

**NSW GRAIN CORPORATION HOLDINGS LIMITED  
ACT 1992 No. 31**

NEW SOUTH WALES



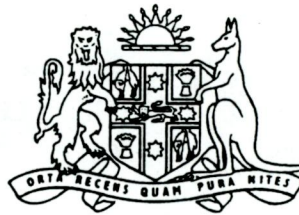
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**NSW GRAIN CORPORATION HOLDINGS LIMITED  
ACT 1992 No. 31**

**NEW SOUTH WALES**



**Act No. 31, 1992**

An Act relating to NSW Grain Corporation Holdings Limited and the NSW Grain Corporation Limited; to amend the State Owned Corporations Act 1989 and to repeal the Grain Handling Authority (Corporatisation) Act 1989; and for other purposes. [Assented to 18 May 1992]

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**The Legislature of New South Wales enacts:**

**Short title**

1. This Act may be cited as the NSW Grain Corporation Holdings Limited Act 1992.

**Commencement**

2. This Act commences on the date of assent.

**Definitions**

3. (1) Words and expressions used in this Act have the same meanings as they have in the State Owned Corporations Act 1989.

(2) In this Act:

“**appointed day**” means the day appointed for the purposes of section 10;

“**approved person**” has the meaning given by section 4;

“**Grain Corporation**” means NSW Grain Corporation Limited;

“**Grain Holdings**” means NSW Grain Corporation Holdings Limited;

“**instrument**” means an instrument (other than this Act) which creates, modifies or extinguishes rights or liabilities (or would do so if lodged, filed or registered in accordance with any law), and includes any judgment, order or process of a court;

“**Ministerial Corporation**” means the Grain Handling Ministerial Corporation constituted by section 13 of the Grain Handling Authority (Corporatisation) Act 1989.

**Approved persons**

4. For the purposes of this Act, an approved person is Prime Wheat Association Limited (A.C.N. 000 245 269) or a wholly-owned subsidiary of that company.

**Negotiations and agreements for sale of Grain Holdings**

5. (1) Negotiations may be conducted for the sale of Grain Holdings by the the transfer of any issued shares in Grain Holdings to persons who are not eligible Ministers.

(2) The Ministers who are shareholders in Grain Holdings are authorised to enter into agreements for the transfer of their shares to an approved person.

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(3) Any negotiations or agreements may be conducted or entered into before, on or after the appointed day. Any such negotiations or agreements conducted or entered into before the date of assent to this Act are validated to the extent of any invalidity.

(4) However, any such transfer of shares does not take effect before the appointed day.

(5) Neither the operation of this section nor any such agreement is to be regarded:

- (a) as a breach of contract or confidence or otherwise as a civil wrong; or
- (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities; or
- (c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability.

(6) Neither the operation of this section nor any such agreement is to be regarded as an event of default under any contract or other instrument.

**Amendment of memorandum and articles of association**

6. (1) The Ministers who are the voting shareholders of Grain Holdings are authorised to take steps before the appointed day to make alterations and additions to the memorandum and articles of association of Grain Holdings that are inconsistent with the requirements of the State Owned Corporations Act 1989 or the Grain Handling Authority (Corporatisation) Act 1989 or both.

(2) However, any such inconsistent alterations or additions do not take effect before the appointed day.

**Creation of debt due to State**

7. (1) The purpose of this section is to maximise the amounts payable to the State in connection with the sale of Grain Holdings by providing for additional payments to the State otherwise than as part of the consideration for the transfer of shares in Grain Holdings.

(2) An agreement referred to in section 5 may provide for Grain Holdings or Grain Corporation, or both, to become liable to pay to the State of New South Wales either or both of the following:

- (a) such amounts as are specified in the agreement; or

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- (b) such amounts as the Minister may determine by order in writing before the appointed day or within 6 months starting with the appointed day.
- (3) The liability to pay the amounts arises on the appointed day, or, in the case of an amount determined after that day, on the day the determination takes effect.
- (4) Any such amount is payable on such terms and at such time or times as are provided for in the agreement or as the Minister determines by order in writing and may be recovered by the Minister on behalf of the State as a debt in any court of competent jurisdiction.

**Proceeds**

- 8. (1) Any amounts received for the transfer of the shares, or by way of repayment of the debt under section 7, must be paid into the Consolidated Fund.
- (2) There may be deducted from those amounts before payment into the Consolidated Fund such amount as the Minister approves to meet the expenses reasonably incurred in connection with the sale of Grain Holdings.

**Transfer of identified assets to Crown**

- 9. (1) An agreement referred to in section 5 may identify assets of Grain Holdings or Grain Corporation as assets to which this section applies.
- (2) The Minister may, by order in writing, direct that any assets so identified be transferred to the Crown, on such terms and for such consideration (if any) as are specified in the order.
- (3) On the commencement of the order, the identified assets vest in the Crown by virtue of this section (subject to any existing leases) and without the need for any conveyance, transfer, assignment or assurance.
- (4) No attornment to the Crown by a lessee from Grain Holdings or Grain Corporation is required.
- (5) Such an order may be made before, on or after the appointed day and may commence before, on or after that day.

**Amendment of State Owned Corporations Act 1989 No. 134**

- 10. On a day to be appointed by proclamation for the purposes of this section, the State Owned Corporations Act 1989 is amended by omitting from Schedule 1 the words "NSW Grain Corporation Holdings Limited".

**Application of State Owned Corporations Act from appointed day**

11. The State Owned Corporations Act 1989 does not apply to Grain Holdings or Grain Corporation on and after the appointed day. This section has effect subject to any express provisions of this Act.

**Dissolution of Grain Handling Ministerial Corporation**

12. (1) The Ministerial Corporation is dissolved on the appointed day.
- (2) On the appointed day, the following provisions have effect:
- (a) the assets of the Ministerial Corporation vest in the Crown by virtue of this section and without the need for any conveyance, transfer, assignment or assurance;
  - (b) the rights and liabilities of the Ministerial Corporation become by virtue of this section the rights and liabilities of the Crown;
  - (c) all proceedings pending by or against the Ministerial Corporation are taken to be proceedings pending by or against the Crown;
  - (d) any act, matter or thing done or omitted by, to or in respect of the Ministerial Corporation is (to the extent that that act, matter or thing has any force or effect) taken to have been done or omitted by, to or in respect of the Crown;
  - (e) a reference in any Act, in any instrument made under an Act or in any document of any kind to the Ministerial Corporation is to be read as a reference to the Crown.
- (3) The operation of this section is not to be regarded:
- (a) as a breach of contract or confidence or otherwise as a civil wrong; or
  - (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities; or
  - (c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability.
- (4) The operation of this section is not to be regarded as an event of default under any contract or other instrument.
- (5) No attornment to the Crown by a lessee from the Ministerial Corporation is required.
- (6) The purpose of this subsection is to ensure that the above provisions of this section extend to the "excluded undertaking" of the Grain Handling Authority. Accordingly, this section extends to assets,

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rights and liabilities transferred to the Ministerial Corporation under section 7 of the Grain Handling (Corporatisation) Act 1989. In particular, subsection (2) (e) of this section extends to a reference to the Ministerial Corporation that relates to any excluded undertaking referred to in section 7 of that Act.

