

1983-84

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WHEAT MARKETING BILL 1984
WHEAT MARKETING AMENDMENT BILL 1984
WHEAT TAX (PERMIT) BILL 1984
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WHEAT TAX AMENDMENT BILL 1984

EXPLANATORY MEMORANDUM

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

OUTLINE

Wheat Marketing Bill 1984

This Bill implements the new wheat marketing arrangements to apply for the 5 years commencing 1 October 1984. Certain elements of the scheme are the constitutional responsibility of the States and therefore the complete introduction of the scheme depends upon the passage of complementary State legislation.

The Bill continues in operation the basic features of wheat marketing and pricing arrangements during the past 5 years. Wheat returns will continue to be underwritten on a net basis calculated at 95% of a moving average of estimated returns. Changes to the underwriting arrangements include the removal of the high year from the underwriting formula and a split first advance payment system whereby growers will receive 90% of the then estimated GMP at the time of delivery and the remainder early in the season. Another change is that guaranteed differentials will apply to grades of wheat other than Australian Standard White (ASW). Another major change is the Government's proposed restructuring of the membership of the Australian Wheat Board (AWB) to increase the expertise in finance and marketing on the Board.

Further important changes are the introduction of a permit system for direct grower to user sales of domestic stockfeed wheat outside the normal pooling arrangements, and a new method of calculating the domestic price of human consumption wheat which will result in a significant price fall for the first season of the plan. However, these matters are the constitutional responsibility of the States and their commencement depends on the enactment of the relevant complementary State legislation.

Wheat Marketing Amendment Bill 1984

This Bill amends the Wheat Marketing Act 1979 so as to change the calculation of the Government's liability in the event of a payout under the wheat guaranteed minimum price (GMP) arrangements in the following ways:

- . To ensure that the Government payout is restricted to the amount of borrowings made by the Australian Wheat Board (AWB) to pay first advance payments to growers.
- . To ensure that the entitlements of premium wheat growers are not used to reduce any Government underwriting liability.

The Bill also sets out the timing for the repayment of the Wheat Finance Fund. This will enable the amounts contributed by growers in 1983/84 to be paid out shortly after 1 October 1984. It will also require the \$100 million in the Fund and any accrued interest to be paid out as soon as possible after 30 June 1985.

Wheat Tax (Permit) Bill 1984

This Bill sets out the amount of tax to be paid on the issue of permits by the Australian Wheat Board (AWB) for sales of domestic stockfeed wheat outside the normal wheat pooling arrangements. The Bill must be read in conjunction with the Wheat Tax (Permit) Collection Act 1984.

Wheat Tax Permit (Collection) Bill 1984

This Bill provides for the collection by the Australian Wheat Board (AWB) of a tax in respect of permits issued for the sale of domestic stockfeed wheat outside the normal wheat pooling arrangements. It provides that a permit will not be issued unless the tax is paid and that a refund will be available for that part of the permit which is not used. The Bill must be read in conjunction with the Wheat Tax (Permit) Bill 1984.

Wheat Research Amendment Bill 1984

This Bill amends the Wheat Research Act 1957 to enable the payment to the wheat research account of the wheat research taxes collected by the Australian Wheat Board (AWB) in respect of wheat actually purchased under permit issued by the AWB for the sale of domestic stockfeed wheat outside the normal wheat pools.

Wheat Tax Amendment Bill 1984

This Bill extends the imposition of the Wheat Research tax, on grower to buyer wheat sales through the normal pooling arrangements, for the duration of the new wheat arrangements.

Financial Impact Statement

The new wheat marketing arrangements should not involve any significant costs, savings or revenue for the Commonwealth Government. Underwriting involves a contingent liability which is only called on in the event that the net pool return rate is lower than the guaranteed minimum price. The Wheat Tax Permit Bills employ the Commonwealth's taxing powers to collect the charges relating to the issue of permits for domestic stockfeed wheat sales from growers to users outside the normal pooling arrangements.

As part of the new arrangements the Wheat Finance Fund will be wound up. Growers' contributions into the Fund will therefore no longer be made in future seasons. The Wheat Marketing Amendment Bill enables the following decisions of the Government in relation to the Fund to be implemented

3.

