

Queensland



**TOBACCO INDUSTRY
(RESTRUCTURING) ACT
1996**

Act No. 25 of 1996

Queensland



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(RESTRUCTURING) ACT 1996**

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Queensland



Tobacco Industry (Restructuring) Act 1996

Act No. 25 of 1996

An Act about the Queensland tobacco industry, and for other purposes

[Assented to 15 August 1996]

The Parliament of Queensland enacts—

PART 1—PRELIMINARY

Short title

1. This Act may be cited as the *Tobacco Industry (Restructuring) Act 1996*.

Objects

2. The objects of this Act are to—

- (a) restructure the Queensland tobacco industry; and
- (b) transfer the assets and liabilities of the Tobacco Leaf Marketing Board to the Queensland Tobacco Marketing Cooperative Association Limited; and
- (c) wind-up the board; and
- (d) equitably distribute shares in the capital of the association among growers and in this way enable growers to take part in the association's affairs.

Dictionary

3. The dictionary in schedule 2 defines particular words used in this Act.¹

¹ In some Acts, definitions are contained in a dictionary that appears as the last schedule and forms part of the Act—*Acts Interpretation Act 1954*, section 14(4).

PART 2—TRANSFER OF BOARD'S ASSETS AND LIABILITIES TO THE ASSOCIATION

Transfer of assets and liabilities

4.(1) The board's assets and liabilities are transferred to the association on the transfer day and become assets and liabilities of the association.

(2) In consideration of the transfer, the association must issue shares to the board in accordance with the share distribution scheme.

How net value of transferred assets is to be decided

5.(1) The net value of the board's transferred assets is to be decided by agreement between the association and the board's administrator.

(2) If the association and the board's administrator do not agree on the value, the Minister must decide the value on the basis of professional advice.

(3) If the Minister decides the value, the association must pay costs reasonably incurred by the Minister in obtaining professional advice on which to base the decision.

Effect of transfer of assets and liabilities

6. Although the transfer takes effect by force of this part—

- (a) instruments of transfer between the board and the association must be executed and, if appropriate, registered as if the transfer were made by the board on the sale of its undertakings to the association; and
- (b) the instruments attract stamp duty as if they were transfers on sale; and
- (c) the association is liable for the costs of preparing, stamping and registering the instruments.

PART 3—SHARE DISTRIBUTION SCHEME

Share distribution scheme

7. Shares in the association are to be distributed among growers in accordance with this part.

Shares are to be fully paid-up

8. The shares issued to growers must be fully paid-up shares with a face value of \$0.25 a share.

Value of shares to be issued

9. The total value of shares to be issued must equal the net value of the transferred assets.

Total number of shares to be issued

10. The total number of shares to which growers are entitled is to be worked out by dividing the net value of the transferred assets by the face value of the shares.

Grower's share entitlement

11.(1) Only growers who are quota holders or nominees of quota holders are entitled to shares.

(2) A grower's share entitlement is to be worked out by dividing the grower's basic quota by the total basic quota and multiplying the result by the total number of shares to be issued.

Consideration for shares

12. The shares to which growers are entitled are the shares issued to the board in consideration of the transfer of assets under part 2.

PART 4—ADMINISTRATION OF BOARD

Administration of board after transfer day

13.(1) On the transfer day, the board's directors stop holding office (without any right to compensation for loss of office).

(2) From the transfer day—

- (a) the board's constitution is suspended and the board is to be administered by an administrator; and
- (b) the administrator has all the powers and functions of the board (so far as the board continues to have powers and functions under this Act).

(3) The board's administrator is the person who holds office as the board's chairperson immediately before the transfer day.

(4) However, the Minister may appoint an administrator if—

- (a) there is no chairperson to assume the office of administrator under subsection (3); or
- (b) the chairperson is unwilling to undertake the duties of administrator; or
- (c) the administrator dies or stops holding office.

(5) A person is eligible to be appointed as the board's administrator if the person—

- (a) is a former member of the board; or
- (b) has extensive experience of the tobacco industry as a grower or an administrator; or
- (c) has qualifications and experience in public administration or financial administration.

(6) The administrator stops holding office if the administrator—

- (a) resigns by signed notice given to the Minister; or
- (b) completes a term of office and is not reappointed; or
- (c) is convicted of an indictable offence; or

(d) is removed from office by the Governor in Council under subsection (7).

(7) The Governor in Council may remove the administrator from office if the administrator—

- (a) engages in misbehaviour; or
- (b) becomes incapable of performing the duties of the administrator because of physical or mental incapacity; or
- (c) is incompetent; or
- (d) does anything the Governor in Council considers is a reasonable and sufficient justification for removal from office.

(8) An administrator is entitled to remuneration at a rate decided by the association.

(9) On the dissolution day, the administrator ceases to hold office (without any right to compensation for loss of office).

Board's powers after transfer day

14.(1) As from the transfer day, the powers the board had apart from this Act are suspended and it has the following powers—

- (a) to distribute shares under part 5 and to do anything necessary for or incidental to the distribution of the shares;
- (b) to execute any instrument of transfer or other document to evidence or give effect to the transfer of assets and liabilities under this Act.

(2) In any proceeding, a document apparently bearing the board's common seal and the administrator's signature is evidence that the document was properly executed by the board.

Board's costs

15. The association must pay any costs incurred by the board after the transfer day (including the administrator's remuneration).

PART 5—DISTRIBUTION OF SHARES IN THE ASSOCIATION

Invitation to take up shares

16.(1) After shares have been issued to the board in consideration of the transfer of assets, the administrator must invite applications for the shares from quota holders.

(2) The invitation must be made by letter sent to each quota holder.

