



Wool International Privatisation Act 1999

No. 40, 1999



Wool International Privatisation Act 1999

No. 40, 1999

**An Act to privatise Wool International, and for
related purposes**

Contents

Part 1—Preliminary	1
1 Short title	1
2 Commencement	2
3 Schedule(s)	2
4 Crown to be bound	2
5 External Territories	2
6 Extraterritorial operation	2
Part 2—Privatisation of Wool International	3
Division 1—Interpretation	3
7 Definitions	3
Division 2—Preliminary matters	5
8 Application for registration under Part 5B.1 of the Corporations Law	5
9 Nomination of TrusteeCo to hold shares, units etc. on behalf of other persons	5
10 Transfer of units etc. to TrusteeCo	6
11 Validation of number of units	7
12 Certificates in respect of units continue to have effect	7
13 Share capital	7
Division 3—Conversion of Wool International into a company	8
14 Registration under Part 5B.1 of the Corporations Law	8
15 Operation of the Corporations Law after conversion time	8
Division 4—Shares in Wool International	9
16 Issue of shares to registered equity holders	9
17 Charges on shares	10
18 Dealings by TrusteeCo with shares held for putative equity holders	11
19 Dealings by TrusteeCo with shares held in respect of unclaimed units or wrong-name units	11
Division 5—Taxation	13
20 Operation of CGT rules	13
21 Distributions in respect of units	13
22 Tax treatment of stockpile activities	14
23 Share capital	14
Division 6—Miscellaneous	15
24 WoolStock Australia Limited not to be an agency of the Commonwealth etc.	15

25	Compensation for acquisition of property	15
26	Limited continuation of Commonwealth guarantee.....	16
27	Limited continuation of the repealed section 22ZG.....	16
28	Accounting records.....	16
29	Regulations.....	17
Schedule 1—Amendments commencing on Royal Assent		18
	<i>Wool International Act 1993</i>	18
Schedule 2—Amendments commencing at the conversion time		19
	<i>Wool International Act 1993</i>	19
	<i>Wool Tax (Administration) Act 1964</i>	31



Wool International Privatisation Act 1999

No. 40, 1999

An Act to privatise Wool International, and for related purposes

[Assented to 3 June 1999]

The Parliament of Australia enacts:

Part 1—Preliminary

1 Short title

This Act may be cited as the *Wool International Privatisation Act 1999*.

2 Commencement

- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (2) Schedule 2 commences on a day to be fixed by Proclamation. However, if Schedule 2 does not commence by Proclamation within the period of 6 months beginning on the day on which this Act receives the Royal Assent, then Schedule 2 commences on the first day after the end of that period.

3 Schedule(s)

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

4 Crown to be bound

This Act binds the Crown in right of the Commonwealth, of each of the States, of the Australian Capital Territory, of the Northern Territory and of Norfolk Island.

5 External Territories

This Act extends to all the external Territories.

6 Extraterritorial operation

This Act extends to acts, omissions, matters and things outside Australia, whether or not in a foreign country.

Part 2—Privatisation of Wool International

Division 1—Interpretation

7 Definitions

- (1) In this Part, unless the contrary intention appears:

1936 Tax Act means the *Income Tax Assessment Act 1936*.

1997 Tax Act means the *Income Tax Assessment Act 1997*.

ASIC means the Australian Securities and Investments Commission.

authorised trustee corporation means each of the bodies corporate listed in Schedule 9 to the *Corporations Regulations* in force from time to time.

commencing time means the beginning of the day on which this Act receives the Royal Assent.

conversion time means the time when Schedule 2 commences.

dividend includes any distribution made in respect of shares.

finalisation time means the end of one month after the final distribution under Part 4B of the Wool International Act.

income year has the same meaning as in the 1997 Tax Act.

instrument means:

- (a) an Act or any instrument under an Act; or
- (b) any other document.

person includes a partnership.

register means the register of equity holders referred to in section 22B of the Wool International Act.

tax loss has the same meaning as in the 1997 Tax Act.

TrusteeCo means the company nominated by the Minister under section 9.

unit means a unit of equity in Wool International, allocated under the Wool International Act.

Wool International Act means the *Wool International Act 1993*.

WoolStock Australia Limited means Wool International, after it is registered under the Corporations Law as mentioned in section 14.

