

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN WOOL CORPORATION BILL 1991

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Primary  
Industries and Energy, the Hon John Kerin MP)

**AUSTRALIAN WOOL CORPORATION BILL 1991****GENERAL OUTLINE**

This Bill provides for the establishment of the new Australian Wool Corporation (AWC) and its functions, powers, membership and related matters.

This Bill forms part of a package of Bills to establish a new institutional structure and marketing arrangements in the wool industry in the absence of the Reserve Price Scheme. The present Australian Wool Corporation will be replaced by three new bodies, the new Australian Wool Corporation, the Australian Wool Realisation Commission, and the Wool Research and Development Corporation.

The object of the new Australian Wool Corporation will be to improve the performance of the wool industry in Australia, by the adoption of appropriate strategies for the promotion of wool within and outside Australia; by facilitating the efficient marketing of Australian wool and wool products; and by developing and implementing programs to safeguard the quality of Australian wool. The Corporation will be encouraging the private sector to take as much responsibility as possible for marketing of wool.

The Act is to commence on 1 July 1991.

Part 1 covers the preliminary matters, mainly interpretation.

Part 2 provides for the establishment, functions and powers of the new AWC.

Part 3 makes provisions for arrangements regarding registration and qualification of woolclassers.

Part 4 provides for the financial functions of the Corporation including payments to the AWC, charging for services rendered, the application of money, raising of money, the maintenance of bank accounts, and the placing of investments and payments to the Commonwealth for exotic animal disease control.

Part 5 covers the preparation of Corporate and Operational Plans, agreement by the Minister, and variations to the Plans.

Part 6 makes provision for Annual General Meetings and Special General Meetings of wool tax-payers. The procedures to be followed, purpose of the meeting, registration of wool tax-payers, and the conduct of the meetings are included.

Part 7 refers to the constitution and meetings of the AWC. Details relating to the membership and conduct of the AWC and Selection Committee are included.

Part 8 covers the staff of the AWC including the terms and conditions relating to the employment of the Managing Director and other staff of the Corporation. Provision is also made for matters relating to an equal employment opportunity program.

Part 9 provides for the auditing of AWC financial transactions and records of assets and the appointment of a company auditor.

Part 10 relates to the quality control function of the AWC providing for inspections, and penalties to be applied for offences.

Part 11 refers to miscellaneous provisions including the keeping of accounts; Ministerial direction in exceptional circumstances; liability to taxation; remuneration for Members of the Corporation, Committees, and the Selection Committee; the annual report; and the making of regulations under the Act.

Part 12 includes the transitional arrangements to apply in respect of instruments and proceedings.

#### FINANCIAL IMPACT STATEMENT

This Bill is not expected to impose any additional costs on the Commonwealth. Funding of the new AWC activities is provided from a wool tax collected from woolgrowers. The Commonwealth will maintain the commitment it made in May 1990 to provide \$30m in 1991/92, \$25m 1992/93, and \$20m in 1993/94 for wool promotion for each of those years.

NOTES ON INDIVIDUAL CLAUSES

## PART 1 PRELIMINARY

Clause 1: Short title

1. Provides for the Bill to be called the Australian Wool Corporation Act 1991.

Clause 2: Commencement

2. The Act will commence on 1 July 1991.

Clause 3: Interpretation

3. Provides definition for terms used in the legislation.

## PART 2 - ESTABLISHMENT, FUNCTIONS AND POWERS OF THE AUSTRALIAN WOOL CORPORATION

Clause 4: Australian Wool Corporation

4. Provides for the establishment of the Australian Wool Corporation.

Clause 5: Object of the Corporation

5. This clause provides the objective of the Australian Wool Corporation, which is to improve the performance of the wool industry in Australia. This is to be achieved by adopting appropriate strategies for the promotion of wool, and wool products both within and outside Australia; by facilitating the efficient marketing of Australian wool; and the adoption of proper measures for safeguarding and improving the quality of Australian wool. Through these processes the Corporation will be encouraging the private sector to take as much responsibility as possible for the marketing of wool.

Clause 6: Functions of the Corporation

6. This clause provides for the Corporation to promote, or to arrange the promotion of, wool and wool products both within and outside Australia by participating in the management of any body undertaking the promotion. Currently the main wool promotion body is the International Wool Secretariat, which is an organisation formed by the wool boards (or equivalents) in Australia, New Zealand, South Africa and Uruguay. The AWC will ensure that such programs and

activities serve the best interests of the Australian wool industry.

7. The Corporation is to encourage the wool industry to develop and adopt plans to improve marketing of wool and wool products, including the sale and purchase of wool by description. As well the Corporation will be required to participate in negotiations with respect to charges (including freight rates) associated with the marketing of wool, and to facilitate programs for the sale of wool at auction or by tender.
8. In safeguarding and improving the quality of Australian wool, the Corporation will be required to set, in consultation with industry, the appropriate standards to ensure the quality of wool; to ensure that wool offered for sale for export, or exported meets those standards; to maintain a register of wool classers and determine the requirements for classers to be able to become registered.
9. The Corporation is also required to encourage and facilitate shearers and shedhand training to ensure the availability and standard of such persons, to convene general meetings of wool tax-payers, and to provide any specified services to the Realisation Commission and the Research and Development Corporation as may be agreed between the organisations. The Corporation must perform its functions within the powers of the Parliament and the Act, may not give preference to one State over another, and may perform any of its functions outside Australia.