- (a) growers' contributions from the 1983/84 season plus interest earned by the Fund will be paid out as soon as possible ie., a total of about \$60 million
- (b) the \$100 million outstanding in the Fund plus interest earned will be paid out as soon as possible after 1 July 1985.

The Fund is a trust fund consisting of growers' monies held on trust by the Commonwealth Government. However, payments in and out of the Fund represent payments in and out of Consolidated Revenue. Repayments are made to growers in the order in which they contributed ie., the oldest outstanding pool is repaid first.

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1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is divided into two main sections: the first section deals with the general situation and the second section deals with the progress of the work.

2. The second part of the report deals with the results of the work during the year. It is divided into two main sections: the first section deals with the results of the work in the field of research and the second section deals with the results of the work in the field of administration.

3. The third part of the report deals with the conclusions of the work during the year. It is divided into two main sections: the first section deals with the conclusions of the work in the field of research and the second section deals with the conclusions of the work in the field of administration.

4. The fourth part of the report deals with the recommendations of the work during the year. It is divided into two main sections: the first section deals with the recommendations of the work in the field of research and the second section deals with the recommendations of the work in the field of administration.

5. The fifth part of the report deals with the summary of the work during the year. It is divided into two main sections: the first section deals with the summary of the work in the field of research and the second section deals with the summary of the work in the field of administration.

6. The sixth part of the report deals with the appendix. It is divided into two main sections: the first section deals with the appendix in the field of research and the second section deals with the appendix in the field of administration.

7. The seventh part of the report deals with the bibliography. It is divided into two main sections: the first section deals with the bibliography in the field of research and the second section deals with the bibliography in the field of administration.

8. The eighth part of the report deals with the index. It is divided into two main sections: the first section deals with the index in the field of research and the second section deals with the index in the field of administration.

9. The ninth part of the report deals with the conclusion. It is divided into two main sections: the first section deals with the conclusion in the field of research and the second section deals with the conclusion in the field of administration.

10. The tenth part of the report deals with the final remarks. It is divided into two main sections: the first section deals with the final remarks in the field of research and the second section deals with the final remarks in the field of administration.

DETAILED EXPLANATION
Wheat Marketing Bill 1984

NO. OF
CLAUSE

EXPLANATION

1. Short title.
2. Provides that the Bill is to come into operation on the day of Royal Assent.
3. Sub-clause (1) defines terms used in the Bill. The definitions given are generally self-explanatory.

"Australian standard white wheat" is defined as wheat not falling within a prescribed category of wheat determined by the Board under sub-clause 3(3).

The definition of "season" and "wheat" covers a seven year period commencing 1 July 1984. However, key elements of the arrangements such as underwriting and domestic pricing will be limited to a five year duration. This is similar to the provisions under the previous wheat arrangements for a five year wheat plan with certain elements extended a further two years to facilitate a smooth transition between wheat plans.

The definition of a "season" covers wheat harvested during the twelve months commencing 1 July. This differs from the "season" under the previous wheat plan which covered the twelve months commencing 1 October. The change is more in keeping with the timing of harvesting and deliveries of new season's wheat.
4. Continues the Australian Wheat Board (AWB) in existence as a legal entity.
5. Sub-clause 5(1) specifies the AWB's objectives as securing, developing and maintaining markets for wheat and maximising the return to growers from the marketing of wheat.

Sub-clause 5(2) details the functions of the AWB including wheat marketing controls and the authority to determine wheat classification and quality standards for delivered wheat after consultation with the authorised receivers. In fulfilling those functions the AWB is given powers as listed under sub-clauses 5(3) and (4).

The AWB's contractual expenditure limit without Ministerial approval has been increased to \$500,000 from the current limit of \$100,000.

Sub-clause 5(6) allows the Board to purchase and deliver overseas wheat on behalf of the Australian Development Assistance Bureau (ADAB).

Sub-clause 5(7) provides an accounting basis for allocating costs and revenues for wheat of a season.

Sub-clauses 5(8) and 5(9) gives the AWB the authority to export grains on behalf of State marketing authorities and also the flexibility to offer combination cargoes of more than one grain where the customer requires this. Sub-clause 5(10) provides for remuneration of the AWB for agency services.