- (2) If an expression used in this Part is defined in the Wool International Act, then the expression has the meaning given by that Act.

Division 2—Preliminary matters

8 Application for registration under Part 5B.1 of the Corporations Law

- (1) As soon as possible after the commencing time, Wool International must apply to ASIC under Part 5B.1 of the Corporations Law to register Wool International as a public company limited by shares.
- (2) Wool International is hereby authorised to make the application.
- (3) The application must be lodged with an office of ASIC in the Australian Capital Territory.
- (4) The application must be accompanied by a copy of Wool International's proposed constitution. The proposed constitution must first be approved in writing by the Minister.
- (5) The following provisions of the Corporations Law do not apply in relation to the application:
 - (a) paragraphs 601BC(2)(e) and (l);
 - (b) subsection 601BC(4);
 - (c) paragraphs 601BC(6)(a), (d) and (e);
 - (d) paragraphs 601BC(8)(a) and (f).

9 Nomination of TrusteeCo to hold shares, units etc. on behalf of other persons

- (1) Before the conversion time, the Minister must nominate a company (*TrusteeCo*) for the purposes of this section. The nomination must be in writing.
- (2) TrusteeCo must be a company whose shares are all held by Wool International.
- (3) After the conversion time, a reference in any instrument to the Chief Executive is to be treated as a reference to TrusteeCo, except where:
 - (a) the reference relates to matters occurring before the conversion time; or

-
- (b) the context requires that the reference should continue to be treated as a reference to the Chief Executive.
 - (4) TrusteeCo must ensure that there is in force at all times between the conversion time and the finalisation time a deed under which:
 - (a) TrusteeCo authorises an authorised trustee corporation to exercise all rights, privileges and benefits vested in TrusteeCo by or under this Act or the Wool International Act; and
 - (b) TrusteeCo undertakes not to exercise those rights, privileges and benefits; and
 - (c) the authorised trustee corporation undertakes to perform all duties, liabilities and obligations (other than the obligation imposed by this subsection) vested in TrusteeCo by or under this Act or the Wool International Act.
 - (5) A deed under subsection (4) may relieve the authorised trustee corporation from liability except in the case of fraud, wilful default or neglect.
 - (6) All acts done by the authorised trustee corporation under the deed are taken to have been exercised or performed by TrusteeCo for the purposes of this Act (other than this section) and the Wool International Act.

10 Transfer of units etc. to TrusteeCo

- (1) All units that are registered in the name of the Chief Executive immediately before the conversion time are taken to be registered, immediately before the conversion time, in the name of TrusteeCo. Wool International must accordingly change the entries in the register.
- (2) Any property (including money) that is held by the Chief Executive under the Wool International Act immediately before the conversion time is transferred to TrusteeCo at the conversion time by force of this subsection.
- (3) If, immediately before the conversion time, any units are shown in the register as being “unclaimed entitlements”, then those units are taken to be registered, immediately before the conversion time, in the name of TrusteeCo. Wool International must accordingly change the entries in the register.

11 Validation of number of units

The number of units shown in the register immediately before the commencing time is to be taken to be correct.

12 Certificates in respect of units continue to have effect

- (1) Certificates that have been issued before the conversion time under section 22M of the Wool International Act continue to have effect after the conversion time.
- (2) This section is enacted for the avoidance of doubt.

13 Share capital

From immediately before the conversion time, Wool International is to have a share capital of \$349,403.18, divided into 349,403,180 shares.

Division 3—Conversion of Wool International into a company

14 Registration under Part 5B.1 of the Corporations Law

- (1) At the conversion time, ASIC is taken to have registered Wool International under section 601BD of the Corporations Law:
 - (a) as a public company limited by shares; and
 - (b) with the name “WoolStock Australia Limited”.
- (2) ASIC must issue a certificate and ACN under section 601BD of the Corporations Law in respect of the registration. The date of registration is to be the day on which the conversion time occurred.

15 Operation of the Corporations Law after conversion time

Nothing in this Part prevents any of the following, after the conversion time:

- (a) a variation of the share capital of WoolStock Australia Limited;
- (b) a change in the name of WoolStock Australia Limited;
- (c) a change in the structure, constitution or membership of WoolStock Australia Limited.

