

EXPLANATORY STATEMENT
STATUTORY RULES 1987 Nos 143
ISSUED BY THE AUTHORITY OF THE TREASURER
WOOL TAX (Nos. 1 to 5) REGULATIONS

These regulations prescribe the rates of wool tax for the purposes of subsection 6(1) of each of the Wool Tax Acts (Nos. 1 to 5) 1964 (the Acts) at 8 per cent of the sale value of shorn wool.

The Acts impose tax on all shorn wool produced in Australia and sold through various marketing channels, namely, sold by a wool broker or through a registered wool dealer or manufacturer, subjected to a process of manufacture or exported for sale. The need for five separate Acts arises from a constitutional requirement that laws imposing taxes should deal with one subject of taxation only.

Amendments of the Acts by the Wool Tax Acts (Nos. 1 to 5) Amendment Acts 1987 increased the rate of tax, with effect from 1 July 1987, from 8 per cent to 10 per cent or such lower rate, not being less than 5.25 per cent, as is prescribed. The Governor-General, under section 6 of each of the Acts, is authorised to make regulations prescribing a lower wool tax rate. Before making regulations under that section, the Governor-General is required to take into consideration any recommendations with respect to that rate that are made to the Treasurer by the Wool Council of Australia.

The Wool Council of Australia has recommended that the rate of wool tax for the 1987/88 selling season remain at 8 per cent. These regulations, which give effect to that recommendation, mean that the operative rate of wool tax, which has been set at 8 per cent since August 1975, will continue to apply on and after 1 July 1987.

S.R. 16.1/87