6. Allows the AWB to continue to operate on futures and currency markets to help protect itself against adverse variations in the terms of its wheat sales and borrowings. The AWB's futures operations have also been extended to include corn futures markets because of inter-relationships between corn and feed wheat futures.

Sub-clause 6(2) provides for the determination of Ministerial guidelines for the AWB's futures operations.

7. Continues the AWB's authority to establish reserves.
8. Continues the AWB's authority to transfer wheat from one season's pool to another to facilitate early closure of pools.

9. Continues the AWB's authority to import wheat into Australia should the need arise. Sub-clause 9(2) stipulates that imported wheat is not to be sold by the AWB at a price less than the price applying to wheat produced in Australia.

10. Enables State authorities to act as authorised receivers for receipt of wheat on behalf of the AWB. Sub-clause 10(3) requires the authorised receivers to comply with the delivery classification and quality standards determined by the AWB (in consultation with the authorised receivers).

11. Continues the Minister's power to give direction to the AWB.

12. Continues the AWB's authority to establish consultative groups for the purpose of providing advice to the AWB.

13. A new provision imposing a formal statutory obligation on the AWB to consult with the Australian Wheatgrowers' Federation (AWF).

14. An interpretative clause which reflects the fact that the States have constitutional responsibilities for delivery arrangements within their borders.

15. Requires the Minister to determine by 1 March of each year Guaranteed Minimum Prices (GMPs) for wheat of different categories. These GMPs form the basis of the underwriting arrangements implemented under Clause 49.

Under Sub-clause 15(2) the GMP for Australian Standard White (ASW) wheat is calculated on a net basis at 95% of the average of estimated returns for the subject season and the lowest two of the preceding three seasons less AWB pool costs for the subject season.

Under Sub-clause 15(3) the GMPs for non-ASW category wheat are calculated by determining a differential for the particular wheat category based on expected market returns for that wheat relative to ASW and then adjusting the ASW GMP by that differential.

For the purposes of this Section and in line with the AWB's accounting arrangements it is necessary under Sub-clause 15(4) to estimate a notional ASW gross return for non-ASW wheat ie., the return for that wheat had it been sold as ASW.

Sub-clause 15(5) enables the Minister to have the benefit of advice from the AWB and the Bureau of Agricultural Economics when determining the GMPs.

Paragraphs 15(2)(a) and 15(3)(a) ensure that growers receive a guaranteed return no less than their initial interim advance payment under sub-clause 26(2).

Sub-clause 15(6) limits the GMP arrangements to five years duration.

16. Provides for the Minister to determine the net pool return for wheat of a season based on the deduction of AWB pool costs from the sum of gross returns for ASW wheat and notional gross returns for non-ASW wheat. (The explanation for Sub-clause 15(4) covers "notional gross returns").

The net pool return is used in determining any final payment to growers (Clause 27). Sub-clause 16(2) sets out items to be included and excluded from the net pool return calculation. Notable exclusions are deductions for reserves and the outcome of futures transactions outside the Ministerial guidelines determined under Sub-clause 6(2); it is not intended that these items form part of any Government underwriting commitment.

17. Provides for determination of the net pool return rate for a season by converting the net pool return to a per tonne figure.

The net pool return rate is used in determining any Government underwriting liability (Clause 49).

18. Is the "compulsory delivery" requirement ie., requires the delivery of wheat to the AWB in a Territory. Complementary State legislation will contain similar provisions requiring delivery within the State.

Sub-clause 18(4) provides for certain wheat to be exempt from the compulsory delivery provisions. This exempt wheat is essentially wheat for farm use by the grower; wheat traded under the stockfeed wheat permit system; and wheat sold by the AWB.

Penalties for offences under this provision have been increased to a maximum of \$50,000 for a body corporate and \$10,000 for a natural person.

19. Requires delivery to the AWB to be made by delivery to a licensed receiver and for certain conditions attaching to such delivery.

20. Provides procedures for seed wheat and inferior quality wheat to be exempted from the operation of the Act.

21. Authorises the Board to issue permits for the movement of wheat off-farm

- (a) for gristing so long as the produce of gristing is returned to the farm;
- (b) for use on an associated farm where such movement is considered not to affect the orderly marketing of wheat;
- (c) for the purpose of feeding stock owned by the grower and, which are adjisted on another property.