Division 4—Shares in Wool International

16 Issue of shares to registered equity holders

- (1) At the conversion time, one share in WoolStock Australia Limited is taken to be issued, as fully paid, in respect of each unit, as follows:
 - (a) if the unit is registered at the conversion time in the name of the person (other than TrusteeCo) who is entitled to be registered as the holder of the unit, then the share is taken to be issued to that person;
 - (b) if the unit is registered at the conversion time in the name of a partnership that is entitled to be registered as the holder of the unit, then the share is taken to be issued to the partners jointly;
 - (c) if the unit is registered at the conversion time in the name of TrusteeCo in respect of a putative equity holder, then the share is taken to be issued to TrusteeCo;
 - (d) if the unit is registered in the name of TrusteeCo by the operation of subsection 10(3), then the share is taken to be issued to TrusteeCo;
 - (e) in all other cases, the share is taken to be issued to TrusteeCo.
- (2) A person to whom shares are taken to be issued under subsection (1):
 - (a) becomes a member of WoolStock Australia Limited, by force of this section, and is taken to have consented to become a member; and
 - (b) is entitled to the same rights, privileges and benefits in respect of that membership as if the person had become a member under the constitution of WoolStock Australia Limited; and
 - (c) is subject to the same duties, liabilities and obligations in respect of that membership as if the person had become a member under the constitution of WoolStock Australia Limited.
- (3) The issue of shares to TrusteeCo under this section is not affected by section 259C of the Corporations Law.

-
- (4) Subsection 259D(3) of the Corporations Law does not prevent the exercise of voting rights by TrusteeCo in respect of shares issued to it under this section.

17 Charges on shares

- (1) A share that is taken to be issued under section 16 in respect of a unit is subject to the same charges (if any) as the unit was subject to immediately before the conversion time.
- (2) The charge created by subsection (1):
- (a) is taken to be created at the conversion time; and
 - (b) extends to dividends in respect of the share, if the charge on the unit extends to distributions on the unit; and
 - (c) secures the same obligations as are secured by the charge on the unit.
- (3) If the unit was subject to more than one charge, then the charges on the share have the same priorities among themselves as the charges on the unit.
- (4) WoolStock Australia Limited must issue separate share certificates for:
- (a) shares that are subject to a charge because of this section; and
 - (b) shares that are not subject to such a charge.
- (5) If:
- (a) an amount (the *dividend amount*) becomes payable by WoolStock Australia Limited in respect of the shares in WoolStock Australia Limited that are held by a person who is a registered equity holder; and
 - (b) those shares are subject to one or more charges because of this section; and
 - (c) the registered equity holder has authorised WoolStock Australia Limited to make payments under subsection 22R(4) of the Wool International Act;
- then the following provisions apply:
- (d) if the shares are subject to only one charge—WoolStock Australia Limited must pay to the beneficiary under the charge so much of the dividend amount as does not exceed the amount of the debt secured by the charge;

-
- (e) if the shares are subject to more than one charge—WoolStock Australia Limited must pay to the beneficiary under each charge so much of the dividend amount to meet the debt secured by that charge (having regard to the order of priority of the charges) as does not exceed the amount of the debt;
 - (f) in either case—WoolStock Australia Limited must pay the balance of the dividend amount to the registered equity holder.

18 Dealings by TrusteeCo with shares held for putative equity holders

- (1) This section applies to shares that are held by TrusteeCo and were taken to be issued to TrusteeCo under paragraph 16(1)(c).
- (2) After the conversion time:
 - (a) Part 4C of the Wool International Act applies in relation to those shares in the same way as that Part applies in relation to units held by TrusteeCo; and
 - (b) subsection 22H(2) of the Wool International Act applies in relation to those shares in the same way as that subsection applies in relation to units.
- (3) After the conversion time, Part 4D of the Wool International Act applies in relation to money received by TrusteeCo in respect of those shares in the same way as that Part applies in relation to distributions received by TrusteeCo in respect of units held by TrusteeCo.

19 Dealings by TrusteeCo with shares held in respect of unclaimed units or wrong-name units

- (1) This section applies to shares that are held by TrusteeCo and were taken to be issued to TrusteeCo:
 - (a) under paragraph 16(1)(d) in respect of units (*unclaimed units*) shown in the register as “unclaimed entitlements”; or
 - (b) under paragraph 16(1)(e) in respect of other units (*wrong-name units*).
- (2) TrusteeCo holds the shares on trust until they are transferred in accordance with subsection (6).

