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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WHEAT INDUSTRY STABILIZATION AMENDMENT BILL 1979

EXPLANATORY MEMORANDUM

(Circulated by the Minister for Primary Industry,  
the Rt. Hon. I.McC. Sinclair, M.P.)



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WHEAT INDUSTRY STABILIZATION AMENDMENT

BILL 1979

The purpose of this Bill is to specify the existing powers of the Australian Wheat Board to raise moneys by the issue of securities of a kind approved by the Minister. The use of such securities for borrowing purposes by the Board carries with it, by specific provision in the Bill, a Commonwealth guarantee, where approved by the Minister, of repayment of the amounts raised against the securities, and of the payment of interest on those amounts.

Clause 3 amends Section 4 of the Principal Act to add a definition of a "security" as including "a bill of exchange, a promissory note or unsecured note or any similar instrument or document".

The cross reference to the term "dealing with a security" in the revised sub-section 36(2) proposed by the Bill encompasses various ways in which different securities may be dealt with.

Clause 4 amends Section 36 of the Principal Act as follows:

Sub-section (2) gives the Wheat Board power with the approval of the Minister to issue, or otherwise deal with securities, i.e. issue, draw, discount, etc. to enable the Board to raise funds.

Sub-section (3) provides that the securities dealt in by the Wheat Board may be of a class or classes approved by the Minister for Primary Industry.

Sub-section (4) retains the commercial borrowing powers of the Board in the existing legislation in respect of borrowings other than by the issue of securities now provided for under sub-clause 4(2) above, e.g. bank overdrafts, etc.

Sub-section (5) provides for the Minister to specify by a notice published in the Gazette that a Commonwealth guarantee of repayment of moneys

attaches to securities in a specified class issued by the Board under Sub-clause 4(2) above.

Sub-section (6) retains the existing provision that the Minister may provide a Commonwealth guarantee of repayment of moneys borrowed under Sub-section 4(4) above, e.g. by bank overdraft, and of the payment of interest on those borrowings.

This amending Bill also empowers the Minister to determine that stamp duty, or similar tax, should not be payable on certain specified classes of securities dealt with by the Board or in relation to certain borrowings. The exemption from payment of stamp duty has particular reference to the accompanying Bill, the Wheat Industry Stabilization (Reimbursement of Borrowing Costs) Bill 1979, which provides for the Wheat Board to be reimbursed, by the Commonwealth, costs of certain borrowings. Without the provision for the waiver of stamp duty, the Commonwealth could, in effect, be paying stamp duty.

Section 37 is accordingly amended to make provision, as the Minister determines, for the exemption from stamp duty or similar taxes on securities issued by the Board and transactions in those securities as well as other documents or transactions of the Board relating to its borrowings or raising of moneys by other means.