Sub-clause (6) defines what is meant by an associated farm.

22. Provides for operation of a stockfeed wheat permit system for sales direct from growers to users outside the normal pooling arrangements.

Sub-clauses 22(1) and 22(7) allows for permits to be issued by the AWB to persons within a Territory on payment of a prescribed fee.

Complementary State legislation will cover operation of the permit system within State borders.

Sub-clause 22(2) requires regular returns to the AWB on details of wheat purchased under permit.

Sub-clause 22(4) and complementary State legislation provides for Ministerial guidelines concerning operation of the permit system. The permit system will operate under guidelines issued by both Commonwealth and State Ministers. Among the issues being left for determination under State Ministerial guidelines is whether permits should be issued to resellers or restricted to end-users/manufacturers only and whether the Board or State Ministers should determine the exceptional circumstances justifying the withholding of issuing permits.

This clause needs to be read in conjunction with the Wheat Tax (Permits) Acts which requires payment of the wheat research tax, Tasmanian freight subsidy, and where applicable State bulk handling charges on permit wheat sales.

23. Allows for the AWB to authorise direct grower to buyer delivery arrangements. The basic difference between these arrangements and the stockfeed wheat permit system (Clause 22) is that transactions under this clause form part of the normal pooling arrangements.

Under Sub-clause 23(6) the price agreed by the grower and buyer is paid to the AWB. Sub-clause 26(9) allows for the AWB to make adjustments to its advance payments to the grower to take account of differences between the agreed price under this clause and the price that would have applied had the AWB sold the wheat to the buyer as ASW under Clause 32.

24. Reinforces the AWB's control over the marketing of wheat by detailing what constitutes unauthorised wheat dealings. Penalties for breach of these provisions are increased to a maximum of \$50,000 for a body corporate and \$10,000 for a natural person.

25. Sub-clause 25(1) prohibits the export of stockfeed permit wheat (ie., Clause 22 wheat) or wheat products containing such wheat.

Sub-clause 25(2) prohibits export of non-permit wheat except with the consent of the AWB.

26. Provides for the AWB to make interim and final advance payments to growers for the five seasons commencing 1 October 1984. Interim advance payments

will be paid on initial deliveries of wheat to the AWB while final advance payments will be made once the GMPs are determined for the season. Clause 15 provides for the GMPs to be determined by 1 March of each year.

Under Sub-clauses 26(1) and 26(2) the interim advance payment will be based on 90% of preliminary GMP figures estimated by the Minister under sub-clause 26(3). Sub-clause 26(3) provides for the interim GMPs for each wheat category to be determined for 1984-85 as soon as practicable after the announcement of the Bill, and for each succeeding season by 1 October.

Under sub-clause 26(5) the final advance payment for all wheat will be calculated at the ASW GMP as adjusted for provisional allowances for quality (Sub-clause 26(7)) and also other allowances specified under Sub-clauses 26(6) and 26(9)). These other allowances mainly relate to wheat variety; grower deductions for State pooled freight and bulk handling and storage charges; allowances for deferred deliveries of wheat to authorised receivers; and allowances for direct grower to buyer sales under Clause 23.

Sub-clause 26(10) enables the AWB to make advances on account of interim advance payments for wheat delivered prior to determination of the preliminary GMPs under Sub-clause 26(3).

Sub-clauses 26(13) and 26(14) continue the authority for the AWB to make advance payments as a lump sum or as split deferred payments.

Sub-clause 26(15) provides a basis for the AWB to calculate the Sub-paragraph 26(6)(iii) allowances to growers for deferred deliveries into the central receival system.

27. Provides for the AWB to make final payments to growers where a Government underwriting payout is not required under Clause 49.

Sub-clause 27(2) sets out the method for determining the final payment for ASW wheat. Growers would essentially receive the net pool return rate less the amount of the final advance payment under Clause 26.

Sub-clauses 27(3), 27(4) and 27(5) detail the method for determining final payments for non-ASW wheat. The size of the final payment for these wheats will take account of any differences between final

quality differentials and the underwritten differentials and also any surplus or deficit in the total ASW based pool account.

Sub-clause 27(6) sets out the final payment arrangement for growers who take redelivery of wheat from the AWB in accordance with sub-clause 32(8).