(3) TrusteeCo holds on trust any dividends that it receives in respect of the shares.

(4) Section 22Y of the Wool International Act applies in relation to the dividends in the same way as it applies in relation to distributions received by TrusteeCo in respect of units.

Note: Section 22Y of the Wool International Act allows TrusteeCo to invest, and requires income from investment to be paid to WoolStock Australia Limited.

(5) If, at the finalisation time, TrusteeCo holds any shares that are not required to be transferred in accordance with subsection (6), then:

- (a) TrusteeCo must pay to WoolStock Australia Limited the amount of any dividends that TrusteeCo has received in respect of those shares; and
- (b) those shares are cancelled at the finalisation time, by force of this subsection.

(6) If the register is amended before the finalisation time so that:

- (a) in the case of unclaimed units—the register shows the correct name of the person who is entitled to be registered in respect of the units and no longer shows the units as “unclaimed entitlements”; or
- (b) in the case of wrong-name units—the register shows the correct name of the person who is entitled to be registered in respect of the units;

then TrusteeCo must:

- (c) transfer the shares to that person; and
- (d) pay to that person the amount of any dividends received by TrusteeCo in respect of the shares.

Division 5—Taxation

20 Operation of CGT rules

- (1) None of the following is to be treated as being a CGT event, or as giving rise to a CGT event, for the purposes of the 1997 Tax Act:
 - (a) any amendment of the Wool International Act made by this Act;
 - (b) the issue of a share under section 16;
 - (c) the creation of a charge over a share under section 17;
 - (d) the registration of a unit in the name of TrusteeCo under section 10;
 - (e) the transfer of any money or property to TrusteeCo under section 10.
- (2) Any units that were issued under section 22D of the Wool International Act in respect of wool tax paid by a person in the course of carrying on a business are to be treated as being:
 - (a) an asset of that business; and
 - (b) inherently connected with that business;for the purpose of applying Divisions 17A and 17B of Part IIIA of the 1936 Tax Act in relation to a time after the conversion time.

21 Distributions in respect of units

If units have been issued under section 22D of the Wool International Act in respect of wool tax paid by a person in the course of carrying on a business, then any distribution to that person after the conversion time under Part 4B of the Wool International Act:

- (a) is to be treated, for the purposes of the 1936 Tax Act, as being income derived from the carrying on by the person of a business of primary production in Australia; and
- (b) is to be treated, for the purposes of the 1936 Tax Act and the 1997 Tax Act, as income derived from, or resulting from, the carrying on by the person of a primary production business.

22 Tax treatment of stockpile activities

- (1) Amounts derived by WoolStock Australia Limited from stockpile activities are exempt income for the purposes of the 1936 Tax Act and the 1997 Tax Act.
- (2) No deduction is allowable to WoolStock Australia Limited under the 1936 Tax Act or the 1997 Tax Act in respect of stockpile activities.
- (3) Subdivision 57-L of Schedule 2D to the 1936 Tax Act does not apply in relation to WoolStock Australia Limited.
- (4) In this section:

eligible wool means:

- (a) wool owned by WoolStock Australia Limited at or before the conversion time; and
- (b) wool acquired by WoolStock Australia Limited after the conversion time for the purpose of facilitating the disposal of wool owned by WoolStock Australia Limited at the conversion time.

stockpile activities means any of the following activities:

- (a) holding, managing or disposing of eligible wool;
- (b) distributing the proceeds of sale of eligible wool to registered equity holders or shareholders;
- (c) activities connected with, or incidental to, activities covered by paragraph (a) or (b), including the temporary investment of the proceeds of sale of eligible wool, pending the distribution of those proceeds to registered equity holders or shareholders.

23 Share capital

For the purposes of section 160ARDM of the 1936 Tax Act, the creation of share capital by section 13 of this Act is not taken to be, or to result from, the transfer of an amount by WoolStock Australia Limited to its share capital account from another account.