#### Clause 7: Powers of Corporation

10. This clause provides for the Corporation to buy and sell wool for market feasibility studies and technical development projects with manufacturers, make applications for patents and trade marks, deal with patents and trade marks vested in the Corporation, obtain and provide market intelligence and statistics, advise woolclassers, woolgrowers and buyers where wool quality standards are not being met, prohibit the offering of, and order the withdrawal from sale for export, wool which does not meet the Corporation's standards.
11. The Corporation is empowered, subject to Ministerial approval, to form or participate in the formation of a company; acquire hold or dispose of shares, debentures, or other securities of a company; and enter into a partnership with a company.

Clause 8: Consultation

12. This clause provides for the Corporation to arrange to consult with persons or bodies representing different industry sectors and, subject to any guidelines issued by the Minister, may meet their expenses incurred in the consultation process.

Clause 9: Committees

13. This clause provides for the Corporation to establish any committees that it thinks fit, abolish any committee(s) and provide direction to those committees about their functions and manner of operation.

Clause 10: Delegation

14. The Corporation may delegate all or any of its powers and functions to any person or body.

**PART 3 - REGISTRATION AND QUALIFICATIONS OF WOOL CLASSERS**Clause 11: Register

15. This clause provides that the Corporation must keep a register of woolclassers.

Clause 12: Certain persons to be on Register

16. This clause provides that woolclassers registered under the repealed Act must be entered on the register with the Corporation. However, they will only remain on the register if they have applied, before 1 July 1992 to have their name retained on the register and if the Corporation is satisfied that a person is entitled to be put on the register.

Clause 13: Registration

17. This clause provides for the Corporation to determine the qualifications in wool classing which a person must possess to be registered and whether a person is fit and proper to be a registered woolclasser. Applications for registration are to be made in writing to the Corporation which must be satisfied that the applicant is eligible. Those considered ineligible are to be notified in writing by the Corporation of the reasons for the decision.

Clause 14: Qualification for registration

18. Provides for the Corporation to determine in writing and publish in the Gazette the qualifications that entitle a person to be eligible to become a registered woolclasser. A qualification in woolclassing approved under the repealed Act will be taken to be an appropriate qualification.

Clause 15: Alteration of Register

19. This clause provides that the Corporation must remove from the register any registration that the Corporation considers has ceased to have effect, the name of any person who has died or has requested removal.

Clause 16: Removal of name from Register

20. The Corporation is able to remove the name of a woolclasser who has consistently failed to prepare wool in accordance with the Corporation's standards. Any person so removed must be notified in writing and advised of the reasons for the decision. The Corporation is not able to remove a name from the register within a period of 28 days after giving notice in writing. However where an application has been made to the Administrative Appeals Tribunal within the 28 days, the Corporation cannot remove that name until a decision has been handed down by the Tribunal.

Clause 17: Identification

21. This clause provides that the Corporation must give a registered woolclasser a means of identifying wool classed by that person. In practice this is usually a stencil with a unique classer registration number. Where a person has been removed from the register, that classer's stencil must be returned to the Corporation or the classer will be liable for a penalty of \$100.

Clause 18: Application for review

22. This clause provides for an application to be made to the Administrative Appeals Tribunal where the Corporation has refused to enter the name of a person on the woolclasser register, or where the Corporation has determined that a name should be removed from the register.

Clause 19: Statement to accompany notice of decisions

23. This clause provides where the Corporation has removed a name from the register, or refused to register a name, the

written advice to that person must also include a statement that an application may be made to the Administrative Appeals Tribunal for a review of the decision.

#### PART 4 - FINANCE

##### Clause 20: Functions of Corporation in relation to finance

24. This clause provides that the Corporation's functions are to receive money payable under the Australian Wool Realisation Commission Act 1991 and under clause 21 of this Act, as well as fees for services, and money raised by the Corporation. The Corporation is also to make payments for wool promotion carried out by other bodies on which the Corporation is represented (currently the International Wool Secretariat) and payments for the purposes of clauses 23 and 26, as well as to maximise returns by investing its funds under clause 29.

##### Clause 21: Payments to Corporation

25. This clause provides that money collected by the Commonwealth under the Wool Tax Acts is payable to the Corporation. The amount is equal to the percentage of the sale value of the shorn wool (other than carpet wool) which was recommended at the last annual general meeting, or special general meeting, of wool tax-payers. If however the Minister has notified the Corporation that some other rate is to apply other than that recommended, then the amount of tax collected at that other rate is to be paid to the Corporation.
26. This clause makes provisions for carpet wool similar to those in clause 25.
27. In spite of the arrangements outlined above, the Commonwealth will pay to the Corporation an amount equal to 3.5% of the sale value of shorn wool (excluding carpet wool) and carpet wool for the financial year 1991/92.
28. The Corporation is also entitled to receive any money appropriated by Parliament for wool promotion. This money, and money collected through the wool tax, is to be paid from the Consolidated Revenue Fund.

