

**1991**

**THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA**

**HOUSE OF REPRESENTATIVES**

**PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL (NO 2) 1991**

**EXPLANATORY MEMORANDUM**

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

## **PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL (NO 2) 1991**

### **OUTLINE**

1. The purpose of the Bill is to provide for additional transitional arrangements consequent to the establishment of

(a) the Australian Dried Fruits Board (ADFB) within the Australian Horticultural Corporation (AHC)

(b) the replacement of the former Australian Wool Corporation with three new bodies – the Australian Wool Realisation Commission (AWRC), the new Australian Wool Corporation (AWC), the Wool Research and Development Corporation (WRDC).

### **Dried Fruits**

2. The Australian Horticultural Corporation Amendment Act 1991 (the Act) provided a mechanism for the establishment of largely autonomous Product Boards operating under the umbrella of the AHC. The ADFB commenced operations as a Product Board on 1 July 1991, taking on the export marketing and promotion functions of the Australian Dried Fruits Corporation (ADFC). The Commonwealth collects then disburses to the ADFB, an industry export charge imposed on dried vine fruits to fund its operations.

3. A similar mechanism was used to fund the ADFC. However, the Australian Dried Fruits Corporation Act 1978 and the Dried Fruits Export Charges Act 1924, which raised the funds for the operations of the ADFC, were repealed on 1 July 1991.

4. Transitional arrangements were included in the Act to provide for the changeover from the ADFC to the ADFB. However, a problem has arisen in making payments to the ADFB of funds raised under the Charges Act but collected by the Commonwealth after the date of repeal. The Bill seeks to redress this as well as providing for payment of interest for the delay in transferring the funds to the ADFB.

### **Wool**

5. The Australian Wool Corporation Act 1991, the Australian Wool Realisation Commission Act 1991, and the Primary Industries and Energy Research and Development Amendment Act 1991 replaced the former Australian Wool Corporation on 1 July 1991 with three separate organisations which carry out specific functions, namely wool promotion (AWC), stockpile and debt management (AWRC) and research and development (WRDC). Under the arrangements which applied before 1 July 1991, all wool tax (which comprises three portions – promotion, stockpile and debt management, and R & D) collected by the

Commonwealth was passed to the former Australian Wool Corporation. However, with the introduction of the new arrangements, the relevant portions of the wool tax are now to be passed to the corresponding Corporation/Commission.

6. Transitional arrangements were included in the abovementioned Acts, but omitted to provide for payments to the new Corporations/Commission of wool tax imposed on wool sold before 1 July 1991 but not received by the Commonwealth until after that date. The Bill seeks to redress that situation, as well as providing for interest for the delay in transferring the funds to the Corporations/Commission.

#### FINANCIAL IMPACT

7. The Commonwealth collects the dried fruits export charge and wool tax from the relevant industry and then disburses the moneys to the statutory authorities. Since the legislation to date has not enabled some moneys to be transferred, the Commonwealth has been able to obtain interest from investment of those moneys itself. The payment of interest to the statutory authorities on that money therefore has no net additional financial implications for the Commonwealth.

## NOTES ON INDIVIDUAL CLAUSES

### PART 1 – PRELIMINARY

#### Clause 1 – Short Title

8. Provides for the Bill to be called the Primary Industries Legislation Amendment Act (No. 2) 1991.

#### Clause 2 – Commencement

9. The Bill commences on Royal Assent, except section 6 which is taken to have commenced immediately after the Australian Wool Corporation Act 1991.

### PART 2 – AMENDMENT OF THE AUSTRALIAN HORTICULTURAL CORPORATION AMENDMENT ACT 1991

#### Clause 3 – Principal Act

10. Formal.

#### Clause 4 – Certain amounts payable to the Board

11. Provides for the Australian Dried Fruits Board to be paid from Consolidated Revenue, amounts payable under the Dried Fruits Export Charges Act 1924 and received by the Commonwealth after 1 July 1991, the date of the repeal of the Act and the commencement of the Board. An amount representing the interest accruing on these amounts will also be payable to the Board.