Division 6—Miscellaneous

24 WoolStock Australia Limited not to be an agency of the Commonwealth etc.

- (1) After the conversion time, WoolStock Australia Limited is not taken, for the purposes of a law, to be:
 - (a) a Commonwealth authority; or
 - (b) established for a public purpose or for a purpose of the Commonwealth; or
 - (c) a public authority or an agency or instrumentality of the Crown;(within the ordinary meaning of the expression concerned) unless a law expressly provides otherwise.
- (2) After the conversion time, WoolStock Australia Limited is not taken to be a prescribed Commonwealth authority for the purposes of section 128A of the *Safety, Rehabilitation and Compensation Act 1988*.
- (3) In this section:

law means:

 - (a) an Act of the Commonwealth or of a State or Territory; or
 - (b) regulations or any other instrument made under such an Act.

25 Compensation for acquisition of property

- (1) If:
 - (a) apart from this section, the operation of this Act would result in the acquisition of property from a person otherwise than on just terms; and
 - (b) the acquisition would be invalid because of paragraph 51(xxxi) of the Constitution;the Commonwealth is liable to pay the person a reasonable amount of compensation in respect of the acquisition.
- (2) If the Commonwealth and the person do not agree on the amount of the compensation, the person may institute proceedings in the Federal Court of Australia for the recovery from the

Commonwealth of such reasonable amount of compensation as the court determines.

(3) In this section:

acquisition of property has the same meaning as in paragraph 51(xxxi) of the Constitution.

just terms has the same meaning as in paragraph 51(xxxi) of the Constitution.

26 Limited continuation of Commonwealth guarantee

After the conversion time, the due payment by WoolStock Australia Limited of an amount is, by force of this section, guaranteed by the Commonwealth if:

- (a) the amount is payable by WoolStock Australia Limited under an obligation incurred before the conversion time; and
- (b) that obligation has not been varied, after the conversion time, without the written consent of the Minister who administers the *Financial Management and Accountability Act 1997*; and
- (c) the repayment of the amount would have been guaranteed under subsection 53(7) of the Wool International Act if that subsection had not been repealed by this Act.

27 Limited continuation of the repealed section 22ZG

Despite the repeal of section 22ZG of the Wool International Act at the conversion time, that section:

- (a) continues to have effect after the conversion time in respect of directions given by a relevant Minister before the conversion time; and
- (b) continues to have effect in respect of such directions as if references to Wool International were references to WoolStock Australia Limited.

28 Accounting records

For the purposes of the Corporations Law:

- (a) the accounting records kept by WoolStock Australia Limited before the conversion time under section 20 of the *Commonwealth Authorities and Companies Act 1997*, or

under subsection 50(1) of the Wool International Act, are to be treated as financial records of WoolStock Australia Limited; and

- (b) an annual report and financial statements prepared in relation to a financial year by WoolStock Australia Limited under section 9 of the *Commonwealth Authorities and Companies Act 1997*, or under section 67 of the Wool International Act, are to be treated as a financial report of WoolStock Australia Limited for that financial year.

29 Regulations

- (1) The Governor-General may make regulations prescribing matters:
 - (a) required or permitted by this Act to be prescribed; or
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.
- (2) In particular, regulations may be made for matters of a transitional or saving nature arising from the amendments made by this Act.

Schedule 1—Amendments commencing on Royal Assent

Wool International Act 1993

1 Section 18 (definition of *excluded period*)

Omit “30 June 1999”, substitute “the commencement of Schedule 2 to the *Wool International Privatisation Act 1999*”.

2 Paragraph 22ZG(1)(a)

Omit “the registration of a company under the Corporations Law to take over the assets and liabilities of Wool International and with the subsequent transfer of those assets and liabilities to such a company”, substitute “the registration of Wool International as a company under Part 5B.1 of the Corporations Law, and the issue of shares in Wool International to registered equity holders”.

3 At the end of section 66

Add:

- (8) As soon as practicable after the commencement of this subsection, Wool International must give to the Australian Wool Research and Promotion Organisation a list containing the names and addresses of the wool-tax payers shown in the register at the commencement of this subsection.

Schedule 2—Amendments commencing at the conversion time

Wool International Act 1993

1 Title

Repeal the title, substitute:

An Act to provide for units of equity in respect of contributions made to WoolStock Australia Limited through payments of wool tax, and for related purposes

2 Section 2

Repeal the section.

3 Section 3

Repeal the section, substitute:

3 Objects

The main object of this Act is to provide for units of equity in respect of contributions made to WoolStock Australia Limited through payments of wool tax.