Clause 22: Corporation may charge for services

29. This clause provides for the Corporation to charge for services provided during the exercise of its powers or performance of its functions.

Clause 23: Application of money of Corporation

30. This clause provides details on the uses to which the Corporation is able to apply its finances. This includes the payment of expenses, charges, obligations and liabilities; costs incurred during the appointment of certain Corporation Members and the collection and recovery of wool tax; and remuneration and allowances for the Corporation, committees and Selection Committees.

Clause 24: Raising of money by the Corporation

31. This clause provides for the Corporation to be able to borrow money. However the approval of the Minister is required if the total amount borrowed or to be borrowed exceeds \$15 million and the Corporation in borrowing funds must comply with terms and conditions specified in the Minister's approval. Money may be borrowed in currencies other than Australian currency, and the Corporation can give security over its assets for the repayment of money borrowed and make payments in relation dealing with securities.

Clause 25: Commonwealth not liable for debts of Corporation

32. The Commonwealth is not liable for any debt incurred by the Corporation.

Clause 26: Payments to Commonwealth in relation to exotic animal disease control

33. This clause provides for the Corporation to reimburse the Commonwealth for expenditure under the Exotic Animal Disease Control Act 1989. Before prescribing an amount for this purpose, consideration must be given to the recommendation of the Exotic Animal Disease Preparedness Consultative Council to the Minister. The amount recommended must not be greater than that last recommended by the Council to the Minister.

Clause 27: Hedging through currency contracts etc.

34. This clause provides for the Corporation to enter into currency contracts, interest rate contracts, or wool futures contracts, either within or outside Australia. Such

contracts can be entered into only for the purpose of minimising risks of adverse variations in payments, borrowings or investments made by the Corporation.

Clause 28: Bank accounts

35. This clause provides for the Corporation to open and maintain bank accounts and it must maintain at least one account at all times. All money of the Corporation must be paid into such an account.

Clause 29: Investment of money of Corporation

36. Through this clause any money of the Corporation not immediately required must be invested in Government guaranteed securities, on deposit with a bank, or in any other sound commercial manner.

PART 5 - CORPORATE PLANS AND ANNUAL OPERATIONAL PLANS

Clause 30: Corporation to prepare corporate plans

37. This clause provides that the Corporation must prepare a five year corporate plan each year and submit it to the Minister before 1 June each year. The first plan is to be submitted as soon as possible after 1 July 1991. The Corporation may consult with representatives of the wool industry in preparing its corporate plan which must define the principal goals of the Corporation, outline the strategies to achieve those goals, the performance indicators to measure the level of achievement, and include details of the equal employment opportunity program.

Clause 31: Agreement to corporate plans

38. This clause provides for the Minister, in writing, to agree to the Corporate plans or to request a revision of the plan. If requesting a revision, the Minister must advise the reasons for so doing. Where the Corporation receives such a request it must revise the plan as it thinks appropriate and resubmit that plan to the Minister. The plan will come into effect at the commencement of the period to which the plan refers, or if later, when notice of the Minister's agreement is received. The preceding corporate plan will then cease to have effect.

Clause 32: Variation of corporate plans by Corporation

39. Provision is made for the Corporation to vary a corporate plan with the agreement of the Minister. This must be done by the Corporation preparing for the Minister a written proposal for the variation and providing a separate statement with the reasons for making the proposals. The Minister may agree to or reject the proposals by writing to the Corporation. Minor variations to the corporate plan can be made without the Minister's agreement but the Corporation must advise the Minister of the variation as soon as is practicable.

Clause 33: Variation of corporate plans at request of Minister

40. This clause provides for the Minister to request a variation to the corporate plan, but notice must be given in writing advising of the reasons for the request. The Corporation must make variations as it considers appropriate and submit the proposals for the Minister's acceptance or rejection.

Clause 34: Date of effect of variations

41. This clause provides a variation to a corporate plan to take effect when the Corporation receives notice of the Minister's agreement or on the day in which the minor variation is made.

Clause 35: Annual operational plans

42. This clause provides that the Corporation must prepare an operational plan each financial year which sets out the activities to be undertaken in order to give effect to the corporate plan. The first plan must be prepared as soon as possible after 1 July 1991 and subsequent plans prior to the commencement of each succeeding financial year. A copy of this plan must be sent for information to the Minister as soon as possible.

Clause 36: Variation of annual operational plans

43. This clause provides for the variation of an annual operational plan at any time and to keep the plan consistent with the corporate plan. Such variations must be provided to the Minister as soon as possible.