**Repeal of Grain Handling Authority (Corporatisation) Act 1989 No. 135**

13. (1) The Grain Handling Authority (Corporatisation) Act 1989 is repealed on the appointed day.

(2) Section 6 of that Act continues to operate on and after the appointed day as if it had not been repealed by this Act.

(3) The regulations may contain provisions regarding the interpretation of references in any instrument to the Grain Handling Authority of New South Wales or any member or employee of the Authority. Any such provisions have effect despite section 6 of that Act as continuing in operation.

**Dividends**

14. Section 14 of the State Owned Corporations Act 1989 continues to apply to any dividends declared by Grain Holdings or Grain Corporation (before the appointed day) to the extent that the whole or any part of those dividends payable to eligible Ministers has not been paid to the Treasurer.

**Tax-equivalents**

15. (1) Section 15 of the State Owned Corporations Act 1989 continues to apply to any tax-equivalents due and payable to the Treasurer by Grain Holdings or Grain Corporation (before the appointed day) to the extent that they have not been paid to the Treasurer before the appointed day.

(2) Without affecting subsection (1), an agreement referred to in section 5 of this Act may provide for the continued operation of section 15 of that Act on or after the appointed day to Grain Holdings or Grain Corporation as regards any period before the appointed day.

(3) Authorities of the State are entitled to access to books and records of or relating to Grain Holdings and Grain Corporation for the purposes of this section.



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**Reports and accounts**

16. (1) An agreement referred to in section 5 of this Act may provide for the continued operation of section 24 of the State Owned Corporations Act 1989 on or after the appointed day in relation to Grain Holdings or Grain Corporation as regards any period before the appointed day.

(2) Authorities of the State are entitled to access to books and records of or relating to Grain Holdings and Grain Corporation for the purposes of this section.

**Staff**

17. (1) An employee of Grain Holdings or Grain Corporation retains any rights to annual leave, extended service leave or sick leave accrued or accruing by virtue of clause 3 of Schedule 4 to the State Owned Corporations Act 1989.

(2) An employee of Grain Holdings or Grain Corporation retains any rights to annual leave, extended service leave or sick leave accrued or accruing on or after 1 October 1989 and before the appointed day.

(3) Neither the contract of employment nor the period of employment of each employee of Grain Holdings or Grain Corporation is taken to have been broken by the operation of this Act for the purposes of any law, award or agreement relating to the employment of that employee.

**Operation of this Act**

18. (1) This Act binds the Crown.

(2) This Act has effect despite anything in the State Owned Corporations Act 1989, the Grain Handling Authority (Corporatisation) Act 1989 or the memorandum or articles of association of Grain Holdings or Grain Corporation.

**Regulations**

19. (1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) In particular, the regulations may contain provisions of a savings or transitional nature consequent on the enactment of this Act or the Grain Handling Authority (Corporatisation) Act 1989 (including provisions of the kind referred to in section 13 (3) of this Act).

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(3) Any such savings or transitional provision may, if the regulations so provide, take effect from the commencement of the Grain Handling Authority (Corporatisation) Act 1989 or a later date.

(4) To the extent to which any such savings or transitional provision takes effect from a date that is earlier than the date of its publication in the Gazette, the provision does not operate so as:

- (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication; or
- (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.

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[*Minister's second reading speech made in—  
Legislative Assembly on 30 April 1992  
Legislative Council on 7 May 1992*]

FIRST PRINT

**NSW GRAIN CORPORATION HOLDINGS LIMITED  
BILL 1992**

NEW SOUTH WALES



**EXPLANATORY NOTE**

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

The object of this Bill is to permit the sale of NSW Grain Corporation Holdings Limited (Grain Holdings) and, as a consequence, of its subsidiary NSW Grain Corporation Limited (Grain Corporation). Grain Holdings is a State owned corporation.

The principal means of achieving this object are the omission of Grain Holdings from Schedule 1 to the State Owned Corporations Act 1989 and the resulting removal of the impediments to the sale and transfer of the corporation's issued shares imposed by that Act.

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Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent. However, key provisions will operate from a day to be proclaimed under clause 8.

Clause 3 defines certain expressions used in the proposed Act. Among the expressions defined are "appointed day" (meaning the day appointed by proclamation under clause 8), "approved person" (meaning the company specified in clause 4 or a wholly-owned subsidiary), and "Ministerial Corporation" (meaning the Grain Handling Ministerial Corporation constituted under the Grain Handling Authority (Corporatisation) Act 1989).

Clause 4 specifies Prime Wheat Association Limited, or a wholly-owned subsidiary of that company, as the approved person to whom the issued shares of Grain Holdings may be transferred.

Clause 5 empowers the shareholders of Grain Holdings to conduct negotiations for the transfer of any of the corporation's issued shares and to enter into agreements for their transfer to an approved person.

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The clause also validates any such negotiations or agreements conducted or entered into before the date of assent to the proposed Act and provides that any transfer of shares to an approved person will have no effect before the appointed day.

Clause 6 authorises the making, before the appointed day, of alterations and additions to the memorandum and articles of association of Grain Holdings and Grain Corporation. Such alterations and additions will not have effect before the appointed day.

Clause 7 provides for additional amounts to be paid to the State in connection with the sale of Grain Holdings, as provided by the sale agreement.

Clause 8 requires the proceeds of the share transfer, or by way of repayment of the debt, to be paid into the Consolidated Fund, subject to deduction of expenses.

Clause 9 provides for the transfer to the Crown of assets of Grain Holdings or Grain Corporation, as identified by the sale agreement.

Clause 10 provides for the omission of Grain Holdings from Schedule 1 to the State Owned Corporations Act 1989 on the appointed day. This is the means by which the corporation ceases to be a State owned corporation.

Clause 11 specifically states that, on and after the appointed day, the State Owned Corporations Act will not apply to Grain Holdings and Grain Corporation except as otherwise expressly provided by the Act.

Clause 12 provides for the dissolution of the Ministerial Corporation on the appointed day. On that day the assets of the Ministerial Corporation vest in the Crown and the rights and liabilities of the Ministerial Corporation become those of the Crown.

Clause 13 repeals the Grain Handling Authority (Corporatisation) Act 1989, but saves the operation of section 6 of that Act, which deals with the transfer of the business undertaking of the former Grain Handling Authority to Grain Corporation.

Clause 14 preserves the liability of Grain Holdings and Grain Corporation to pay to the Treasurer any dividends declared by them (before the appointed day) which are payable to eligible Ministers and have not been paid to the Treasurer before that day.

Clause 15 preserves the liability of Grain Holdings and Grain Corporation to pay any tax-equivalents due and payable to the Treasurer under the State Owned Corporations Act 1989.

