

Urban Land Corporation Bill

EXPLANATORY MEMORANDUM

PART 1—PRELIMINARY

- Clause 1 states the main purposes of the Act.
- Clause 2 provides for the commencement of the Act. Part 1 of the Act comes into operation on the day of Royal Assent. The remaining Parts come into operation on a day to be proclaimed, or otherwise on 1 July 1998.
- Clause 3 provides definitions of terms used in the Act.

PART 2—URBAN LAND CORPORATION

- Clause 4 provides for the establishment of the Urban Land Corporation (ULC) as a body corporate.
- Clause 5 provides that the ULC is a public authority but does not represent the Crown.
- Clause 6 sets out the functions of the ULC and requires that they be carried out on a commercial basis.
- Clause 7 sets out the general powers of the ULC.
- Clause 8 applies Schedule 1 to the ULC.
- Clause 9 provides that ULC may delegate its functions or powers within specified constraints.
- Clause 10 confers additional powers on the ULC.
- Clause 11 provides that the Governor in Council may grant unalienated Crown land to the ULC, on the recommendation of the Minister, Treasurer and Minister responsible for the **Land Act 1958**, subject to any conditions, reservations and exceptions the Governor in Council thinks fit. The net proceeds of the sale of such land is to be paid by the ULC to the Consolidated Fund.

- Clause 12 requires ULC to obtain the approval of the Minister and the Treasurer before acquiring private land.
- Clause 13 gives the Treasurer the power, after consultation with the Minister, to direct the ULC to perform certain functions which are in the public interest but may cause the ULC to suffer financial detriment. The ULC may be reimbursed by the State for the amount of such financial detriment.

PART 3—DUTIES OF DIRECTORS

- Clause 14 sets out the duties of a director of the ULC.
- Clause 15 provides that the ULC or the Minister may bring an action to recover any profit acquired by a director, or any loss incurred by the corporation, as a result of a breach of the duties prescribed in clause 14.
- Clause 16 prohibits the ULC from providing a loan to a director and guaranteeing or providing security in connection with a loan made to a director.
- Clause 17 provides that the ULC does not have the power to indemnify a director against any liability that attaches to the director in respect of a wilful breach of duty or trust in relation to the corporation.

PART 4—CORPORATE PLAN

- Clause 18 provides that the board must prepare a corporate plan for each financial year. The corporate plan must be in a form approved by the Minister and the Treasurer and must include a statement of corporate intent, business plan and any financial statements required by the Treasurer. The corporate plan is not a public document.
- Clause 19 sets out the required contents of a statement of corporate intent.
- Clause 20 provides that the ULC must act in accordance with its corporate plan unless the Minister and the Treasurer give prior written approval to do otherwise.
- Clause 21 provides that nothing done by the ULC is void merely because the ULC has failed to comply with clauses 18, 19 or 20.

- Clause 22 provides that the board must give immediate notice to the Minister and the Treasurer of events which prevent or significantly affect the achievement of the business objectives (or targets) of the ULC under the corporate plan.

PART 5—FINANCIAL PROVISIONS

- Clause 23 confers powers contained in the **Borrowing and Investment Powers Act 1987** on the ULC.
- Clause 24 provides that the Treasurer, after consultation with the Minister and having regard to the advice of the board, must determine the amount of initial capital of the ULC.
- Clause 25 sets out how the capital of the ULC is calculated.
- Clause 26 provides that the capital of the ULC is repayable at such times and in such amounts as the Treasurer directs, after consultation with the Minister, and having regard to the advice of the board.
- Clause 27 requires the ULC to pay dividends to the State.

PART 6—REPORTS BY ULC

- Clause 28 gives the Minister or the Treasurer the power to require the board to provide such information as the Minister or the Treasurer requires.
- Clause 29 provides that the annual report of the ULC must include a copy of all directions given under clause 13, details of the ULC's response to the direction and a copy of the statement of corporate intent.

PART 7—REPEALS, AMENDMENTS AND TRANSITIONAL

- Clause 30 repeals the **Urban Land Authority Act 1979**.
- Clause 31 applies relevant provisions of the **Borrowing and Investment Powers Act 1987** to the ULC.
- Clause 32 amends the **Land Tax Act 1958** to substitute reference to the Urban Land Authority and the **Urban Land Authority Act 1979** with the Urban Land Corporation and the **Urban Land Corporation Act 1997**, respectively.

- Clause 33 amends the **Treasury Corporation of Victoria Act 1992** to include the "Urban Land Corporation" as a "public authority" for the purposes of the Act and to add the corporation to Schedule 1 of the **Treasury Corporation of Victoria Act 1992**.
- Clause 34 provides that from the commencement of this Act, all references to the **Urban Land Authority Act 1979** or the Urban Land Authority, are deemed to be references to the **Urban Land Corporation Act 1997** and the Urban Land Corporation, respectively.
- Clause 35 sets out specific transitional provisions in relation to the Urban Land Authority.
- Clause 36 provides that on the commencement of this Act, all staff of the Urban Land Authority are deemed to be employees of the ULC, on the same terms and conditions and with the same accrued and accruing entitlements, as applied to each staff member immediately before this Act commenced.
- Clause 37 provides that covenants entered into under section 14 of the **Urban Land Authority Act 1979** continue to apply notwithstanding the repeal of the **Urban Land Authority Act 1979**.

SCHEDULE 1

PROVISIONS APPLYING TO ULC

- Clause 1 provides for a board of directors.
- Clause 2 sets out the constitution of the board.
- Clause 3 provides for the appointment of directors.
- Clause 4 sets out the terms and conditions of directors' appointments.
- Clause 5 outlines how persons can be appointed to act in the place of members of the board.
- Clause 6 provides for the appointment of a Chief Executive Officer and for the employment of other staff of ULC.
- Clause 7 outlines when the office of a director becomes vacant and provides for the resignation or removal from office of a director.

- Clause 8 provides that certain acts or decisions are not invalid.
- Clause 9 outlines how proceedings of the board are to be conducted.
- Clause 10 allows for the circulation and adoption of resolutions of the board without a board meeting.
- Clause 11 requires a director to disclose any interest which might conflict with the proper performance of the director's duties.

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