Clause 37: Object of Part

44. This clause states that this part of the Act makes provision for general meetings of wool-tax payers.

Clause 38: Introduction

45. This clause provides definition for terms used in this part.

Clause 39: General Meetings

46. This part provides for two types of meetings, annual general meetings and special general meetings, and that these meetings must be held in accordance with the provisions of this part of the Act.

Clause 40: Register of wool-tax payers

47. This clause provides that the Corporation must, for the purposes of general meetings, establish and maintain a register of all woolgrowers who were liable to pay and paid wool-tax during the preceding financial year, and have applied to be registered. This register may be used also for the purposes of the annual general meeting of the Wool Research and Development Corporation. The register may not be used for any other purpose.
48. Regulations may provide for the procedure to be followed by the Corporation in inviting and processing applications, determining the eligibility of applicants, details to be entered on the register, and the maintenance of the register.

Clause 41: Corporation to convene annual general meeting

49. This clause provides that the Corporation must call an annual general meeting before 1 May in each financial year and no more than 15 months may elapse between 2 consecutive annual general meetings.

Clause 42: Notice of the convening of an annual general meeting

50. This clause provides that the Corporation must publish in the national press at least 70 days beforehand, notice of an annual general meeting specifying the day, time and place of the meeting, as well as notifying, as it thinks fit, relevant industry bodies.

Clause 43: Purpose of annual general meeting

51. This clause provides that registered wool-tax payers may debate and vote on motions to receive the annual financial statement of the Corporation and of the auditors, to make recommendations to the Minister on future wool tax rates, and to register a lack of confidence in the Corporation.
52. A recommendation is made after the Corporation first calculates the amount of money it requires for the next financial year to fund promotion and convert that amount into a percentage of the expected sale value of shorn wool (other than carpet wool) and of carpet wool. Accordingly this percentage rate of tax needs to be taken into account in computing the total rate of tax to apply under each of the Wool Tax Acts in the next financial year.

Clause 44: Motion of no confidence

53. This clause provides that when a motion of no confidence is moved at an annual general meeting, the person presiding at the meeting must select an employee of the Corporation to stand in until the motion is voted on, or if the motion is passed, until the conclusion of the meeting.

Clause 45: Special general meeting

54. This clause allows the Corporation to convene a special general meeting of registered wool-tax payers to debate and vote on a motion involving a recommendation to the Minister regarding the prescribing of a rate of wool tax under the Wool Tax Acts. At least 14 days notice of the meeting must be given by publishing details of the meeting and of the motion(s) in the national press, and notifying industry bodies as appropriate.

Clause 46: Conduct of general meetings

55. This clause provides that general meetings may only be attended by Corporation Members, registered wool-tax payers or their proxies, and those invited by the Corporation. The Corporation Chairperson must preside, only registered wool-tax payers are entitled to vote and a record of the meeting must be kept.

Clause 47: Regulations may provide for certain matters

56. This clause allows regulations to be made which provide for the means of notifying the Corporation of any motion proposed to be moved by a registered wool-tax payer at a

general meeting; notifying registered wool-tax payers of details of a general meeting and the motions proposed; appointing proxies at general meetings; passing motions at meetings; determining the number of votes that a registered wool-tax payer may cast; and the procedures for voting to ensure votes remain confidential.

Clause 48: Minister to be notified of motions

57. This clause provides that the Corporation must notify the Minister and the Australian Wool Industry Council of any motion passed or defeated and the number of votes cast both ways at a general meeting.

PART 7 - CONSTITUTION AND MEETINGS OF CORPORATION

DIVISION 1 - GENERAL

Clause 49: Membership of the Corporation

58. This clause provides that the Corporation is to consist of 9 part-time members, these being a Chairperson, the full time Managing Director of the AWC, a Government Member, the Managing Director or any other member (other than the Chairperson) of the Wool Research and Development Corporation, and 5 other Members with special qualifications and experience. This expertise is to be in one or more of the following: wool growing; wool processing, including the manufacture of wool products; marketing of commodities; finance; product promotion; business management; quality standards and control. The Chairperson and Government Member are to be appointed in writing by the Minister, the 5 other members with special experience are to be appointed in writing by the Minister following nomination by a selection committee.
59. Provision is made for the first appointments to the AWC to be made by the Minister in the absence of a selection committee, after the Minister has consulted such persons as thought appropriate.
60. The Minister must ensure that AWC Members collectively possess the qualifications and experience required to be represented in the Corporation and that there are 2 Members with experience in wool growing. Members of Parliament or of an organisation representing a sector of the wool industry that is prescribed are not eligible for appointment to the AWC.

61. The Chairperson, or any of the 5 other Members, holds office for 3 years and is eligible for re-appointment, but may not hold office continuously for a period of more than 9 years. The Government Member holds office for as long as the Minister determines. The terms of conditions, other than provided for in the Act, are to be determined in writing by the Minister.
62. The exercise of a power or performance of a function of the Corporation is not affected by one or more vacancies in the membership of the AWC.