Clause 16 provides for the continued application of the reporting and auditing requirements of the State Owned Corporations Act 1989 to Grain Holdings or Grain Corporation as regards any period before the appointed day.

Clause 17 deals with the rights of staff of Grain Holdings and Grain Corporation.

Clause 18 provides that the Crown is bound by the proposed Act and that the proposed Act has effect despite anything in certain other instruments.

Clause 19 empowers the Governor to make regulations for the purposes of the proposed Act, including regulations of a savings or transitional nature.

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FIRST PRINT

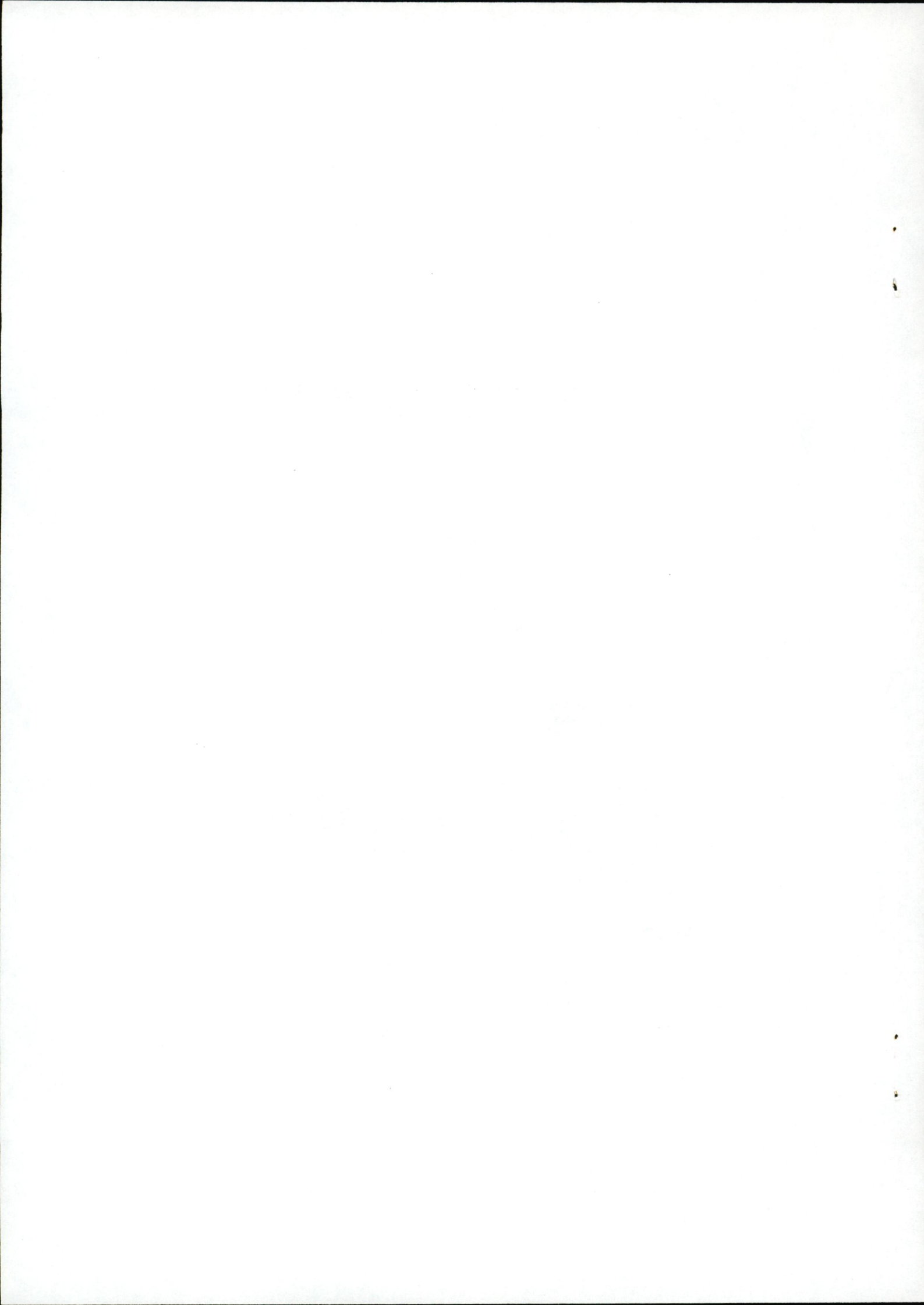
**NSW GRAIN CORPORATION HOLDINGS LIMITED  
BILL 1992**

NEW SOUTH WALES



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**NSW GRAIN CORPORATION HOLDINGS LIMITED  
BILL 1992**

NEW SOUTH WALES



No. , 1992

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**A BILL FOR**

An Act relating to NSW Grain Corporation Holdings Limited and the NSW Grain Corporation Limited; to amend the State Owned Corporations Act 1989 and to repeal the Grain Handling Authority (Corporatisation) Act 1989; and for other purposes.

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*NSW Grain Corporation Holdings Limited 1992*

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**The Legislature of New South Wales enacts:**

**Short title**

1. This Act may be cited as the NSW Grain Corporation Holdings Limited Act 1992.

**5 Commencement**

2. This Act commences on the date of assent.

**Definitions**

3. (1) Words and expressions used in this Act have the same meanings as they have in the State Owned Corporations Act 1989.

10 (2) In this Act:

“appointed day” means the day appointed for the purposes of section 10;

“approved person” has the meaning given by section 4;

“Grain Corporation” means NSW Grain Corporation Limited;

15 “Grain Holdings” means NSW Grain Corporation Holdings Limited;

“instrument” means an instrument (other than this Act) which creates, modifies or extinguishes rights or liabilities (or would do so if lodged, filed or registered in accordance with any law), and includes any judgment, order or process of a court;

20 “Ministerial Corporation” means the Grain Handling Ministerial Corporation constituted by section 13 of the Grain Handling Authority (Corporatisation) Act 1989.

**Approved persons**

25 4. For the purposes of this Act, an approved person is Prime Wheat Association Limited (A.C.N. 000 245 269) or a wholly-owned subsidiary of that company.

**Negotiations and agreements for sale of Grain Holdings**

30 5. (1) Negotiations may be conducted for the sale of Grain Holdings by the transfer of any issued shares in Grain Holdings to persons who are not eligible Ministers.

(2) The Ministers who are shareholders in Grain Holdings are authorised to enter into agreements for the transfer of their shares to an approved person.



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(3) Any negotiations or agreements may be conducted or entered into before, on or after the appointed day. Any such negotiations or agreements conducted or entered into before the date of assent to this Act are validated to the extent of any invalidity.

(4) However, any such transfer of shares does not take effect before the appointed day. 5

(5) Neither the operation of this section nor any such agreement is to be regarded:

(a) as a breach of contract or confidence or otherwise as a civil wrong; 10  
or

(b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities; 10  
or

(c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability. 15

(6) Neither the operation of this section nor any such agreement is to be regarded as an event of default under any contract or other instrument.