Sub-clause 27(7) enables the AWB to make advances on account of final payments (ie., after net receipts exceed the GMP)

28. Allows the AWB to determine final allowances later in the season for those matters under sub-clauses 26(6) and 26(7) for which the AWB determined provisional allowances at the advance payment stage. Sub-clause 28(2) excludes grower to buyer allowances from these arrangements.

Because of the nature of the Clause 26 allowances which can vary significantly between States the Bill provides for the allowances to be brought to the account of individual growers rather than to the pool. Sub-clause 28(4) provides for any excess in the final allowance compared with the provisional allowance to be paid to growers. Any shortfall in the final allowance is recoupable from growers under sub-clause 28(5). Sub-clause 28(6) enables recoupments to be deducted from advance and final payments for other seasons.

Sub-clause 28(8) empowers the AWB to make advances on account of payments under this clause.

29. Enables the AWB to operate a cash-out option for remaining equities in pools.

Sub-clause 29(5) prevents the AWB from operating a cash-out option where a final payment is unlikely or its extent cannot reasonably be estimated.

Sub-clause 29(8) sets out factors to be taken into account when determining the cash-out amount, including AWB borrowing and administrative costs.

30. Provides for payment arrangements to growers for wheat of the sixth and seventh seasons. These arrangements are a contingency measure which would only be called upon if a new wheat plan is not in place by the expiration of the current five year plan in 1989.

31. Gives the AWB safeguards with respect to liability and assignments.
32. Sets out the domestic pricing arrangements for wheat sold by the AWB in a Territory over the next five years. Pricing arrangements in the States will be governed by complementary State legislation.

Sub-clause 32(2) provides for an administered domestic price for human consumption wheat determined quarterly on the basis of an averaging of the AWB's quoted forward ASW export prices for the forward and past quarters, plus a margin - set under Sub-clause 32(3) by the Minister after consultation with the AWB.

Sub-clauses 32(3) and 32(4) specify how the prices of wheat for stockfeed and industrial uses are to be set ie., as is determined from time to time by the AWB, on a uniform basis throughout Australia.

Sub-clause 32(5) adds a loading in the domestic price of all wheat sold by the AWB to cover the cost of shipment of wheat to Tasmania.

Sub-clause 32(6) enables the AWB to apply price premiums and discounts and other allowances for wheats other than ASW.

Sub-clause 32(7) allows the AWB to offer quantity discounts on stockfeed and industrial wheats.

Sub-clauses 32(8), 32(9), 32(10) and 32(11) relate to the selling arrangements for stockfeed wheat re-delivered by the AWB to growers. The price charged to growers is based on the first advance as adjusted for AWB handling and storage costs and any allowances for quality.

Sub-clause 32(12) allows the AWB to refund to an exporter of wheat products the human consumption price margin and the Tasmanian freight subsidy loading.
33. Maintains a separate AWB account for receipt and expenditure of monies derived from the Tasmanian freight loading imposed under Sub-clause 32(6). Applications of monies from the loading are limited to the equivalent amount of costs involved in shipping wheat to Tasmania from Geelong or Portland.

34. Sets out the new membership structure for the AWB. The Board will consist of a Chairperson (wheat grower), one government member and one grower member from each mainland State. The Chairperson and government member will be appointed by the Minister (Sub-clause 34(2)) and these grower members will be either nominated by a State Wheat Board or elected by growers (Sub-clause 34(5)). In addition, there will be between three and nine extra members, appointed for their experience or qualifications in wheatgrowing, finance and marketing and other areas. These additional members will be appointed by the Minister, up to five of whom will be from a panel of names submitted by the AWF (Sub-clause 34(3)). The Minister may appoint an officer of the Board as a member (Sub-clause 34(4)). Only the Chairperson will be a full time member (Sub-clause 34(7)). The Chairperson may be referred to as a Chairman or Chairwoman, as the case requires (Sub-clause 34(9)).
35. Sets out the terms of office of the new Board members. The government member and any Board officer will hold office at the Minister's pleasure (Sub-clause 35(2)). Other members will cease to hold office at three years after 30 June 1985. (Transitional provisions governing terms of office are contained in Clause 66). Where a member ceases to hold office before the expiration of a term, the Minister may appoint another member for the remainder of the term but must consult with the appropriate State Minister where the member represents growers in a State (Sub-clause 35(6)).
36. Enables the Board to appoint an acting Chairperson for up to 12 months and sets out other conditions of that appointment.
37. Provides that Board members will be paid remuneration as determined by the Remuneration Tribunal, except for a member who is also a Board officer.
38. Enables a member to resign from the Board in writing to the Minister.
39. Enables the Minister to grant leave of absence to the Chairperson on such terms as the Minister determines.
40. Enables the Minister to terminate the appointment of a member for certain specified reasons eg., (Sub-clause 40(2)) misbehaviour, incapacity, bankruptcy, unauthorised outside employment (Chairperson) or unauthorised absence from duty (all members).