#### Clause 50: Deputy of Chairperson

63. The Minister may appoint one of the 5 other Members to be the deputy of the Chairperson, they will hold this office until either the Minister terminates the appointment or the person ceases to be a Member of the AWC. A Member may resign this position by writing to the Minister but the resignation will not take effect until it is accepted by the Minister.
64. The deputy of the Chairperson may exercise the powers and must perform the functions of the Chairperson at any time the Chairperson is unable to perform the duties of the office or whenever there is a vacancy in the office of Chairperson. In the event that the Deputy Chairperson exercises a power or performs a function at a time when the Chairperson is coincidentally in office, the Corporation is liable for such actions. (For example, such an occasion may arise where the deputy signs a contract on a day when the Chairperson is in office and in the country.)

#### Clause 51: Disclosure of interests

65. This clause provides that if at an AWC Meeting, a Member has a direct or indirect pecuniary interest in a matter being considered, then they must declare that interest to the meeting as soon as they realise that such an occasion has arisen. This is to be recorded in the minutes. A Member who is a woolgrower or manufacturer of wool products is not considered to have a pecuniary interest only by reason of their position as a woolgrower or manufacturer of wool products.

#### Clause 52: Leave of absence of appointed members

66. This clause provides for the Chairperson to be granted leave of absence as the Minister determines. The Chairperson may grant leave of absence to any other appointed Member.

Clause 53: Resignation

67. An appointed Member may resign office by writing to the Minister, however the resignation is not effective until it has been accepted by the Minister.

Clause 54: Ending of appointments for misbehaviour

68. This clause provides for the Minister to end the appointment of an appointed Member who misbehaves; is mentally or physically incapacitated; is declared bankrupt, applies to gain benefit from any law for the relief of the bankruptcy, or assigns their remuneration for the benefit of their creditors; is absent from 3 consecutive meetings without leave of absence; or fails without reasonable excuse to disclose any pecuniary interest in a matter being considered at a meeting of the Corporation.

Clause 55: Consequences of motion of no confidence

69. This clause makes certain provisions effective in the event that a no confidence motion has been passed at a general meeting of wool-tax payers. The Corporation is then not able to perform any of its functions or exercise any of its powers. The Minister must terminate the appointments of each of the appointed AWC Members and within 2 months must appoint a Chairperson. That Chairperson may perform all the functions of the Corporation and exercise all its powers except the power to appoint or terminate the appointment of the Managing Director. Any Member whose appointment has been terminated in such a way is eligible for reappointment to the AWC.

Clause 56: Meetings of Corporation

70. This clause provides for AWC Meetings to be held when and where within Australia as the AWC determines. A special meeting of the Corporation must be convened by the Chairperson at the request of 3 or more Members and 5 Members constitutes a quorum. The Chairperson is to preside at all Corporation Meetings, and if absent, the deputy Chairperson is to preside. If neither are present, the Members present must appoint one of their number to preside.
71. Questions at a meeting are determined by a majority of votes of the Members present and voting, the Presiding Member has a deliberative vote and also has a casting vote where the vote is equal. The Corporation must keep minutes of its meetings.

Clause 57: Conduct of Meetings

72. This clause provides that the Corporation may regulate its proceedings as it considers appropriate including participating at meetings by telephone, by closed-circuit television, or by any other means of communication. Members participating in any of these ways are considered to be attending the meeting.

DIVISION 2 - NOMINATION AND SELECTION PROCESS FOR MEMBERSHIP OF CORPORATION

Clause 58: Presiding Member

73. This clause provides that the Minister must appoint a person on a part-time basis to be the Presiding Member of Australian Wool Industry Selection Committees. This person holds office for a period of 3 years and is eligible for re-appointment only once.

Clause 59: Minister to request nomination for membership of Corporation

74. This clause provides that the Minister must, by writing to the Presiding Member, request that they establish a Selection Committee to provide within a specified period, nominations for vacancies as required for the purpose of appointing Members with special qualifications and experience to the Corporation.

Clause 60: Selection Committee

75. This clause provides that where the Presiding Member receives a request from the Minister, they must establish an Australian Wool Industry Selection Committee and give Wool Council notice in writing requesting their nominations to the Minister of persons for appointment to the Committee. If the Minister is not satisfied with any of the nominations put forward by Wool Council, the Minister may reject the nomination(s) and ask the Wool Council to make an alternative nomination(s).
76. The Selection Committee is to consist of the Presiding Member, 3 Members appointed by the Minister after consultation with the Wool Council and 3 other Members appointed by the Minister. The powers and functions of the Committee provide for it to nominate to the Minister a person or people for appointment to the Corporation.

Clause 61: Selection of persons for nomination

77. This clause provides that a selection committee may advertise in the national press inviting applications for nomination for appointment. The Selection Committee must choose the most suitable candidates for appointment to the Corporation and in so doing have regard for the range of qualifications and experience required under subclause 49(5). A nomination of a Member of Parliament, or of an organisation prescribed under subclause 49(6), may be nominated for appointment providing they will have ceased to be employed in that capacity prior to their appointment to the Corporation.
78. A person who either is, or has been, a member of the Selection Committee currently selecting members for the Corporation, is not eligible for nomination by that Selection Committee. A person is eligible for nomination by the Selection Committee even if the Committee has rejected their nomination at a previous meeting, or if their nomination had been rejected by the Minister in an earlier round of appointments.