**Amendment of memorandum and articles of association** 20

6. (1) The Ministers who are the voting shareholders of Grain Holdings are authorised to take steps before the appointed day to make alterations and additions to the memorandum and articles of association of Grain Holdings that are inconsistent with the requirements of the State Owned Corporations Act 1989 or the Grain Handling Authority (Corporatisation) Act 1989 or both. 25

(2) However, any such inconsistent alterations or additions do not take effect before the appointed day.

**Creation of debt due to State**

7. (1) The purpose of this section is to maximise the amounts payable to the State in connection with the sale of Grain Holdings by providing for additional payments to the State otherwise than as part of the consideration for the transfer of shares in Grain Holdings. 30

(2) An agreement referred to in section 5 may provide for Grain Holdings or Grain Corporation, or both, to become liable to pay to the State of New South Wales either or both of the following: 35

(a) such amounts as are specified in the agreement; or

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(b) such amounts as the Minister may determine by order in writing before the appointed day or within 6 months starting with the appointed day.

5 (3) The liability to pay the amounts arises on the appointed day, or, in the case of an amount determined after that day, on the day the determination takes effect.

(4) Any such amount is payable on such terms and at such time or times as are provided for in the agreement or as the Minister determines by order in writing and may be recovered by the Minister on behalf of the  
10 State as a debt in any court of competent jurisdiction.

**Proceeds**

8. (1) Any amounts received for the transfer of the shares, or by way of repayment of the debt under section 7, must be paid into the Consolidated Fund.

15 (2) There may be deducted from those amounts before payment into the Consolidated Fund such amount as the Minister approves to meet the expenses reasonably incurred in connection with the sale of Grain Holdings.

**Transfer of identified assets to Crown**

20 9. (1) An agreement referred to in section 5 may identify assets of Grain Holdings or Grain Corporation as assets to which this section applies.

(2) The Minister may, by order in writing, direct that any assets so identified be transferred to the Crown, on such terms and for such  
25 consideration (if any) as are specified in the order.

(3) On the commencement of the order, the identified assets vest in the Crown by virtue of this section (subject to any existing leases) and without the need for any conveyance, transfer, assignment or assurance.

(4) No attornment to the Crown by a lessee from Grain Holdings or  
30 Grain Corporation is required.

(5) Such an order may be made before, on or after the appointed day and may commence before, on or after that day.

**Amendment of State Owned Corporations Act 1989 No. 134**

35 10. On a day to be appointed by proclamation for the purposes of this section, the State Owned Corporations Act 1989 is amended by omitting from Schedule 1 the words "NSW Grain Corporation Holdings Limited".

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**Application of State Owned Corporations Act from appointed day**

11. The State Owned Corporations Act 1989 does not apply to Grain Holdings or Grain Corporation on and after the appointed day. This section has effect subject to any express provisions of this Act.

**Dissolution of Grain Handling Ministerial Corporation**

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12. (1) The Ministerial Corporation is dissolved on the appointed day.

(2) On the appointed day, the following provisions have effect:

(a) the assets of the Ministerial Corporation vest in the Crown by virtue of this section and without the need for any conveyance, transfer, assignment or assurance;

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(b) the rights and liabilities of the Ministerial Corporation become by virtue of this section the rights and liabilities of the Crown;

(c) all proceedings pending by or against the Ministerial Corporation are taken to be proceedings pending by or against the Crown;

(d) any act, matter or thing done or omitted by, to or in respect of the Ministerial Corporation is (to the extent that that act, matter or thing has any force or effect) taken to have been done or omitted by, to or in respect of the Crown;

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(e) a reference in any Act, in any instrument made under an Act or in any document of any kind to the Ministerial Corporation is to be read as a reference to the Crown.

20

(3) The operation of this section is not to be regarded:

(a) as a breach of contract or confidence or otherwise as a civil wrong;  
or

(b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities;  
or

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(c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability.

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(4) The operation of this section is not to be regarded as an event of default under any contract or other instrument.

(5) No attornment to the Crown by a lessee from the Ministerial Corporation is required.

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(6) The purpose of this subsection is to ensure that the above provisions of this section extend to the "excluded undertaking" of the Grain Handling Authority. Accordingly, this section extends to assets,

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rights and liabilities transferred to the Ministerial Corporation under section 7 of the Grain Handling (Corporatisation) Act 1989. In particular, subsection (2) (e) of this section extends to a reference to the Ministerial Corporation that relates to any excluded undertaking referred to in section 5 7 of that Act.

**Repeal of Grain Handling Authority (Corporatisation) Act 1989  
No. 135**

13. (1) The Grain Handling Authority (Corporatisation) Act 1989 is repealed on the appointed day.

10 (2) Section 6 of that Act continues to operate on and after the appointed day as if it had not been repealed by this Act.

(3) The regulations may contain provisions regarding the interpretation of references in any instrument to the Grain Handling Authority of New South Wales or any member or employee of the Authority. Any such provisions have effect despite section 6 of that Act as continuing in operation. 15

**Dividends**

14. Section 14 of the State Owned Corporations Act 1989 continues to apply to any dividends declared by Grain Holdings or Grain Corporation (before the appointed day) to the extent that the whole or any part of those dividends payable to eligible Ministers has not been paid to the Treasurer. 20

**Tax-equivalents**

15. (1) Section 15 of the State Owned Corporations Act 1989 continues to apply to any tax-equivalents due and payable to the Treasurer by Grain Holdings or Grain Corporation (before the appointed day) to the extent that they have not been paid to the Treasurer before the appointed day. 25

(2) Without affecting subsection (1), an agreement referred to in section 5 of this Act may provide for the continued operation of section 15 of that Act on or after the appointed day to Grain Holdings or Grain Corporation as regards any period before the appointed day. 30

(3) Authorities of the State are entitled to access to books and records of or relating to Grain Holdings and Grain Corporation for the purposes of this section. 35

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**Reports and accounts**

16. (1) An agreement referred to in section 5 of this Act may provide for the continued operation of section 24 of the State Owned Corporations Act 1989 on or after the appointed day in relation to Grain Holdings or Grain Corporation as regards any period before the appointed day. 5

(2) Authorities of the State are entitled to access to books and records of or relating to Grain Holdings and Grain Corporation for the purposes of this section.

**Staff** 10

17. (1) An employee of Grain Holdings or Grain Corporation retains any rights to annual leave, extended service leave or sick leave accrued or accruing by virtue of clause 3 of Schedule 4 to the State Owned Corporations Act 1989.

(2) An employee of Grain Holdings or Grain Corporation retains any rights to annual leave, extended service leave or sick leave accrued or accruing on or after 1 October 1989 and before the appointed day. 15

(3) Neither the contract of employment nor the period of employment of each employee of Grain Holdings or Grain Corporation is taken to have been broken by the operation of this Act for the purposes of any law, award or agreement relating to the employment of that employee. 20

**Operation of this Act**

18. (1) This Act binds the Crown.