4 Section 4

Repeal the section, substitute:

4 Definitions

Administration Act means the *Wool Tax (Administration) Act 1964*.

carpet wool has the same meaning as in the Administration Act.

conversion time means the time when Wool International is taken to be registered as a company under Part 5B.1 of the Corporations

Law, in accordance with section 14 of the *Wool International Privatisation Act 1999*.

former Commission means WoolStock Australia Limited, as it existed immediately before the repeal of the *Australian Wool Realisation Commission Act 1991*.

putative equity holder means:

- (a) an individual:
 - (i) who died, and whose estate was distributed, before 1 September 1997; and
 - (ii) who would have been a registered equity holder on that day if he or she had not died; or
- (b) a company that:
 - (i) was wound up before 1 September 1997; and
 - (ii) but for the winding up, would have been a registered equity holder on that day.

registered equity holder means a person whose particulars are entered in the register of equity holders.

registered holder, in relation to a unit of equity in WoolStock Australia Limited, means the registered equity holder that is the holder of the unit.

register of equity holders means the register referred to in section 22B.

repealed Act means the *Australian Wool Realisation Commission Act 1991*.

sale value, in relation to shorn wool, means the amount that is the sale value of the wool for the purposes of section 10 of the Administration Act.

shorn wool means wool that:

- (a) has been obtained by shearing; and
- (b) has not been subject to any process other than scouring or carbonising.

stockpile wool means wool owned by WoolStock Australia Limited.

surplus money has the meaning given by section 22P.

TrusteeCo means the company nominated under section 9 of the *Wool International Privatisation Act 1999*.

unclaimed units means units of equity that are taken to be registered in the name of TrusteeCo by operation of subsection 10(3) of the *Wool International Privatisation Act 1999*.

WoolStock Australia Limited means:

- (a) in relation to a time before the conversion time—the body corporate referred to in section 7 of this Act (as in force immediately before the conversion time); and
- (b) in relation to a time after the conversion time—that body as continued in existence by registration under the Corporations Law as mentioned in section 14 of the *Wool International Privatisation Act 1999*.

Note: WoolStock Australia Limited has previously had the following names: “Wool International”, “Australian Wool Realisation Commission” and “Australian Wool Corporation”.

wool tax means tax payable under a Wool Tax Act.

Wool Tax Act means the *Wool Tax Act (No. 1) 1964*, the *Wool Tax Act (No. 2) 1964*, the *Wool Tax Act (No. 3) 1964*, the *Wool Tax Act (No. 4) 1964* or the *Wool Tax Act (No. 5) 1964*.

5 Sections 5, 5A and 6

Repeal the sections.

6 Parts 2, 3 and 4

Repeal the Parts.

7 Section 22A

Omit “Wool International”, substitute “WoolStock Australia Limited”.

8 Subsection 22B(1)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

Note: The heading to section 22B is altered by omitting “**Wool International**” and substituting “**WoolStock Australia Limited**”.

9 Sections 22C, 22D and 22E

Repeal the sections.

10 Section 22F

Omit “Wool International”, substitute “WoolStock Australia Limited”.

Note: The heading to section 22F is altered by omitting “**Wool International**” and substituting “**WoolStock Australia Limited**”.

11 Section 22G

Repeal the section, substitute:

22G Share of distribution

For each distribution, a registered equity holder is entitled to receive, for each unit of equity, an amount worked out using the formula:

$$\frac{\text{Amount of the distribution}}{349,403,180}$$

Note: The amount of a distribution is determined under subsection 22P(3).

12 Subsection 22H(1)

Omit “the Chief Executive”, substitute “TrusteeCo”.

13 Subsection 22H(1)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

14 Subsection 22H(2)

Omit “the Chief Executive” (wherever occurring), substitute “TrusteeCo”.

15 Subsection 22H(2)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

16 After subsection 22H(2)

Insert:

(2A) If the register is amended so that:

- (a) it shows the correct name of the person who is entitled to be registered in respect of any unclaimed units; and
 - (b) it no longer shows those units as being “unclaimed entitlements”;
- then TrusteeCo must transfer those units to that person.

17 After subsection 22H(3)

Insert:

- (3A) Units of equity cannot be transferred unless, at the same time, the transferor transfers to the transferee a number of shares in WoolStock Australia Limited that is equal to the number of units transferred.

