

1985

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WOOL INDUSTRY AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for
Primary Industry, the Hon John Kerin MP)

OUTLINE

The Bill provides for amendments to be made to the Wool Industry Act 1972 to bring under that Act provision for apportionment of wool tax receipts among wool market support, wool research and the general purposes of the Australian Wool Corporation ie wool promotion and market administration. The underlying purpose of the Bill is to allow greater flexibility in apportionment of wool tax receipts.

These amendments complement amendments to the Wool Tax Acts (Nos 1-5) 1964 which remove provision for apportionment of wool tax receipts from those Acts.

The Wool Tax Acts presently provide that apportionment of wool tax receipts to wool market support be at a rate of 5% of the sale value of wool. The Bill provides for apportionment to wool market support to be varied between a maximum of 5% and a minimum of 4% of the sale value of wool.

Apportionment of the balance of wool tax receipts to the general purposes of the Australian Wool Corporation and to research is presently prescribed by Regulations under the Wool Tax Acts (Nos 1-5) 1964. The Wool Tax Acts presently prescribe that total apportionment to the general purposes of the Corporation and to wool research not exceed 3% of the sale value of wool. The Bill provides for the balance of the wool tax receipts to be apportioned between the Corporation's general purposes and wool research by regulations at a total rate of up to 4% of the sale value of the wool.

The Bill involves no additional financial cost to the Government.

WOOL INDUSTRY AMENDMENT BILL 1985

NOTES ON CLAUSES

Clause 1: Short Title & Principal Act

1. The Bill provides for the Act to be cited as the Wool Industry Amendment Act 1985.
2. Establishes that references to the Principal Act are references to the Wool Industry Act 1972.

Clause 2: Commencement

3. The provisions of the Bill will come into effect on 1 July 1985. The same date of commencement applies in respect of the complementary Bills amending the Wool Tax Acts (Nos 1-5) 1964, thus providing continuity in apportionment of wool tax receipts.

Clause 3: Payments to Wool Research Trust Fund

4. Clause 3(1)(a) replaces paragraph 68(1)(a) which provides for there to be paid into the Wool Research Trust Fund amounts of tax apportioned by regulations under paragraph 5(1)(a) of the respective Wool Tax Acts. The substitute paragraph 68(1)(a) provides for there to be paid into the Wool Research Trust Fund amounts of tax equal to a percentage of the sale value of shorn wool prescribed by regulations under paragraph 68(1)(a) of the Wool Industry Act 1972.
5. Clause 3(1)(b) amends section 68 of the Wool Industry Act 1972 by inserting subsections 1A, 1B and 1C. Sub-section 68(1A) provides that the sum of the percentages prescribed by regulations under paragraph 68(1)(a) and sub-sections 83(1) (general purposes) and 84A(1) (market support) shall be equal to the percentage specified in the rate of tax imposed under the Wool Tax Acts (Nos 1-5) 1964.
6. Sub-section 68(1B) provides that the sale value of shorn wool for the purposes of section 68 of the Wool Industry Act 1972 is the sale value of that wool for the purposes of the Wool Tax (Administration) Act 1964.
7. Sub-section 68(1C) provides that the Governor-General take into consideration any recommendations made to the Minister by the Wool Council of Australia before making regulations under section 68(1)(a) of the Wool Industry Act 1972 to prescribe apportionment of wool tax receipts to the Wool Research Trust Fund.
8. Sub-clause 3(2) is a transitional provision which allows for the subsequent apportionment to the Wool Research Trust Fund of wool tax imposed by the Wool Tax Acts (Nos 1-5) 1964, in respect of the Wool Research Trust Fund, before the commencement of the Wool Industry Amendment Act 1985.

9. Sub-clause 3(3) is a transitional provision which allows for moneys payable into the Wool Research Trust Fund under sub-clause 3(2) to be received from the Consolidated Revenue Fund.