(2) This Act has effect despite anything in the State Owned Corporations Act 1989, the Grain Handling Authority (Corporatisation) Act 1989 or the memorandum or articles of association of Grain Holdings or Grain Corporation. 25

**Regulations**

19. (1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act. 30

(2) In particular, the regulations may contain provisions of a savings or transitional nature consequent on the enactment of this Act or the Grain Handling Authority (Corporatisation) Act 1989 (including provisions of the kind referred to in section 13 (3) of this Act). 35

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(3) Any such savings or transitional provision may, if the regulations so provide, take effect from the commencement of the Grain Handling Authority (Corporatisation) Act 1989 or a later date.

5 (4) To the extent to which any such savings or transitional provision takes effect from a date that is earlier than the date of its publication in the Gazette, the provision does not operate so as:

- (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication; or
  - 10 (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.
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**NSW GRAIN CORPORATION HOLDINGS LIMITED BILL 1992**

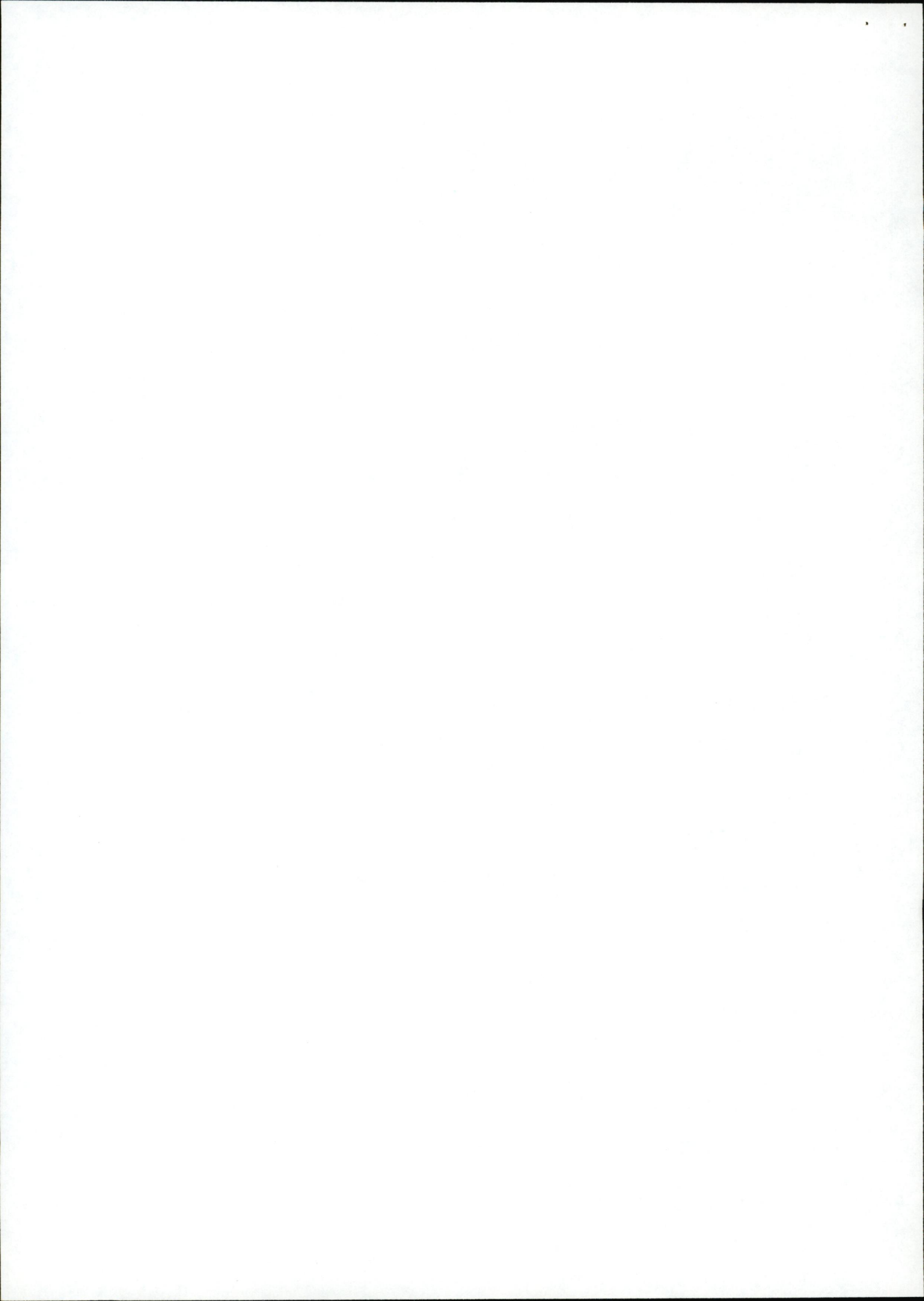
**MR PRESIDENT,**

**THE PURPOSE OF THIS BILL IS TO PROVIDE FOR THE PRIVATISATION OF NSW GRAIN CORPORATION HOLDINGS LIMITED.**

**THE SALE OF GRAINCORP WILL ENSURE THAT THE ORGANISATION CAN CONTINUE TO OPERATE EFFICIENTLY WITHOUT PLACING UNNECESSARY DEMANDS ON THE TAXPAYERS OF NEW SOUTH WALES. THERE IS NO JUSTIFICATION FOR THE GOVERNMENT'S CONTINUING INVOLVEMENT IN A COMMERCIAL OPERATION SUCH AS GRAINCORP. THE RECENT DEREGULATION OF THE WHEAT INDUSTRY AND THE RESULTANT INCREASE IN COMPETITION HAVE ONLY SERVED TO HIGHLIGHT THE NEED FOR GRAINCORP TO BE FREED FROM GOVERNMENT OWNERSHIP.**