41. Provides that members must disclose any conflict of interest in matters under consideration by the Board, whereupon the disclosure is recorded (Sub-clause 41(2) and the member must not be present or take part in the consideration (Sub-clause 41(3)).
42. Sets out the requirements for the arrangements for Board meetings including that a meeting may be called by the Chairperson (Sub-clause 42(2)), that a majority of current members constitutes a quorum (Sub-clause 42(3)) and that questions be decided by a majority votes of members present (Sub-clause 42(6), with the Chairperson having both a deliberative and a casting vote (Sub-clause 42(7)).
43. Enables the Board to appoint two or more members as an Executive Committee and to delegate functions to the Committee. The delegation is to be neither irrevocable nor exclusive (Sub-clause 43(2)).
44. Provides that Board members are not personally liable for actions of the Board.
45. Enables the Board to appoint officers, under terms and conditions approved by the Public Service Board (Sub-clause 45(2)).
46. Details the AWB's borrowing powers. Sub-clauses 46(1), 46(2), 46(3) and 46(4) enable the AWB to borrow on financial markets both within and outside Australia, with the approval of the Minister.

Sub-clauses 46(5) and 46(6) enable repayment of borrowings to be guaranteed by the Treasurer.
47. Provides that, if the Minister directs the Board to extend credit terms beyond those which the Board would have allowed on a strictly commercial basis, the Commonwealth will make good any loss arising from the default of the purchaser that the Board incurs within the extended period of credit. The clause also provides for any necessary appropriation for this purpose (Sub-clause 47(3)).
48. Allows the AWB, with the approval of the Minister, to obtain early payment in respect of credit sales by making arrangements to discount letters of credit before their due date of payment.
49. Describes the determination of any government payout when the underwriting liability comes into effect. For ASW wheat, the payout per tonne is the extent to

which the GMP exceeds the net pool return rate. For wheat of other categories the payout per tonne is calculated by also taking into account the guaranteed differential, as described in Sub-clause 27(4). For the other categories (as for ASW wheat) any payout will equal the shortfall in AWB borrowings which were taken out to make the first advance payments to growers. This section does not apply beyond 1 July 1989 (Sub-clause 49(3)).

50. Enables payments to be made to the Board for fees collected in relation to the issue of domestic stockfeed wheat permits for sale outside the normal pooling arrangements, under Clause 22. The amounts of the fees are provided for in the Wheat Tax (Permit) Act 1984.
51. Enables the Minister for Finance to make advances to the Board on account of any amounts expected to be payable under the underwriting commitment (Clause 49) or for permit tax receipts (Clause 50). If the Board is overpaid, it must repay the excess on demand (Sub-clause 51(2)).
52. Automatically appropriates the amounts out of consolidated revenue to pay any sums due to the Board to meet the underwriting commitment (Clause 49) or for permit tax receipts (Clause 50).
53. Provides that Board moneys can be applied only, in effect, to its authorised or necessary activities.
54. Continues provisions in the existing legislation governing the Board's liability to taxation. Sub-clauses 54(1) and 54(2) specify that the Board is subject to taxation (other than income tax) under laws of the Commonwealth, but not under laws of a State or Territory. Sub-clause 54(3) authorises removal of the exemption in respect of a specified State or Territory tax, if provided by regulation.

