

# Marketing of Primary Products and Egg Industry Stabilization (Amendment) Bill

## EXPLANATORY MEMORANDUM

### Outline

This Bill amends two separate Acts.

Firstly, the *Marketing of Primary Products Act 1958* is amended to enable the Victorian Egg Marketing Board to enter into contracts with producers regarding the basis of making payments to the Board.

Secondly, the *Egg Industry Stabilization Act 1983* is amended to overcome certain procedural deficiencies.

## NOTES ON CLAUSES

### PART 1

*Clause 1:* Sets out the purposes of the Bill.

*Clause 2:* Provides for the Act to come into operation on the date of Royal Assent.

### PART 2

*Clause 3:* Names the *Marketing of Primary Products Act 1958* as the Principal Act for the purposes of this Part.

*Clause 4:* This clause inserts three new sub-sections after section 48 (1) of the Principal Act.

Proposed new sub-section (1A) authorizes the Victorian Egg Marketing Board to enter into contracts with producers so that deductions from payments that are due to be made to producers by the Board can be made on the basis to be specified in the contract as an alternative to the existing basis.

At the present time the Board makes deductions from returns paid to producers for handling their eggs, in order to cover marketing charges and the costs of administration. These deductions are calculated according to the number of dozen eggs produced and delivered to the Board or its agents or sold under contract by the producer. The alternative proposed in the Bill will allow the Board to enter into contracts under which producers may agree to pay a contribution towards marketing and administrative charges etc., on such basis as is specified in the contract. The Board has estimated that there would be considerable savings if the deductions were based on the amount of quota allocated to poultry farmers, instead of the number of eggs produced.

The proposed new sub-section (1B) requires the Board to make deductions on the basis set out in the contract if there is a contract in force when eggs are delivered to the Board by the producer.

The proposed new sub-section (1C) stipulates that contracts of this nature do not apply to eggs delivered through a licensed collector. (The provisions relating to contracts would not be practical in the case of licensed collectors because the function of these people is to collect eggs from a number of producers and deliver them to the Board. The system is no longer used but could be required at some time in the future.)

### PART 3

*Clause 5:* Names the *Egg Industry Stabilization Act 1983* as the Principal Act for the purposes of this Part.

*Clause 6:* Paragraph (a) of sub-clause (1) is procedural. Paragraph (b) amends section 20 of the Principal Act by inserting three new sub-sections after section 20 (2).

#### *Renewals*

The proposed new section 20 (2A) authorizes the Poultry Farmer Licensing Committee to issue a licence to a person who is not a *bona fide* poultry farmer provided a licence was issued to that person for the licensing period that commenced on 1 July 1984. Licensing periods last for two years and the first licensing period under the *Egg Industry Stabilization Act 1983* will expire on 30 June 1986. The Act prevented the issue of licences to anybody who was not a *bona fide* poultry farmer (except in certain circumstances) and it has come to notice that there is no provision to allow for renewal of those licences. Proposed sub-section 20 (2A) will overcome this.

#### *New appointments*

Proposed new sub-section 20 (2B) will allow the Poultry Farmer Licensing Committee to issue a licence to a person who is not a *bona fide* poultry farmer in the case of a person who is the nominee of the Crown or a statutory body or an educational institution or to the nominee of a company or a public company. In the case of public companies, the provision is necessary to allow for changes that may be required from time to time to cover changes in the appointment of company secretaries. Changes of a similar nature are also likely to arise in the case of nominees, etc. With regard to companies, the ability to make these changes is linked back to those cases where a licence was issued for the period that began on 1 July 1984.

Proposed new sub-section 20 (2C) is procedural.

#### *Transfers*

Sub-clause (2) inserts two new sub-sections after section 43 (5). The proposed new sub-section 43 (5A) contains provisions similar to section 20 (2B) and relates to changes in licensing arising through the purchase or sale of hen quota.