**MR PRESIDENT,**

**SIGNIFICANTLY THE SALE OF GRAINCORP IS WIDELY SUPPORTED: BY THE COMPANY, BY GROWERS AND BY THE INDUSTRY GENERALLY.**





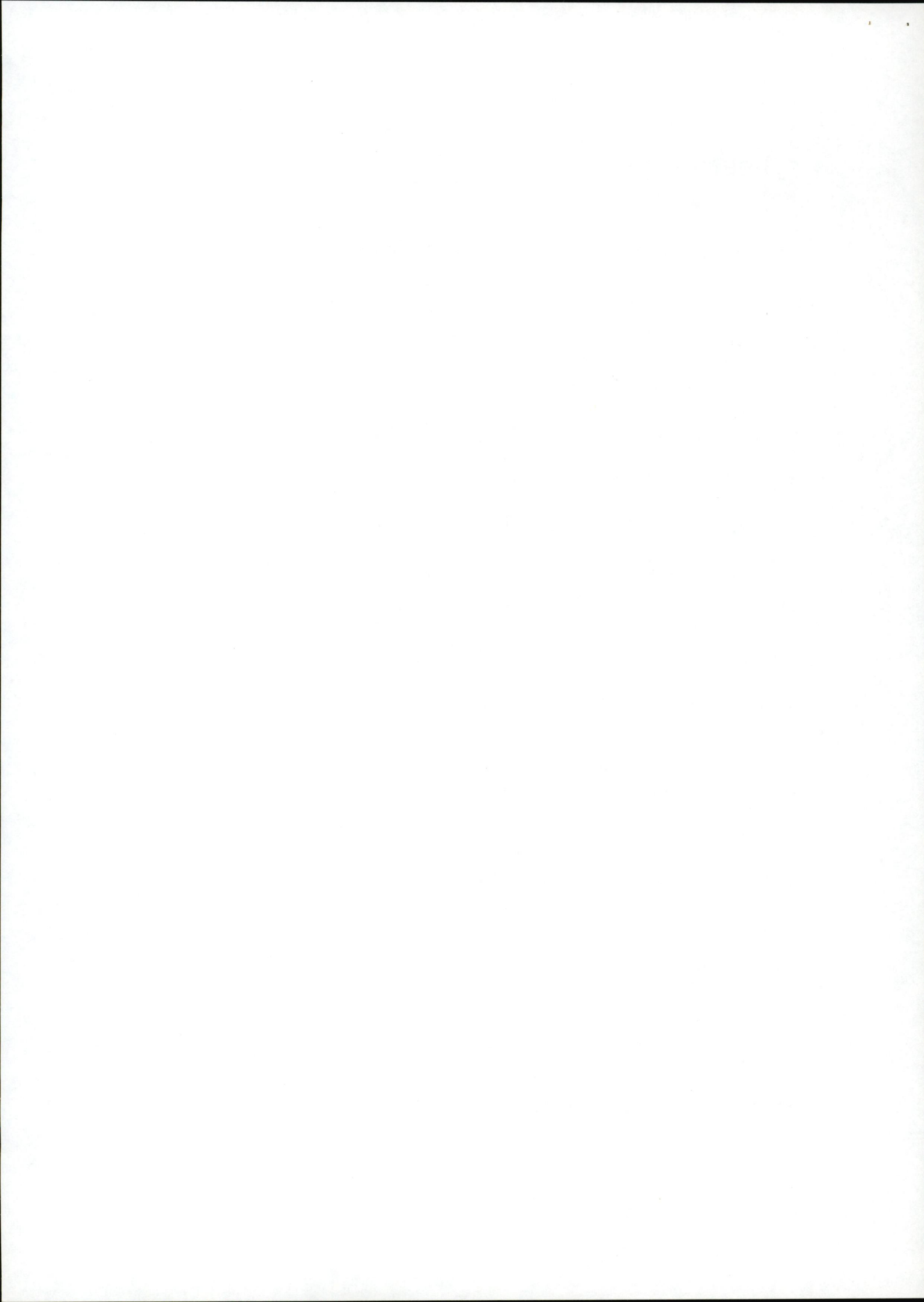
MR PRESIDENT,

THE PRIVATISATION OF GRAINCORP WILL BRING NEW SOUTH WALES INTO LINE WITH THE OTHER GRAIN PRODUCING STATES OF SOUTH AUSTRALIA, WESTERN AUSTRALIA AND QUEENSLAND WHERE OWNERSHIP HAS BEEN TRANSFERED FROM GOVERNMENT TO INDUSTRY . WESTERN AUSTRALIA AND SOUTH AUSTRALIA ARE ESTABLISHED PRECEDENTS WHICH CLEARLY DEMONSTRATE THAT THE INDUSTRY CAN SUCCESSFULLY OWN AND OPERATE GRAIN HANDLING FACILITIES. QUEENSLAND ALSO RECENTLY MOVED TO INDUSTRY OWNERSHIP.

FURTHER, INDUSTRY OWNERSHIP OF GRAINCORP WILL RESULT IN A MORE EFFICIENT NEW SOUTH WALES GRAINS INDUSTRY THROUGH VERTICAL INTEGRATION.

MR PRESIDENT,

THE GOVERNMENT HAS CONDUCTED AN EXTREMELY THOROUGH SALE PROCESS WHICH HAS INVOLVED



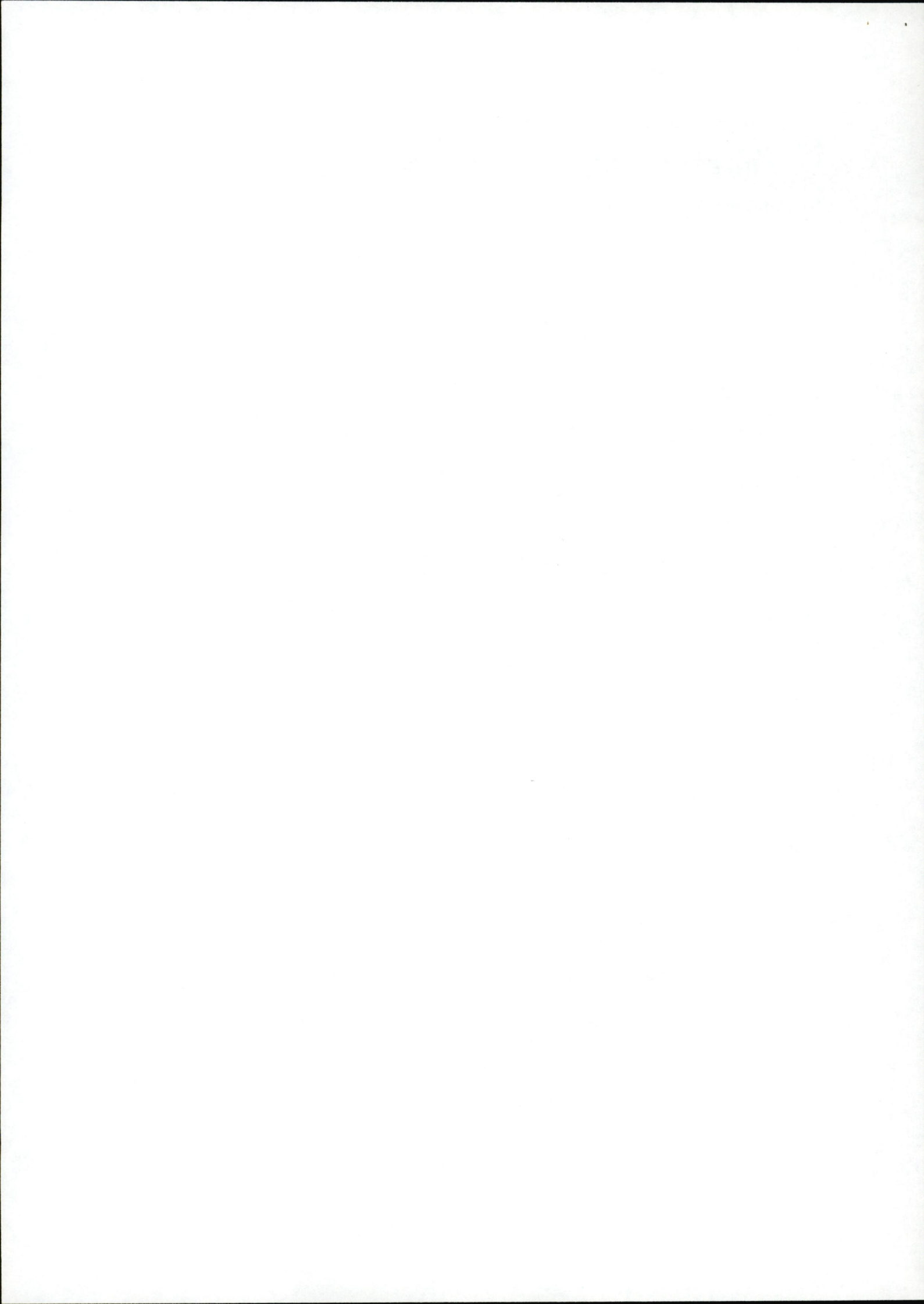
SEEKING POTENTIAL PURCHASERS BOTH NATIONALLY AND INTERNATIONALLY TO ENSURE THAT ALL SALE OPTIONS WERE CONSIDERED AND SALE PROCEEDS MAXIMISED.

