

# THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES



## EQUITY SUSPENSE POLICY

<b>Version</b>	<b>Author</b>	<b>Date Approved by Board</b>
2008-1	Andrew Reilly	24/6/2008
2016-1	Carol Chiswell	13/4/2016
2017-1	Carol Chiswell	12/5/2017
2019-1	Carol Chiswell	10/12/2019

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## EQUITY SUSPENSE POLICY

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### Background

The Capital Equity Redemption Fund, later replaced by the Capital Equity Rollover Scheme (the Scheme), was devised to obtain funding for capital works on the New South Wales rice storage sheds. Rice growers contributed to the Scheme through deductions from their rice crop and were repaid after ten years. Equity Certificates were issued to growers who contributed to the Scheme.

The Rice Marketing Board for the State of New South Wales (the Board) was responsible for the rice storage facilities in NSW during the period of the Scheme. Following the sale of the Board's storage assets on 30 June 2006, the final Scheme contribution for the 2006 crop was levied on growers in November 2006. No further equity contributions were made. The 2006 crop equity contributions were repaid in July 2016 which finalised repayment of the Scheme.

In the event that a rollover payment was made by the Board and one or more of the following events occurred:

- The Board was not advised of the grower's payment instructions;
- The Board received a returned rejected payment; or
- The Board was advised to retain funds due to legal proceedings,

the retained funds were accounted for by the Board as "Equity Suspense" funds in a liability account on the Balance Sheet.

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### Policy

It is the policy of the Board to make all reasonable efforts to contact the Equity Certificate Holder to effect payment. A reconciliation of the Equity Suspense Account is reported to the Board at every Board meeting.

Funds held with no instruction or contact for a period in accordance with the legislation, are lodged as Unclaimed Money with the NSW Office of State Revenue, or in the case of deregistered companies, with the Australian Securities Investment Commission.

The Fund has been acquitted, with the exception of the amount in the Equity Suspense Account. The Board will continue to make all reasonable efforts to finalise this Account as soon as possible.

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### History

In 1957 the Board negotiated with the Bank of New South Wales to apply for a limit increase in their Capital Account of £250,000. The only way the Board could fund Capital Works on their rice storage sheds was through bank loans. As the bank was constrained by Government restrictions in other than short term funding, the Chief Inspector of the Bank suggested levying growers for additional capital requirements. The Board noted that the *Marketing of Primary Products Act 1927/1945* did not permit

the levying of growers, but it agreed to investigate the possibility of entering into financial arrangements with growers "in order to give them a holding in growing Board assets".<sup>1</sup>

A Sub-Committee of the Board comprising the Chairman Mr Noel Hogan, Board member Mr M.S.C. Emery and Board Manager Mr C.E. Dalton, was created in August 1958. On 14 October 1958, the Committee recommended to the Board that growers subscribe 2/- per paddy tonne over two years. Equity Certificates were to be issued and growers leaving the industry could redeem their shares from a "Redemption Fund". The Board approved the recommendation and informed the Auditor General and the Director of Marketing and Agricultural Economics, NSW Department of Agriculture. The rules of the Equity Fund were finalised with the Board's solicitors Cater & Dalton, and on 1st June 1960, the Board met and agreed that the Rules be sent to the Minister for approval.<sup>2</sup>

Deductions from crop proceeds to fund the storage assets were retrospective to 1954 crops. The Chairman's report covering finalisation of the 1961 Rice Pool indicated that Equity Certificates totalled £386,000 that year.

By 30 June 2006, immediately prior to the storage facilities being sold, the depreciated value of the Board's property, plant and equipment was \$123,944,000. The original cost of those assets was \$195,332,000.

A complete history of the Capital Equity Rollover Scheme is available from the Board's website or by contacting the Secretary.

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### **Further Information**

For further information concerning how the Board handles matured equity payments, please contact:

The Secretary  
The Rice Marketing Board for the State of New South Wales  
PO Box 151  
LEETON NSW 2705  
Telephone: (02) 6953 3200  
Facsimile (02) 6953 7684  
E-mail: [secretary@rmbnsw.org.au](mailto:secretary@rmbnsw.org.au)

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<sup>1</sup> Minutes of Ordinary Board Meeting held at Leeton on Thursday 31st January 1957.

<sup>2</sup> Minutes of Board meetings 1957 to 1960

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## Document Approval and Control

### a. Version

Reference	Details
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Version	2019-1
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### b. Revision and review History

Version	Revision Date	Summary of Change	Author
2019-1	21/5/19	Review - No amendments	Audit and Risk Committee
2019-1	13/11/19	Added History section	C Chiswell

### c. Document Approval

Board/Committee Approval	Date
Board approval	10/12/19