

1984

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Wool Industry Amendment Bill 1984

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for
Primary Industry, The Hon. John Kerin, M.P.)

OUTLINE

The Bill provides for amendments to be made to the Wool Industry Act 1972 to clarify the borrowing powers of the Australian Wool Corporation and to widen the scope of opportunities for investment of Wool Research Trust Fund moneys.

At present the provisions of the Act limit the Corporation to borrowing moneys from an approved bank or another lender. The Bill provides for the Corporation's borrowing powers to be broadened, specifically to include power to deal in securities.

The Bill repeals the existing provisions of the Act which specify the investment options open to the Wool Research Trust Fund. The effect of this amendment is to make the Fund's investment procedure subject to the Audit Act which permits Commonwealth Trust Funds a broader range of investment options than is currently available to the Wool Research Trust Fund.

NOTES ON CLAUSES

Clause 1 : Short Title

1. The Bill provides for the Act to be cited as the Wool Industry Amendment Act 1984.

Clause 2 : Commencement

2. The provisions of the Bill will come into effect on the day it receives Royal Assent.

Clause 3 : Interpretation

3. Section 6 of the Principal Act is amended to include definitions of securities and dealing with securities.
4. The effect of clause 3(b) of the Bill is to amend the definition of interest. The amendment excludes fees and charges from interest payments on borrowed moneys under Section 26 of the Act thereby excluding Commonwealth guarantees, in respect of borrowed moneys, for such fees or charges.

Clause 4 : Raising of Moneys by Corporation

5. The Bill amends Section 26 of the Principal Act to provide that the Corporation may, with the approval of the Minister borrow or raise moneys by dealing with securities. The amendments also provide for the Minister to approve other borrowings by the Corporation.
6. In addition, the section as amended provides that the Treasurer, on behalf of the Commonwealth, may give a contractual guarantee in respect of Corporation dealings with securities or other Corporation borrowings. Alternatively, the Treasurer may give a statutory guarantee in respect of Corporation dealings with securities, to ensure portability of the guarantee where securities are traded and negotiated.
7. The new section provides for the Corporation to give security over its assets in respect of dealings with securities or other borrowings by the Corporation.

Clause 5 : Repeal of Section 72

8. The Bill repeals Section 72 of the Principal Act so that investment of Wool Research Trust Fund moneys will in future be subject to the provisions of the Audit Act effectively increasing the scope for investment of Fund moneys.