AFTER TAKING INTO ACCOUNT RELEVANT COMMERCIAL CONSIDERATIONS AND THE REQUIREMENT THAT BIDDERS DEMONSTRATE SUPPORT FROM THE GRAINS INDUSTRY, THE GOVERNMENT DETERMINED THAT AN OFFER FROM THE PRIME WHEAT ASSOCIATION WAS THE PREFERRED BID. THIS BILL FACILITATES THE SALE OF GRAINCORP TO PWA.

MR PRESIDENT,

A SALE OF GRAINCORP TO PWA IS IN THE STATE'S BEST INTEREST FOR A NUMBER OF REASONS.

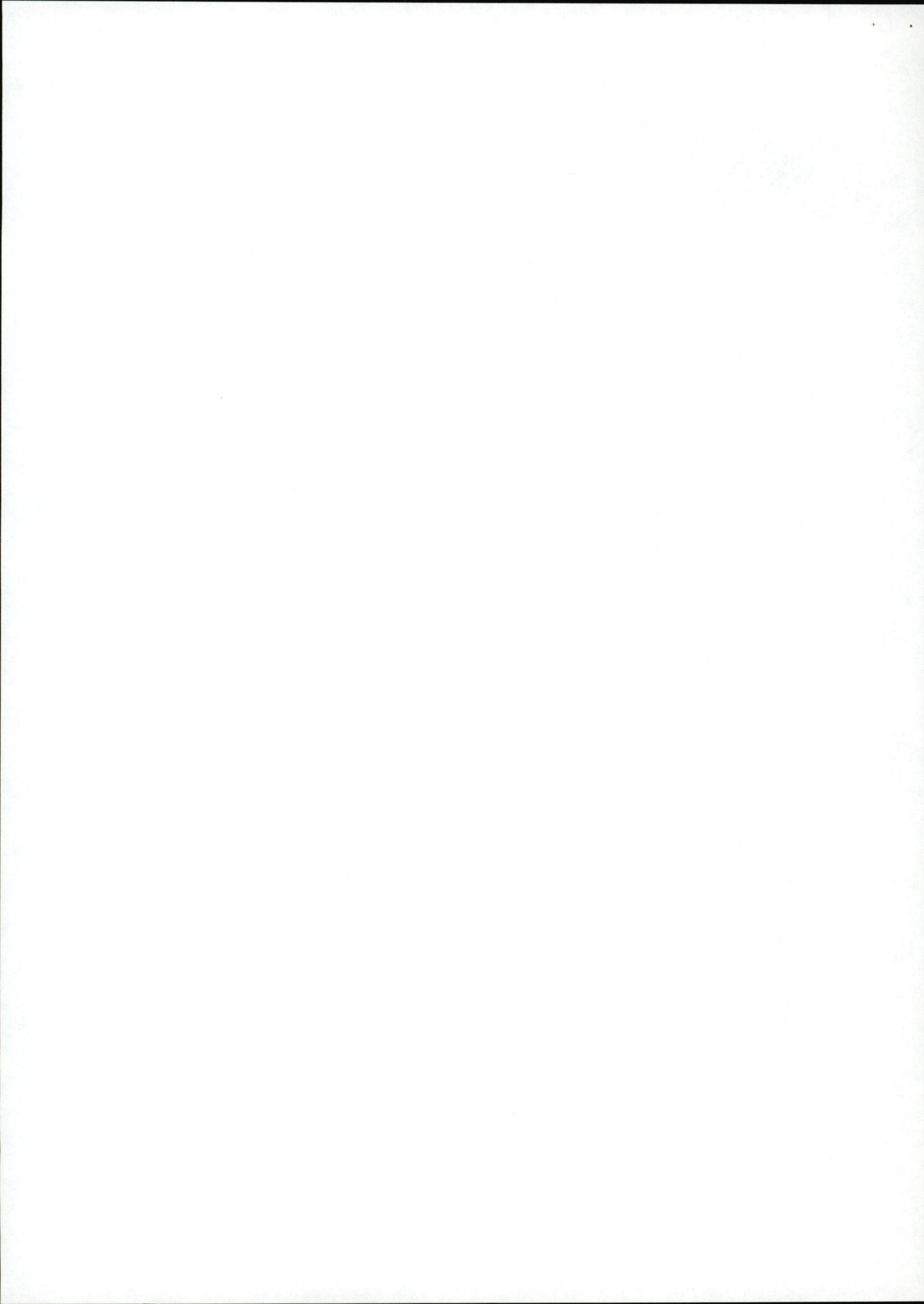
FIRST, THE PRICE TO BE RECEIVED FROM PWA IS GREATER THAN GRAINCORP'S ESTIMATED VALUE OF BETWEEN \$90 MILLION AND \$120 MILLION AS PROVIDED BY THE GOVERNMENT'S ADVISORS, ROTHSCHILD AUSTRALIA. PWA IS TO PAY A MINIMUM PURCHASE PRICE WHICH HAS A



PRESENT VALUE OF \$90 MILLION . DEPENDING ON THE LEVEL OF GRAIN RECEIPTS, THE PRICE IS CAPABLE OF BEING INCREASED TO \$110 MILLION. ALSO, THE STATE IS TO RETAIN GRAINCORP'S RESIDUAL CASH OF AROUND \$12 MILLION PLUS ITS HEAD OFFICE (WHICH IS ESTIMATED TO HAVE A VALUE OF \$5 MILLION). THEREFORE, NSW WILL, IN EFFECT, RECEIVE BETWEEN \$107 MILLION AND \$127 MILLION FOR GRAINCORP.