(3) A quota holder is entitled to the number of shares decided under the share distribution scheme.

(4) The administrator must take all reasonable steps to ensure that quota holders are able to make an informed decision about taking up the shares, for example, by contacting quota holders who fail to respond to the administrator's letters and explaining the consequences of taking no action.

Quota holder may nominate another person to take up shares

17. The quota holder may nominate another person who is a genuine grower to receive all or part of the holder's share entitlement.

Forfeited shares

18.(1) Shares that are not taken up by a quota holder or the holder's nominee are forfeited to the association.

(2) If a person is entitled to a part of a share under the share distribution scheme, the part of the share is also forfeited to the association.

(3) The value of the forfeited shares or portion of the shares must be credited to a reserve of the association.

Distribution of shares

19.(1) The administrator must distribute the shares by way of gratuitous transfer.

(2) A person's acceptance of a gratuitous transfer of shares is sufficient to signify that the person agrees to be bound by the association's rules.

PART 6—DISSOLUTION OF BOARD

Administrator to notify Minister

20. The administrator must notify the Minister when the administrator finishes distributing the shares.

Dissolution day for board

21.(1) A regulation must be made appointing a day (the “**dissolution day**”) for the dissolution of the board.

(2) The board is dissolved on the dissolution day.

PART 7—MISCELLANEOUS

Regulation-making power

22. The Governor in Council may make regulations under this Act.

Expiry of Act

23.(1) This Act expires on 31 December 1997.

(2) The expiry of this Act does not give rise to any right to compensation.

PART 8—TRANSITIONAL PROVISIONS

Staff

24.(1) On the transfer day, the board's staff become staff of the association without interruption of continuity of service, or prejudice to existing or accruing rights in respect of employment.

(2) This section expires on the day after the transfer day.

Continuity of proceedings

25.(1) A proceeding by or against the board that has not been finished before the transfer day may be continued and finished by or against the association.

(2) If action could have been taken by or against the board (if the board had continued to exist), the right of action is taken to be a right of action by or against the association.

(3) This section expires on the day after the transfer day.

First directors of association

26.(1) The first directors of the association remain in office until they call a special general meeting of the association at which all the directors must retire.

(2) The meeting must not be held before the dissolution day but must not be held later than 3 months after the dissolution day.

(3) This section has effect despite anything to the contrary in the association's rules or in the *Primary Producers' Cooperative Associations Act 1923*.

(4) This section expires on the day after the transfer day.

PART 9—REPEALS AND AMENDMENTS

Repeal of Tobacco Industry Stabilisation Act 1965

27. The *Tobacco Industry Stabilisation Act 1965* is repealed on the transfer day.

Amendments of other Acts

28. Schedule 1 amends the Acts it mentions.

SCHEDULE 1**AMENDMENTS OF OTHER ACTS**

section 28

PART 1—CONSEQUENTIAL AMENDMENTS**PRIMARY PRODUCERS' ORGANISATION AND
MARKETING ACT 1926****1. Section 34B—***omit.***2. Schedule 1—***omit.***PART 2—OTHER AMENDMENTS****CHEMICAL USAGE (AGRICULTURAL AND
VETERINARY) CONTROL ACT 1988****1. Section 38, heading—***omit, insert—***'Regulation-making power'.**

SCHEDULE 1 (continued)

CITY OF BRISBANE MARKET ACT 1960**1. Section 48, heading—***omit, insert—***‘Regulation-making power’.****GRAIN INDUSTRY (RESTRUCTURING) ACT 1991****1. Section 80—***omit, insert—***‘Regulation-making power****‘80. The Governor in Council may make regulations under this Act.’.****GRAIN RESEARCH FOUNDATION ACT 1976****1. Section 4, heading—***omit, insert—***‘Definitions’.****2. Section 28—***omit, insert—***‘Regulation-making power****‘28. The Governor in Council may make regulations under this Act.’.**

SCHEDULE 1 (continued)

SUGAR INDUSTRY ACT 1991**1. Section 106, heading—***omit, insert—***‘Definitions for pt 7’.****2. Section 242, heading—***omit, insert—***‘Regulation-making power’.****VETERINARY SURGEONS ACT 1936****1. Section 21(1)(a)—***omit, insert—*

‘(a) who becomes incapable of performing the duties of a veterinary surgeon because of physical or mental incapacity; or’.

2. Section 37, heading—*omit, insert—***‘Regulation-making power’.**

SCHEDULE 2

DICTIONARY

section 3

“association” means the Queensland Tobacco Marketing Cooperative Association Limited registered under the *Primary Producers’ Cooperative Associations Act 1923*.

“board” means the Tobacco Leaf Marketing Board established under the *Primary Producers’ Organisation and Marketing Act 1926*.

“dissolution day” means the day fixed by regulation for the board’s winding-up.

“genuine grower” means a person who—

- (a) produced and delivered tobacco leaf to the board in the 1995–96 crop year; or
- (b) immediately before the transfer day, was the holder of a contract with the board for the production and delivery of tobacco leaf for the 1996–97 crop year.

“grower” means a person who grows tobacco leaf in Queensland.

“grower’s basic quota” means a grower’s basic quota allocated under the *Tobacco Industry Stabilisation Act 1965* immediately before the transfer day.

“net value of the board’s transferred assets” means the amount by which the market value of the board’s assets exceeds its liabilities as at the transfer day.

“quota holder” means a grower holding a grower’s basic quota immediately before the transfer day.

“share distribution scheme” means the scheme for distributing shares among growers under part 3.

SCHEDULE 2 (continued)

“total basic quota” means the total of all growers basic quotas immediately before the transfer day.

“transfer day” means 1 September 1996.