

EXPLANATORY MEMORANDUM

WESTERN AUSTRALIAN MEAT MARKETING CO-OPERATIVE LIMITED (SHARES) BILL 2002

Clause 1 - Short title

Clause 2 - Commencement

The Act will come into operation on the day it receives the Royal Assent as there are no matters that need to be attended to before it takes effect.

Clause 3 - Definitions

“**former Act**” means the *Marketing of Meat Act 1971* as in force immediately before 31 December 1999.

“**notice**” means the notice given to WAMMCO under section 4E(3) of the former Act. This was a notice under which the Minister notified WAMMCO of the net value of the business of the former Western Australian Meat Marketing Corporation and the nominal value of the shares to be issued by WAMMCO under section 4F of the former Act. These values remain relevant for the issue of shares under the new Act.

“**trust deed**” means the trust deed referred to in the *Marketing of Meat Amendment Act 1999*. This is the trust deed under the provisions of which trustees may hold shares in WAMMCO for the benefit of, and distribute those shares among, lamb producers.

“**trustees**” means the trustees appointed for the purposes of the trust deed.

“**WAMMCO**” means the company registered under Part VI of the Companies (Co-operative) Act 1943 by the name of “Western Australian Meat Marketing Co-operative Limited”.

Clause 4 - Allotment and issue of shares to Minister

This clause provides for the allotment and issue to the Minister, on behalf of the State, of fully paid shares in WAMMCO that have a total par value equal to the net value specified in the notice. The notice was given under the former Act and determined the net value of the business of the former Western Australia. Meat Marketing Corporation. This allotment and issue of shares is sufficient compliance by WAMMCO with the obligation it had under the section 4F of the former Act to allot and issue shares directly to the trustees. Such an allotment and issue did not take place because it would have given rise to the unintended tax liability that will not arise under the new Act.

The shares are to have the nominal value specified in the notice.

The allotment and issue is to be made as soon as practicable after the commencement of the Act.

Clause 5 -Transfer of shares to trustees

This clause provides for the transfer of shares from the Minister to the trustees so that they can then be distributed to lamb producers in accordance with the trust deed.

Clause 6 - Stamp duty

This clause will prevent stamp duty being charged on the transfer of shares from the Minister to the trustees and on the initial transfer from the trustees to lamb producers.

Clause 7 - Extinguishment of right of action against WAMMCO

This will prevent any claim being made against WAMMCO in relation to its failure to comply with the former Act by issuing shares in the manner provided for in that Act. Such an issue would have caused the problem for the trust and lamb producers that this Bill is designed to rectify.