18 Subsection 22H(5)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

19 Subsection 22H(6)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

20 Subsection 22H(7)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

21 Subsection 22I(1)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

22 Subsection 22I(2)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

23 Subsection 22I(3)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

24 Subsection 22I(4)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

25 Subsection 22I(5)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

26 Subsection 22J(1)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

27 Subsection 22J(1)

Omit “the Chief Executive”, substitute “TrusteeCo”.

28 Subsection 22J(2)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

29 Subsection 22J(3)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

30 Subsection 22J(4)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

31 Subsection 22J(5)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

32 Subsection 22J(6)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

33 Subsection 22J(7)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

34 Paragraph 22K(a)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

35 Section 22K (note)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

36 After section 22K

Insert:

22KA Registered equity holders—status as members of WoolStock Australia Limited

For the purposes of the Corporations Law, a person is not to be treated as being a member of WoolStock Australia Limited merely because the person is a registered equity holder.

22KB Nature of claims of registered equity holders

For the purposes of the Corporations Law:

- (a) for each distribution under Part 4B of this Act, WoolStock Australia Limited incurs a debt at the end of the operative day for the distribution; and
- (b) in a winding up of WoolStock Australia Limited:
 - (i) the claims of registered equity holders are admissible to proof against WoolStock Australia Limited; and
 - (ii) those claims rank behind the debts and claims of all other unsecured creditors.

37 Section 22L

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

38 Subsection 22M(1)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

39 After section 22M

Insert:

22MA Unclaimed units of equity

Section 1343 of the Corporations Law has effect in relation to units of equity shown in the register of equity holders in the same way as that section applies in relation to securities shown in an appropriate register of a company.

40 Part 4B (heading)

Repeal the heading, substitute:

Part 4B—Distribution of surplus money of WoolStock Australia Limited among registered equity holders

41 Section 22N

Omit “Wool International”, substitute “WoolStock Australia Limited”.

42 Sections 22O, 22P and 22Q

Repeal the sections, substitute:

22P Distribution of surplus money by WoolStock Australia Limited

- (1) The *surplus money* of WoolStock Australia Limited consists of any money of WoolStock Australia Limited that, in the opinion of WoolStock Australia Limited, is not required to be set aside for payment or application by WoolStock Australia Limited (other than for payment of distributions under this Part).
- (2) WoolStock Australia Limited must distribute its surplus money by way of:
 - (a) one or more interim distributions; and
 - (b) a final distribution, to be made as soon as practicable after the end of the financial year in which the last stockpile wool is disposed of.
- (3) The amount of each distribution is to be determined by WoolStock Australia Limited.
- (4) WoolStock Australia Limited must determine an operative day for each distribution. For the purposes of this Act, the amount of the distribution becomes available at the end of the operative day.

Note: The distribution is paid to the persons who are registered equity holders when the amount becomes available. See section 22F.
- (5) WoolStock Australia Limited must cause a notice to be published, stating:
 - (a) the amount of the distribution; and
 - (b) the operative day for the distribution.
- (6) The notice must be published in each State at least 14 days before the operative day, in a newspaper circulating generally in the State.

For this purpose, *State* includes the Australian Capital Territory and the Northern Territory.

- (7) At the end of one month after the final distribution, all units of equity are cancelled by force of this subsection.

43 Subsection 22R(1)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

44 Subsection 22R(2)

Repeal the subsection, substitute:

- (2) The money is to be distributed as soon as practicable after the operative day determined under section 22P.

45 Subsection 22R(3)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

46 Subsection 22R(4)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

47 Subsection 22R(5)

Repeal the subsection.

48 Subsection 22S(1)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

49 Subsection 22S(2)

Omit “Wool International” (wherever occurring), substitute “WoolStock Australia Limited”.

50 Part 4C (heading)

Repeal the heading, substitute:

Part 4C—Units of equity held by TrusteeCo

51 Section 22T

Repeal the section, substitute:

22T Object of Part

This Part sets out how TrusteeCo is to deal with the units of equity in WoolStock Australia Limited that are held by TrusteeCo.