### PART 3 – AMENDMENTS OF THE AUSTRALIAN WOOL CORPORATION ACT 1991

#### Clause 5 – Principal Act

12. Formal.

#### Clause 6 – Minister to be notified of motions

13. This clause corrects the citation of the Act under which the Australian Wool Industry Council is established.

Clause 7 – Payment to Corporation – where wool tax imposed before 1 July 1991 is received on or after that day and Interest payable to Corporation where certain amounts payable under repealed Act remained unpaid on 30 June 1991

14. This clause inserts two new sections 98A and 98B into the Principal Act.

15. Section 98A provides for that portion of any wool tax which relates to the operations of the Corporation, and which was imposed on wool sold before 1 July 1991 but received after that date, to be appropriated and paid to the Corporation. The section also provides for an amount representing the interest accruing on those amounts of wool tax to be appropriated and payable to the Corporation.

16. Section 98B provides for the appropriation and payment by the Commonwealth to the Corporation of interest accruing on that portion of wool tax which was payable before the end of 30 June 1991, but which was not paid to the Corporation under the regulations until after that date. The delay in payment by the Commonwealth of this portion of the wool tax resulted from the need to seek legal advice, given the repeal of the Wool Marketing Act 1987 on 1 July 1991, as to which statutory authority this wool tax should be paid and the making of the necessary regulations.

#### **PART 4 – AMENDMENT OF THE AUSTRALIAN WOOL REALISATION COMMISSION ACT 1991**

##### Clause 8 – Principal Act

17. Formal.

Clause 9 – Payment to Commission – where tax imposed before 1 July 1991 is received on or after that day and Interest payable to Commission where certain amounts payable under repealed Act remained unpaid on 30 June 1991

18. This clause inserts two new sections 80A and 80B in the Principal Act.

19. Section 80A provides for that portion of any wool tax which relates to the operations of the Commission, and which was imposed on wool sold before 1 July 1991 but received after that date, to be appropriated and paid to the Commission. The section also provides for an amount representing the interest accruing on those amounts of wool tax to be appropriated and payable to the Commission.

20. Section 80B provides for the appropriation and payment by the Commonwealth to the Commission of interest accruing on that portion of wool tax which was payable before the end of 30 June 1991, but which was not paid to the Commission until after that date. The delay in payment by the Commonwealth of this portion of the wool tax resulted from the need to seek legal advice as to which

statutory authority the wool tax should be paid, given the repeal of the Wool Marketing Act 1987 on 1 July 1991.

## **PART 5 – AMENDMENTS OF THE PRIMARY INDUSTRIES AND ENERGY RESEARCH AND DEVELOPMENT ACT 1989**

### Clause 10 – Principal Act

21. Formal.

### Clause 11 – Payments to R&D Corporation in respect of the wool industry

22. This clause puts a maximum limit on the amount of the Commonwealth matching payments for research and development for the wool industry. The limits are the amount of wool tax proceeds or 0.5% of the gross value of production for wool whichever is the lesser and is in line with Commonwealth policy on matching arrangements for R & D. Related provisions in respect of Commonwealth matching payments for research and development for other rural industries are contained in sections 31 and 32 of the Principal Act.

### Clause 12 – Payment to R&D Corporation in respect of the wool industry – where wool tax imposed before 1 July 1991 is received on or after that day and Interest payable to R&D Corporation in respect to the wool industry where certain amounts payable under repealed Act remained unpaid on 30 June 1991

23. This clause inserts two new sections, 89B and 89C, into the Principal Act.

24. Section 89B provides for that portion of any wool tax which relates to the operations of the Corporation, and which was imposed on wool sold before 1 July 1991 but received after that date, to be appropriated and paid to the Corporation and to be considered for matching by the Commonwealth. The section also provides for an amount representing the interest accruing on those amounts of wool tax to be appropriated and payable to the Corporation.

25. Section 89C provides for the appropriation and payment by the Commonwealth to the Corporation of interest accruing on that portion of wool tax which was payable before the end of 30 June 1991, but which was not paid to the Corporation under the regulations until after that date. The delay in payment by the Commonwealth of this portion of the wool tax resulted from the need to seek legal advice, given the repeal of the Wool Marketing Act 1987 on 1 July 1991, as to which statutory authority this wool tax should be paid and the making of the necessary regulations.





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