Sub-clause 54(4) authorises the Minister to declare securities dealt with by the Board or traded subsequently by other persons, as being exempt from stamp duty or similar taxes under commonwealth, State or Territory law.
55. Applies to the Board the standard provisions of the Audit Act with the following exception;
 - the Reserve Bank of Australia is to be regarded as an "approved bank"
 - the Board is empowered to investment moneys not immediately required for its purposes

- the provisions regarding Annual reports do not apply to the Board (see Clause 63).

56. Requires the Board and each authorised receiver to enter into a (new) remuneration agreement by 1 October 1985 (Sub-clause 56(1)) which will expire on 30 June 1989 (Sub-clause 56(2)). Amounts payable under these agreements will include amounts collected by the Board as part of the fees imposed on permits for the sale of domestic stockfeed wheat outside the normal pooling arrangements. If an individual State decides to include an authorised receiver charge in the permit fee, the amounts so collected for wheat grown in that State and traded under permit will be paid by the Board to the authorised receiver (Sub-clause 56(4) and (5)).
57. Requires the Board to pay to either an authorised receiver or a State railway authority (at the direction of the State Minister) amounts to cover the actual cost of wheat transport.
58. Describes the relationship between this Act and the State complementary legislation. It states that it is the Parliament's intention that the Board will also be bound by the State Acts, and that the Board is subject to State price fixing laws for wheat, except export wheat (Sub-clause 58(3)).
59. Enables the Board or Chairperson to appoint people to be regarded as "authorised persons" for the purposes of specified provisions of the Bill eg., in relation to the right of access to premises (Clause 62).
60. Empowers the Board to obtain from persons by notice in writing information on wheat, and obliges persons to provide that information in a way that is not false or misleading (Sub-clause 60(3)). The penalty for breach of this provision has been increased to a maximum of \$1000 or six months imprisonment or both.
61. Obliges persons in care or possession of wheat which is the property of the Board to take proper care of the wheat.
62. Enables authorised persons (see Clause 59) to have the right of entry to premises where there is wheat which is the property of the Board or which is required to be delivered to the Board or where there are books or documents relating to wheat (Sub-clause 62(2)). This right can be exercised with the consent of the occupier, or without his consent if a Justice of the Peace issues a warrant

(Sub-clause 62(3)). The functions of an authorised person under this section are to search for and inspect the wheat and documents (Sub-clause 62(7)).

63. Sets out the annual reporting requirements for the Board requiring it to submit a report to the Minister as soon as practicable after 30 September each year. The financial statements must be in a form approved by the Minister for Finance, and the Board must have submitted its accounts to the Auditor-General (Sub-clause 63(2)). The Minister must table the report in the Parliament within 15 sitting days of receipt.
64. Empowers the Governor-General to make regulations which are necessary or convenient for carrying out the provisions of the Bill. Sub-clause 64(3) continues in force the regulations in relation to the election of Board members and provides for their amendment and repeal by regulation.
65. Repeals Acts which will be redundant following the introduction of the new arrangements. These include the Wheat Levy Acts, so that deductions of \$2.50 per tonne will no longer be made from grower payments for contributions to the Wheat Finance Fund. However, the arrangements in relation to the Fund will continue to operate for wheat delivered before 1 July 1984.
66. Sets out the transitional provisions for members of the Board. It provides that the current Chairman will continue to hold office for the remainder of his three year term which commenced in October 1983. It further provides that the terms of the current non-grower members will expire on the commencement of the Bill but that the terms of the current grower members (other than the Chairman) do not expire until 30 June 1985.
67. Continues the operation in the new arrangements of various current arrangements. These include any consultative groups (Sub-clause 67(1)), Executive Committees (Sub-clause 67(2)) authorised persons (Sub-clause 67(3)), reserves (Sub-clause 63(6)) and approvals by the Treasurer of investments (Sub-clause 63(7)). It also continues in operation any remuneration agreement between the Board and an authorised receiver, but not beyond 30 September 1985.
68. Enables the Board to make later appropriate adjustments to payments made to growers under the provisions of the current legislation for wheat delivered after 1 July 1984 but before the commencement of this Bill.