52 Sections 22U and 22V

Repeal the sections, substitute:

22U Dealings by TrusteeCo with units of equity held in respect of putative equity holders

- (1) Units of equity held by TrusteeCo in respect of putative equity holders are held by it on trust until they have been transferred to the persons ascertained under this section.
- (2) Subject to this section, TrusteeCo must, in respect of each lot of units of equity held by it, determine in writing:
 - (a) the persons to whom those units are to be transferred; and
 - (b) the number of units that each of those persons is entitled to receive.

Note: For the transfer of those units see section 22H.

- (3) Units of equity held by TrusteeCo in respect of a putative equity holder who was an individual may only be transferred:
 - (a) if there are former creditors of the individual whose claims were not fully satisfied from the individual's estate:
 - (i) to those creditors; and
 - (ii) if the number of units held by TrusteeCo in respect of the individual exceeds the number of units that need to be transferred to those creditors in satisfaction of their claims—to the beneficiaries of the individual's estate; or
 - (b) if paragraph (a) does not apply—to the beneficiaries of the individual's estate.
- (4) Units of equity held by TrusteeCo in respect of a putative equity holder that was a company may only be transferred:

- (a) if there are former creditors of the company whose claims were not fully satisfied from the assets of the company at the time of its winding up:
 - (i) to those creditors; and
 - (ii) if the number of units held by TrusteeCo in respect of the company exceeds the number of units that need to be transferred to those creditors in satisfaction of their claims—to the former shareholders of the company; or
- (b) if paragraph (a) does not apply—to the former shareholders of the company.

22V Dealings by TrusteeCo with unclaimed units

TrusteeCo holds each lot of unclaimed units on trust until they are transferred under subsection 22H(2A).

53 Part 4D (heading)

Repeal the heading, substitute:

Part 4D—Distribution of money paid to TrusteeCo

54 Section 22W

Omit “the Chief Executive is to deal with the money that he or she”, substitute “TrusteeCo is to deal with the money that it”.

55 Section 22X

Omit “The Chief Executive holds any money (*trust money*) paid to him or her”, substitute “TrusteeCo holds any money (*trust money*) paid to it”.

56 Section 22Y

Omit “The Chief Executive”, substitute “TrusteeCo”.

57 Section 22Y

Omit “Wool International”, substitute “WoolStock Australia Limited”.

58 Section 22Z

Repeal the section, substitute:

22Z To whom money must be paid

If:

- (a) money has been paid to TrusteeCo under Part 4B in respect of the units of equity held by TrusteeCo; and
- (b) any or all of those units are subsequently transferred to a person under subsection 22H(2) or (2A);

TrusteeCo must pay to the person, out of the trust money, the amount that was paid to TrusteeCo in respect of the units of equity transferred to the person.

59 Section 22ZA

Repeal the section, substitute:

22ZA Balance of money to be paid to WoolStock Australia Limited

If, one month after the final distribution under Part 4B, there is a balance of trust money standing to the credit of TrusteeCo, then TrusteeCo must pay that balance to WoolStock Australia Limited.

60 Parts 4E, 5 and 6

Repeal the Parts.

61 Subsection 43(2)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

Note: The heading to section 43 is altered by omitting “**Wool International**” and substituting “**WoolStock Australia Limited**”.

62 Subsection 44(1)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

63 Subsection 44(2)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

64 Section 46

Omit “Wool International”, substitute “WoolStock Australia Limited”.

65 Sections 47, 48, 49 and 50

Repeal the sections.

66 Section 52

Repeal the section, substitute:

52 Commonwealth entitled to deduct expenses of collecting wool tax

An amount payable by the Commonwealth under section 43 or 44 (the *tax payment*) is to be reduced by an amount that the Minister determines to be the expenses incurred by the Commonwealth in connection with the collection and recovery of the tax payment.

67 Sections 53, 54, 55 and 58

Repeal the sections.

68 Subsection 59(1)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

69 Subsection 59(2)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

70 Subsection 59(3)

Omit “Wool International”, substitute “WoolStock Australia Limited”.

71 Sections 60, 61, 62, 63, 64, 65, 66, 66A and 67

Repeal the sections.

72 Section 73

Repeal the section.

73 Section 74

Repeal the section.

Wool Tax (Administration) Act 1964

74 Paragraph 8(4)(a)

Repeal the paragraph.

[Minister’s second reading speech made in—

House of Representatives on 30 March 1999
Senate on 13 May 1999]

(76/99)