Clause 62: Nominations for Corporation

79. Under this clause the Selection Committee must provide to the Minister, within the period specified under clause 59, notice in writing of the nomination or nominations for appointment to the Corporation. Subject to the Minister's concurrence with the nomination(s) the Selection Committee must make only one nomination in respect of each appointment to be made by the Minister.
80. In writing to the Minister, the Selection Committee must advise details of qualifications, experience and other information which is likely to help the Minister decide whether to appoint each person. Also to be provided is a statement specifying how, in the opinion of the Committee, the nomination(s) will best ensure that the Members collectively possess the qualifications and experience in the fields referred to in paragraph 49(1)(e).

Clause 63: Minister may ask for additional information or reject nomination

81. This clause provides that if the Minister considers the written information that has been supplied by the Selection Committee is inadequate, then the Minister may, by notice in writing, require additional relevant information as is specified and by a specified day.

82. If the Minister is not satisfied with the suitability of a nomination then notice may be given in writing to the Selection Committee rejecting the nomination and requesting a further nomination within a specified time period. Where the Selection Committee receives such a request, a new nomination is to be made under the same terms and conditions as the initial nomination.

#### Clause 64: Meetings of Selection Committee

83. This clause provides that the Presiding Member may convene meetings of the Selection Committee as considered necessary, to be held when and where that person thinks appropriate. The Presiding Member and 3 other members constitute a quorum. The Presiding Member must chair all meetings of the Selection Committee. Questions arising at the meeting are to be decided by a majority of votes, all votes are equal, the Presiding Member has a deliberative vote and when the number of votes are equal, has a casting vote. Minutes of meetings must be kept.

#### Clause 65: Abolition of Selection Committee

84. This clause provides that the Selection Committee is abolished when the Minister has made the appointments nominated by the Committee, and there are no outstanding appointments to be made or any other outstanding matters to be considered by the Committee.

#### Clause 66: Staff and consultants

85. This clause provides that the Presiding Member may, on behalf of a Selection Committee, engage one or more people to perform administrative and clerical services on behalf of the Committee, or engage suitably qualified consultants to assist the Committee identify potential nominees. The terms and conditions of engagement are to be determined by the Committee.

#### Clause 67: Applied provisions

86. This clause provides that members of a Selection Committee and the Presiding Member hold office on the terms and conditions determined in writing by the Minister; one or more vacancies do not affect the exercise of power or performance of functions of the Committee; all Members must declare direct or indirect pecuniary interests; leave of absence to be granted by the Chairperson, or in the instance

of the Chairperson, by the Minister. These conditions are the same as for Members of the Corporation.

## PART 8 - STAFF

### DIVISION 1 - THE MANAGING DIRECTOR

#### Clause 68: Managing Director

87. Under this clause the Corporation must appoint a person to be the Managing Director of the Corporation. The Corporation may determine, subject to the approval of the Minister, the terms and conditions of service, including remuneration and allowances, and may end such an appointment at any time. Before deciding on any terms and conditions the Minister may consult with any person or body as thought appropriate.
88. If the Managing Director engages in paid employment outside the duties of the office without the approval of the Corporation; is absent from duty for 14 consecutive days (other than on leave granted by the Corporation) or for 28 days in any 12 months; or absent from 3 consecutive meetings of the AWC; or fails to declare direct or indirect pecuniary interests, becomes bankrupt, or applies to take benefit of any law for the relief of bankruptcy, or compounds with creditors or makes an assignment of remuneration for their benefit, the Corporation must terminate the appointment of the Managing Director.
89. The office of the Managing Director is not a public office as determined by the Remuneration Tribunals Act 1973.

#### Clause 69: Acting Managing Director

90. Under this clause the Corporation may resolve to appoint an acting Managing Director when there is a vacancy of the office, or during any periods when the Managing Director is absent from duty, is out of Australia, or is unable to perform the functions of the office. Anyone acting in the position can not do so for more than 12 months. In the event that the acting Managing Director exercises a power or performs a function at a time when the Managing Director is coincidentally in office, the Corporation is liable for such actions. (For example, such an occasion may arise where the deputy signs a contract on a day when the Managing Director is in office and in the country.)

Clause 70: Management of affairs of Corporation

91. Under this clause the affairs of the Corporation, to the extent determined by the Corporation, are to be managed by the Managing Director, who in turn must act in accordance with the directions given by the Corporation.

## DIVISION 2 - OTHER STAFF OF THE CORPORATION

Clause 71: Employees

92. This clause provides that the Corporation may employ any person it considers appropriate. Terms and conditions of employment are to be determined by the Corporation with the exception that only with the Minister's approval may the terms and conditions be more favourable than those applying to the Managing Director.