SECONDLY, AND MOST SIGNIFICANTLY, PWA HAS DEMONSTRATED THAT IN MAKING ITS OFFER IT HAS THE SUPPORT OF THE NSW GRAINS INDUSTRY. IN PARTICULAR, THE NSW FARMERS' ASSOCIATION UNANIMOUSLY SUPPORTED PWA'S OFFER BY WAY OF RESOLUTION AT ITS LAST ANNUAL CONFERENCE. FURTHER, PWA IS WIDELY REPRESENTATIVE OF THE GRAINS INDUSTRY HAVING OVER 8,000 MEMBERS WHICH REPRESENT APPROXIMATELY 90% OF THE NSW GRAINS PRODUCTION INDUSTRY.

MR PRESIDENT,

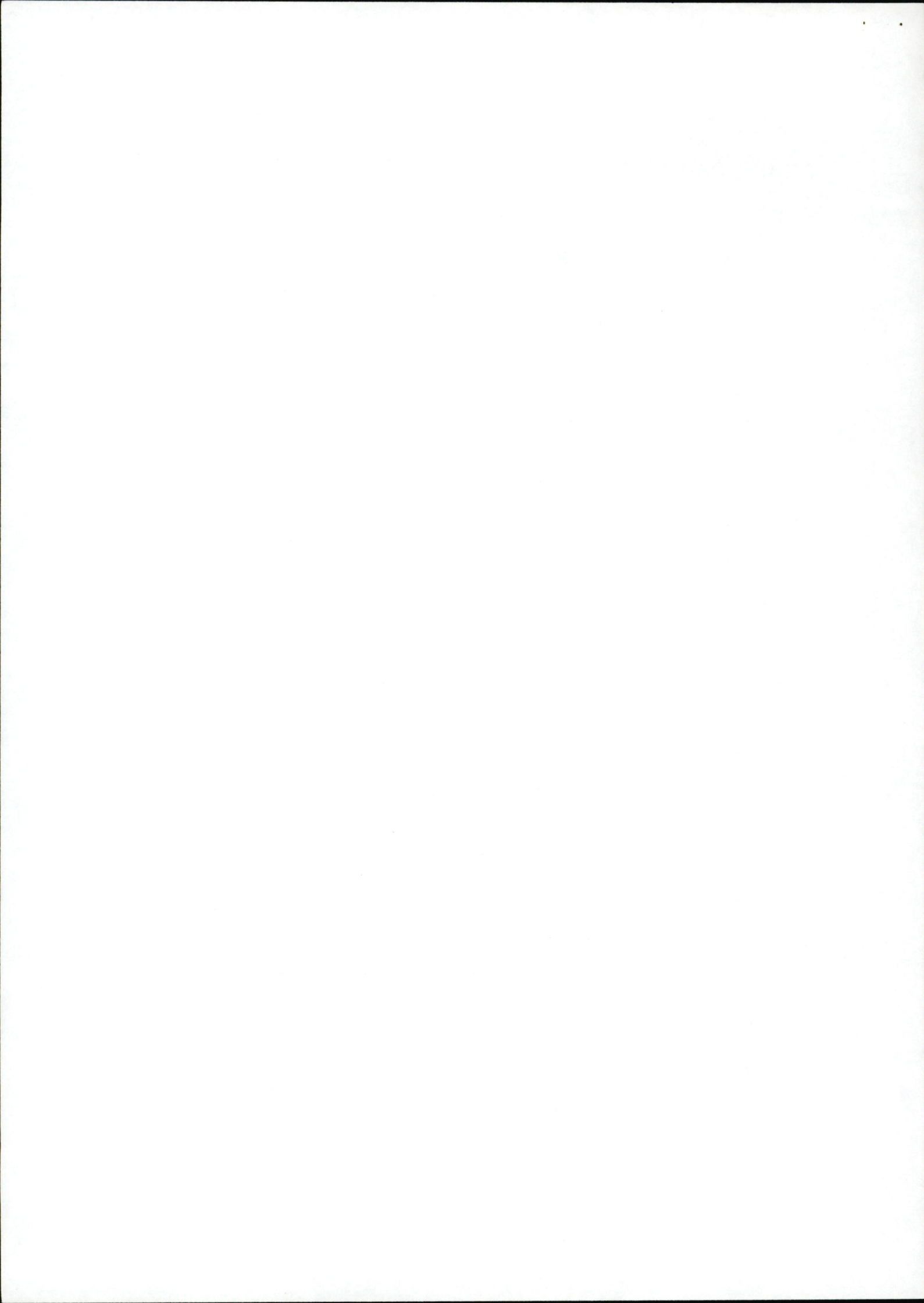


A SALE TO PWA WILL ENSURE THAT OWNERSHIP OF GRAINCORP REMAINS IN NSW AND THAT USE OF NSW'S RAIL AND PORT INFRASTRUCTURE IS MAXIMISED. ABOVE ALL, OWNERSHIP BY PWA WILL MAKE FOR A MORE VIABLE GRAINS INDUSTRY THROUGH VERTICAL INTEGRATION.

MR PRESIDENT,

THE BILL ESSENTIALLY CONTAINS MECHANICAL PROVISIONS TO FACILITATE THE SALE TO PWA. GRAINCORP, AS A STATE OWNED CORPORATION, CANNOT BE PRIVATISED UNLESS ITS NAME IS REMOVED FROM SCHEDULE 1 TO THE SOC ACT BY WAY OF AN ACT OF PARLIAMENT. THIS BILL PROVIDES FOR THE REMOVAL OF GRAINCORP FROM THE SCHEDULE.

THE BILL ALSO PROTECTS THE POSITION OF GRAINCORP'S EMPLOYEES AND ENSURES THAT THEY WILL NOT BE PREJUDICED BY THE SALE. UNDER THE BILL THE ENTITLEMENTS OF GRAINCORP'S EMPLOYEES ARE PRESERVED . FURTHER, AS PART OF THE SALE, THE GOVERNMENT IS TO REQUIRE PWA TO UNDERTAKE TO HONOUR ALL EXISTING CONTRACTS AND AWARDS.





ALSO, IN RELATION TO SUPERANNUATION, ALL ACCRUED BENEFITS OF EMPLOYEES ARE TO BE PRESERVED BY WAY OF REGULATION. IT IS TO BE A CONDITION OF SALE THAT PWA ESTABLISHES A SUPERANNUATION SCHEME FOR GRAINCORP STAFF ON NO LESS FAVOURABLE TERMS THAN THE CURRENT STATE SCHEMES.

MR PRESIDENT,

PRIVATISATION OF GRAINCORP IS NOT AN IDEOLOGICAL MATTER BUT IS RATHER THE ONLY OPTION FOR THE STATE TO ENSURE THE ONGOING VIABILITY OF THE GRAINS INDUSTRY. THE PRIVATISATION HAS WIDESPREAD INDUSTRY SUPPORT AND, IN ADDITION TO FINANCIAL BENEFITS, THE PRIVATISATION ALLOWS GRAINCORP TO REMAIN IN NEW SOUTH WALES UNDER GRAINS INDUSTRY OWNERSHIP.

I COMMEND THE BILL TO THE HOUSE.

