

## Egg Industry (Deregulation) Bill

### EXPLANATORY MEMORANDUM

*Clause 1* sets out the purposes of the Bill which are to deregulate the egg industry, to repeal the **Egg Industry Act 1989**, to transfer the property, rights and liabilities of the Victorian Egg Marketing Board to the Egg Industry Co-operative Limited and to make various other provisions with respect to the egg industry.

*Clause 2* is the commencement provision. *Clause 1* and this clause come into operation on Royal Assent. The remaining provisions come into operation on a day or days to be proclaimed. If a provision to be proclaimed does not come into operation within a period of 6 months from the date of Royal Assent, it comes into operation on the first day after the end of that period.

*Clause 3* defines various terms used in the Bill. Of particular significance is the term “appointed day” which is the day on which *Clause 4* (the repeal of the **Egg Industry Act 1989**) comes into operation. Also of particular significance is the term “Co-operative” which means the Egg Industry Co-operative Limited incorporated under the **Co-operation Act 1981** on 17 February 1993.

*Clause 4* repeals the **Egg Industry Act 1989**.

*Clause 5* provides that on the appointed day, the property and rights of the Victorian Egg Marketing Board vest in the Co-operative, the liabilities of the Board become the liabilities of the Co-operative, the Co-operative becomes the successor in law of the Board, and the Board is dissolved.

*Clause 6* provides that fully paid shares in the Co-operative of \$0.50 each are deemed to have been issued by the Co-operative on the appointed day to a total nominal value equal to the value declared by Order of the Governor in Council under *Clause 8*.

The shares are deemed to have been allotted to eligible holders of hen quota on the appointed day, and each eligible holder is deemed to have been allotted a number of shares determined in accordance with a specified formula.

If an eligible holder of hen quota owed money to the Board as at the day before the appointed day, then the number of shares deemed to have been allotted to that person is reduced by a number related to the amount of the money owed, and that number of shares is deemed to be forfeited. There is provision for a forfeited share to be dealt with in accordance with the rules of the Co-operative.

For the purpose of this clause, an “eligible holder of hen quota” is a person who was entitled to hen quota under the **Egg Industry Act 1989** as at the day before the appointed day.

*Clause 7* requires the Co-operative to issue share certificates or other documents as necessary, and to amend its records accordingly.

*Clause 8* provides that the value of the property and rights of the Board less its liabilities on the day before the appointed day is the value declared by Order of the Governor in Council on the recommendation of the Minister after consulting the Valuer General.

*Clause 9* provides that a person to whom shares are deemed to have been allotted is deemed to have become a member of the Co-operative in accordance with the provisions of the **Co-operation Act 1981** and the rules of the Co-operative.

*Clause 10* requires the Board, before the appointed day, to pay to the Consolidated Fund the sum of \$567 000 as payment in lieu of stamp duty and other charges.

*Clause 11* provides that a person appointed by the Minister is to prepare financial statements of the Board as referred to in the **Egg Industry Act 1989** for the period from 1 July 1992 to the day before the appointed day. The financial statements are to be audited by the Auditor-General who is provided with the powers to undertake the audit.

The person appointed to prepare the financial statements, the Auditor-General and their officers are to have right of access to the books of the Board held by the Co-operative.

The person appointed to prepare the financial statements is required to submit the audited report to the Minister within 3 months (or such longer period as the Minister permits) after being appointed.

The Co-operative is required to pay to the Consolidated Fund amounts to be determined by the Minister and the Auditor-General to defray the costs and expenses of the report and audit.