Clause 72: Persons employed under repealed Act

93. This clause provides that a person who is an employee of the new Corporation, was immediately prior to 1 July 1991 an employee of the old Australian Wool Corporation, and has since 1 July 1991 been an employee of the Australian Wool Realisation Commission or the Wool Research and Development Corporation, may not be employed by the Corporation on less favourable terms and conditions than those applying immediately before the transfer. Such a person is entitled to retain all benefits that had accrued prior to the transfer as though those benefits related to the employment of the person by the Corporation.

## DIVISION 3 - EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Clause 73: Corporation to develop and implement equal employment opportunity program

94. This clause provides that the Corporation must develop and implement an equal employment opportunity program for the organisation.

Clause 74: Regard to be had to equal employment opportunity program

95. This clause provides that the Corporation must implement its equal employment opportunity program, and any person exercising powers in relation to employment matters of the Corporation must have regard for the program.

Clause 75: Employment matters to be dealt with on basis of merit

96. Under this clause all employment matters must be dealt with on the basis of merit.

## PART 9 - AUDIT

Clause 76: Audit

97. This clause provides that the auditor of the Corporation must inspect and audit the accounts, records of financial transactions, and records relating to the assets of, or in the custody of the Corporation, and advise the Minister of any irregularity of sufficient importance to justify doing so.
98. The Corporation's auditor may dispense with all or part of the inspection, however must at least once each financial year, report to the Minister the results of the inspection and audit.
99. The Corporation's auditor is entitled to have full and free access to all accounts, records, and other documents of the Corporation relating to the receipt or payment of money, or to the acquisition, receipt, custody or disposal of assets by the Corporation. The auditor is entitled to make copies of accounts, records and other documents or require another person to make information they hold available as the auditor, or another person authorised by the auditor considers necessary. Failure of any person to provide information in their possession to the auditor or authorised person makes the person liable, on conviction to a penalty of a maximum of \$1,000.

Clause 77: Appointment of company auditor

100. The Corporation may request the Minister to appoint a company auditor as auditor of the Corporation. Where the Minister receives such a request, the Minister must pass on the particulars of the request to the Minister for Finance who in turn must consider whether the auditor referred to in the request is suitable, and decide in writing whether or not to approve the appointment, giving reasons for the decision if negative. If the Minister for Finance approves the appointment, the Minister for Primary Industries and Energy may in writing appoint the company auditor to be auditor for the Corporation.

101. Where the Minister makes an appointment, the Corporation must also be informed in writing. Where the Minister refuses to make an appointment or where the Minister revokes an appointment, the Minister must inform the Corporation in writing of the decision and the reasons for it.

Clause 78: Resignation of company auditor

102. Under this clause, where a company auditor is the Corporation auditor, they may resign by writing to the Corporation Chairperson only after written approval from the Minister has been received.

PART 10 QUALITY CONTROL

DIVISION 1 - INSPECTIONS

Clause 79: Interpretation

103. This clause provides definitions for terms used in this Part.

Clause 80: Appointment of inspectors

104. Under this clause the Managing Director may, in writing, appoint a person to be an inspector and must issue to them an identity card containing a recent photograph of the person and stating that the holder of the card is an inspector for the purposes of this Division.

Clause 81: Entry and inspection

105. This clause provides that an inspector may enter the premises of any registered sampling site, registered laboratory or registered showfloor in order to determine whether the premises, wool on the premises, or practices carried out on the premises, conform with the quality standards for wool set by the Corporation. An inspector may not exercise any power of entry and inspection unless the operator, or person apparently in charge, or operator's representative, consents to the exercise of the power. Alternatively a warrant under clause 82 may authorise the entry and inspection.
106. An inspector has powers to inspect premises and associated equipment, to inspect and take wool samples on or near the premises, to observe sampling methods or tests being performed on or near the premises, to observe any other use of the premises, to inspect examinable documents on or near

the premises, to take copies or extracts from any such documents, to direct the operator, or other person in charge, to make available examinable documents kept on or near the premises.

107. A person who fails to comply with the inspector's direction without reasonable excuse is liable to a penalty of a maximum of \$3,000. A person is excused from making available an examinable document if it might tend to incriminate the person.

Clause 82: Issue of warrants

108. This clause provides for an inspector to apply to a magistrate for a warrant to enter and inspect a particular premises of a registered sampling site, laboratory or showfloor. If satisfied by information on oath that it is reasonably necessary for an inspector to determine that the premises is conforming with the standards set by the Corporation, a magistrate may issue a warrant.
109. The warrant must state the name of the inspector; authorise the inspector (with assistance if necessary), to enter the premises and exercise the powers in clause 81(3); state at what times the entry is authorised to take place; and state a day, within 6 months of issue of the warrant, on which the warrant ceases to have effect.

Clause 83: Return of identity card

110. This clause provides that a person who ceases to be an inspector must return their card to the Managing Director of the Corporation as soon as practicable. The maximum penalty for failing to do this is \$100.