DETAILED EXPLANATIONWheat Marketing Amendment Bill 1984

<u>NO. OF CLAUSE</u>	<u>EXPLANATION</u>
1.	Short title.
2.	Provides that the Bill comes into operation immediately before the new Wheat Marketing Bill.
3.	Provides that any bad debts accruing to the AWB from growers for the failure to make appropriate adjustments to provisional allowances for quality are to be treated as a cost for the purposes of calculating the AWB's net pool return.
4.	Enables the Minister to determine the net pool return rate for wheat of the 1983/84 season as if all the wheat sold had been Australian Standard White (ASW). This will equate any Government liability to the amount of AWB borrowings and will also ensure that premium growers receive their entitlements.
5.	Enables the AWB to deduct from future payments any monies owed by growers for the adjustments to provisional allowances for quality.
6.	Sets out the timing for the repayment of the Wheat Finance Fund. It enables the growers' contributions from 1983/84 to be paid out as soon as practicable after 1 October 1984. As normal, these amounts will be paid out to growers with the oldest outstanding equity in the Fund. It also enables the repayment of the \$100m standing to the credit of the fund to be repaid as soon as practicable after 30 June 1985.
7.	Provides that any Government underwriting liability is calculated to equal that arising from the <u>revised net pool return rate described in Clause 4 above.</u>

DETAILED EXPLANATIONWheat Tax (Permit) Bill 1984NO. OF
CLAUSEEXPLANATION

1. Short title.
2. Provides that the Bill comes into force when the new wheat marketing arrangements commence. However, no tax will be due and payable until the permit system itself commences which may not be until some time after other aspects of the new arrangements.
3. Provides that the Wheat Tax Permit (Collection) Act 1984 is incorporated and read as one with this Act.
4. Defines "tax" as the tax imposed by this Act.
5. Imposes a tax on a domestic stockfeed wheat permit issued by the Australian Wheat Board.
6. Sets out the amount of tax payable for a permit. This will comprise the following amounts
 - Wheat Research Tax payments (Sub-clause 6(a))
 - State bulk handling authority charge, if any (Sub-clause 6(b))
 - Tasmanian Freight Subsidy Tax (Sub-clause 6(c)).
7. Requires the tax to be paid by the person to whom the permit is issued.
8. Enables the Governor General to make regulations for the purposes of Clause 6.

DETAILED EXPLANATIONWheat Tax (Permit) Collection Bill 1984

<u>NO. OF CLAUSE</u>	<u>EXPLANATION</u>
1.	Short title.
2.	Provides that the Bill comes into force when the new wheat marketing arrangements commence. However, no tax will be due and payable until the permit system itself commences which may not be until some time after other aspects of the new arrangements.
3.	Sets out relevant definitions, including that of a "permit" as a permit issued by the Board for the sale of domestic stockfeed wheat outside the normal wheat pooling arrangements.
4.	Provides that the tax is payable to the AWB on behalf of the Commonwealth and that the AWB shall not issue a permit until a tax has been paid.
5.	Provides that a refund will be available on amounts of wheat for which a permit has been issued but which have not actually been traded under permit.

DETAILED EXPLANATIONWheat Research Amendment Bill 1984NO. OF
CLAUSEEXPLANATION

1. Short title.
2. Provides that Bill comes into force on 1 October 1984. However, the payments will not be operative until the permit system commences ie., not until some time after 1 October.
3. Sets out relevant definitions including defining a "permit" as a permit issued by the AWB for the sale of domestic stockfeed wheat outside the normal pool.
4. Provides that there is payment to the Wheat Research Account of the Wheat Research Tax collected by the AWB for permit wheat. The AWB must only pay into the Wheat Research Account amounts in respect of wheat which has actually been traded under permit.
5. Provides that monies paid into the account from permit wheat sales are subject to the same accounting provisions as other Wheat Research Tax monies.
6. Amends the Principal Act according to the formal amendments set out in the schedule which are designed to clarify the expression in the Principal Act and do not alter its substance.

DETAILED EXPLANATIONWheat Tax Amendment Bill 1984NO. OF
CLAUSEEXPLANATION

1. Short Title
2. Defines the Wheat Tax Act 1979 as the Principal Act.
3. Provides that the Bill comes into effect when the Wheat Marketing Act 1984 comes into operation.
4. Extends the operation of the Principal Act to cover the duration of the new wheat plan. The Principal Act imposes the Wheat Research tax on grower to buyer wheat sales made through the normal pooling arrangements.