Clause 4: Payments to Corporation in respect of General Purposes

10. Clause 4 repeals section 83 of the Wool Industry Act 1972 which provides for there to be paid to the Australian Wool Corporation amounts of tax apportioned by regulations under paragraph 5(1)(b) of the respective Wool Tax Acts. New sub-section 83(1) provides for there to be paid to the Corporation amounts of tax equal to a percentage of the sale value of shorn wool prescribed by regulations under sub-section 83(1) of the Wool Industry Act 1972.
11. Sub-section 83(2) provides that the sum of the percentages prescribed by regulations under sub-section 83(1), paragraph 68(1)(a) (wool research) and sub-section 84A(1) (market support) shall be equal to the percentage specified in the rate of tax imposed by the Wool Tax Acts (Nos 1-5) 1964.
12. Sub-section 83(3) provides that the sale value of shorn wool for the purposes of section 83 of the Wool Industry Act 1972 is the sale value of that wool for the purposes of the Wool Tax (Administration) Act 1964.
13. Sub-section 83(4) provides that the Governor-General take into consideration any recommendations made to the Minister by the Wool Council of Australia before making regulations under sub-section 83(1) of the Wool Industry Act 1972 to prescribe apportionment of wool tax receipts to the Australian Wool Corporation in respect of the Corporation's general purposes.
14. Sub-clause 4(2) is a transitional provision which allows for the subsequent apportionment to the Australian Wool Corporation of wool tax imposed by the Wool Tax Acts (Nos 1-5) 1964, in respect of the Corporation's general purposes, before the commencement of the Wool Industry Amendment Act 1985.
15. Sub-clause 4(3) is a transitional provision which allows for moneys payable to the Australian Wool Corporation under sub-clause 4(2) to be received from the Consolidated Revenue Fund.

Clause 5: Payments to Corporation in respect of market support

16. Clause 5 repeals section 84A of the Wool Industry Act 1972 which provides for there to be paid to the Australian Wool Corporation amounts of tax apportioned at the rate of 5% of the sale value of shorn wool by paragraph 5(1)(c) of the respective Wool Tax Acts (Nos 1-5) 1964. New sub-section 84A(1) provides for there to be paid to the Corporation amounts of tax equal to a percentage of the sale value of shorn wool prescribed by regulations under sub-section 84A(1) of the Wool Industry Act 1972.

17. Sub-section 84A(2) reinstates two provisions of the repealed section 84A, providing that amounts payable to the Corporation under sub-section 84A(1) are payable in addition to money payable to the Corporation under sections 83 and 84, and are payable in accordance with determinations of the Minister as to the times of payments.
18. Sub-section 84A(3) provides that any apportionment to the Australian Wool Corporation in respect of market support activities of wool tax received under the Wool Tax Acts (Nos 1-5) 1964 be at a rate not greater than 5% of the sale value of shorn wool and not less than 4% of the sale value of shorn wool.
19. Sub-section 84A(4) provides that the sum of the percentages prescribed by regulations under sub-section 84A(1), paragraph 68(1)(a) (wool research) and sub-section 83(1) (general purposes) shall be equal to the percentage specified in the rate of tax imposed by the Wool Tax Acts (Nos 1-5) 1964.
20. Sub-section 84A(5) provides that the sale value of shorn wool for the purposes of section 84A of the Wool Industry Act 1972 is the sale value of that wool for the purposes of the Wool Tax (Administration) Act 1964.
21. Sub-section 84A(6) provides that the Governor-General take into consideration any recommendations made to the Minister by the Wool Council of Australia before making regulations under section 84 A(1) of the Wool Industry Act 1972 to prescribe apportionment of wool tax receipts to the Australian Wool Corporation in respect of the Corporation's market support activities.
22. Sub-clause 5(2) is a transitional provision which allows for the subsequent apportionment to the Australian Wool Corporation of wool tax imposed by the Wool Tax Acts (Nos 1-5) 1964, in respect of the Corporation's market support activities, before the commencement of the Wool Industry Amendment Act 1985.
23. Sub-clause 5(3) is a transitional provision which allows for moneys payable to the Australian Wool Corporation under sub-clause 5(2) to be received from the Consolidated Revenue Fund.

