

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PRIMARY INDUSTRIES AND ENERGY RESEARCH AND DEVELOPMENT
AMENDMENT BILL 1991

EXPLANATORY MEMORANDUM

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

PRIMARY INDUSTRIES AND ENERGY RESEARCH
AND DEVELOPMENT AMENDMENT BILL 1991

OUTLINE

This Bill seeks to amend the Primary Industries and Energy Research and Development Act 1989 to implement decisions taken by the Government in relation to the constitution and operation of the Wool Research and Development (R & D) Corporation which is to be established with effect from 1 July 1991, by regulations to be made under that Act.

The composition of the Board of the Wool Research and Development Corporation, the procedure for selecting members of the first Board of the Corporation and the accountability mechanism to apply to the Corporation, vary to that provided for other research and development corporations established under the Principal Act.

The removal of the 65 years age limit for directors is the only provision in this Bill which will apply to all R&D corporations, not just the Wool R&D Corporation, established under the Principal Act.

FINANCIAL IMPACT STATEMENT

The new arrangements are not expected to impose any additional costs on the Commonwealth. Little change is expected in the cost to industry of establishing the Wool Research and Development Corporation to replace the Wool Research and Development Council.

NOTES ON CLAUSES

Clause 1 – Short Title

1. Short title of the Bill for citation purposes; identification of the Principal Act.

Clause 2 – Commencement

2. The provisions of the Act will come into operation on 1 July 1991.

Clause 3 – Definitions

3. Defines terms used in the Act.

Clause 4 – Constitution

4. Provides for a member of the Australian Wool Corporation (AWC), other than the AWC Chairperson, to be on the Wool R&D Corporation board along with a Chairperson, a Government Director, the Managing Director of the Wool R&D Corporation and five other Directors.

Clause 5 – Appointment of directors

5. Suspends the normal selection process in regard to the nominees who are appointed to the first board of the Wool R&D Corporation. Requires that at least two directors of the Wool R&D Corporation have substantial experience in wool growing.

Clause 6 – Payments to R&D Corporations – general

6. This clause would not apply to the Wool R&D Corporation as it will be an industry funded corporation even though the funding would not come by way of a levy attached to the Corporation.

Clause 7 – Payments to R&D Corporation established in respect of the wool industry

7. 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 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. This money is to be paid from the Consolidated Revenue Fund.

This provision applies similarly for carpet wool.

Clause 8 – Application of Division

8. Requires the Wool R&D Corporation to hold annual general meetings. Prerequisites for the holding of annual general meetings by other R&D corporations are a provision in the regulations establishing those corporations for the holding of annual general meetings and the payment of a levy to fund those corporations.

Clause 9 – List of levy payers etc

9. The register of wool-tax payers maintained by the Australian Wool Corporation can be used by the Wool R&D Corporation.

Clause 10 – R&D Corporation to convene annual general meetings

10. Requires the Wool R&D Corporation to hold annual general meetings. Other R&D corporations may have the power to hold annual general meetings but do so at the discretion of the organisation representative of the industry served by that Corporation.

Clause 11 – Purpose of annual general meeting

11. Allows the Wool R&D Corporation annual general meeting to debate and vote upon a matter relating to the rate of the tax which funds the Corporation as well as all the matters which can be debated and voted at the annual general meetings of other R&D corporations. A recommendation on the rate of wool tax to fund wool R&D will relate to an amount equal to a specified percentage of the sale value of shorn wool subject to tax. Accordingly, this rate of tax is to be taken into account in computing the rate of tax to apply to each of the Wool Tax Acts in the next financial year. There are to be two such recommendations made, one in respect of shorn wool other than carpet wool, and the other in respect of carpet wool.

Clause 12 – Notification of motions passed

12. Requires the Wool R&D Corporation to give the Minister a copy of any motion relating in the rate of the tax which funds the Corporation.

Clause 13 – Heading to Division 9 of Part 2

13. Provides for use of the term "Managing Director" as well as the term "Executive Director".

Clause 14 – Executive Director etc.

14. Provides for the Wool R&D Corporation to have a Managing Director and other R&D corporations to have an Executive Director.

Clause 15 – Employees

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15. Requires that an employee of the Australian Wool Corporation as at 30 June 1991 who is subsequently employed by the Wool R&D Corporation, will be employed by the R&D Corporation on terms and conditions no less favourable than those he/she enjoyed as an Australian Wool Corporation employee.

Clause 16 – Minister to notify R&D Corporation in respect of wool industry about variation in rate of tax recommended by general meeting

16. Requires the Minister to advise the Wool R&D Corporation if he does not accept the rate of tax applicable to R&D recommended at the Corporation's annual general meeting.

Clause 17 – Establishment of R&D Corporation in respect of wool industry– transitional provisions etc

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

Clause 18 – Further amendments

18. Deletes the provisions of the principal act which impose a 65 years age limit on R&D corporation directors.

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