQ is prescribed as a subsidiary of Energy Queensland Limited (EQL), with its initial intent to provide corporate services functions to former GOCs, Energex Limited and Ergon Energy Corporation Limited. Following the merger of these businesses and establishment of EQL, the subsidiary is currently non-operative.
- WorkCover has been nominated as candidate GOC under GOC Regulation since 1997 (when constituted under the now repealed *WorkCover Queensland Act 1996*). Candidate GOC provisions within the GOC Act allow for transitional arrangements in creating new GOCs. There are currently no steps to convert WorkCover to a GOC and there is no current government policy mandate to progress or to investigate corporate redesign.

Consistency with policy objectives of authorising law

The *Government Owned Corporations Regulation 2024* is consistent with the main objects of the GOC Act as it prescribes the Government entities to which the GOC Act applies.

Inconsistency with policy objectives of other legislation

Not applicable.

Benefits and costs of implementation

Replacement of the 2014 Regulation, through the *Government Owned Corporations Regulation 2024*, will provide GOCs continued certainty on their governance structure and obligations under the GOC Act.

Implementing the *Government Owned Corporations Regulation 2024* will not result in an increase in costs for Government as administration will remain subject to existing processes and staffing.

Consistency with fundamental legislative principles

The *Government Owned Corporations Regulation 2024* is consistent with fundamental legislative principles.

Consultation

The Department of the Premier and Cabinet, the Department of Energy and Climate, the Department of Regional Development, Manufacturing and Water, the Department of Transport and Main Roads, the Office of Industrial Relations and WorkCover Queensland, all GOCs, Queensland Rail and Seqwater were consulted in the preparation of the proposed replacement regulation.

No issues were raised.