Clause 84: Proof of authority

111. This clause provides that an inspector is not entitled to exercise their powers unless they have first produced their card for verification by the person in charge of, or acting for, the person responsible for a premises.

Clause 85: Obstruction of inspectors

112. Under this clause a person must not obstruct, hinder, or resist an inspector performing their authorised functions without reasonable excuse. A maximum penalty of \$3,000 has been provided for.

Clause 86: Appointment of authorised representatives

113. The operator of a registered sampling site, laboratory or showfloor may, in writing to the Managing Director, appoint a person to be their authorised representative in matters relating to that premises for the purposes of this Division.

## DIVISION 2 - OFFENCES

Clause 87: Sale etc, of wool not meeting quality standard

114. Under this clause where the Corporation has prohibited the sale of wool for export or ordered the withdrawal from sale for export, under subclause 7(2)(d) or (e), the Corporation must ensure the owner, or person in possession of the wool, is served with a written notice. This notice must identify the wool subject to the order and specify the day on which the order comes into force, that being no earlier than the day on which the notice is served. Any person, who knowing that there is a notice in force, offers for sale for export, sells for export, or exports wool which has been identified in the notice, is guilty of an offence attracting a maximum penalty of \$60,000.

## PART 11: MISCELLANEOUS

Clause 88: Proper accounts to be kept

115. This clause requires the Corporation to keep proper accounts and records and to do whatever is needed to ensure proper control over expenditure, assets and liabilities of the Corporation.

Clause 89: Minister may give directions in exceptional circumstances

116. This clause enables the Minister to give directions in writing to the Corporation concerning the performance of its functions or exercise of its powers and the Corporation must comply with those directions.
117. The Minister may not give a direction to the Corporation unless satisfied that because of exceptional circumstances, the issue of the direction is needed to ensure the Corporation's action does not conflict with major Government policies. The Minister must give written notice to the Corporation of the intention to issue the direction and the Corporation Chairperson must have adequate opportunity to

discuss with the Minister the need for the proposed direction.

118. Where a direction is given, the Minister must publish it in the Gazette and table it in Parliament and the Corporation's annual report must include details of the direction. These processes do not have to be complied with if the Minister determines that public knowledge of the direction is likely to prejudice the commercial activities of the Corporation or be against Australia's national interest.

Clause 90: Minister to notify Corporation about variation in rate of tax recommended by general meeting

119. Under this clause, where there is a variation in the rate of tax to apply to shorn wool (other than carpet wool) from that recommended at a general meeting of wool-tax payers, the Minister must advise the Corporation in writing and specify the percentage rate actually used. This provision also applies in respect of the rate of tax recommended for carpet wool.

Clause 91: Liability to taxation

120. This clause provides that the Corporation is subject to taxation (other than income tax) under Commonwealth law, is not subject to State or Territory law except for stamp duty and any State or Territory law specified in the regulations. However, any assets transferred to the Corporation from the Realisation Commission are exempt from State or Territory stamp duty.

Clause 92: Remuneration and allowances

121. This clause specifies the organisations responsible for determining remuneration and allowances of Corporation Members (excluding the Managing Director), members of Corporation committees and members of selection committees.

Clause 93: Annual Report

122. This clause requires the Corporation to prepare an annual report and financial statements as soon as possible after the end of each financial year. Regulations can be made specifying particular matters to be included in an annual report. Before submitting the financial statements to the Minister, the Corporation must give the statements to the Corporation's auditor who must in turn report to the Minister on the matters specified in the clause.

123. The Minister must table the annual report and financial statements in Parliament within 15 sitting days of receipt by the Minister.

Clause 94: Conduct of directors, servants and agents

124. This clause is a standard corporate knowledge provision along the lines of clause 84 of the Trade Practices Act 1974. This will enable corporations to be prosecuted under the Principal Act. This clause is the same as clause 126A which applies under the Wool Marketing Act 1987.

Clause 95: Superannuation

125. Under this clause the Corporation is an approved authority under the Superannuation Act 1976.

Clause 96: Regulations

126. This clause provides a general regulation making power for matters which must or may be prescribed under the Act.

PART 12 - TRANSITIONAL

Clause 97: Interpretation

127. Provides for definition of terms used.

Clause 98: Saving of standards etc

128. Under this clause standards and conditions relating to the preparation and submission of wool for sale, and terms and conditions governing the acceptance of wool for sale that had effect under the repealed Act continue to have effect from 1 July 1991. They may be varied or revoked by the Corporation in the performance of its functions under subclause 6(1)(c).

Clause 99: Instruments etc of old corporation

129. This clause makes provision for those relevant instruments or documents made before 1 July 1991 and involving the old Corporation to be considered to apply to the new Corporation after 1 July 1991.

Clause 100: Proceedings

130. This clause enables any relevant proceedings pending in court immediately before 1 July 1991 in which the old

Corporation was involved, to continue to apply to the new Corporation after 1 July 1991.

Clause 101: Regulations may make transitional provisions etc.

131. Under this clause regulations may be made to provide for matters not already provided for under this part of the Act.









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