

Wool Services Privatisation (Miscellaneous Provisions) Regulations 2000 2000 No. 348

EXPLANATORY STATEMENT

STATUTORY RULES 2000 No. 348

Issued by the Authority of the Minister for Agriculture, Fisheries and Forestry

Wool Services Privatisation Act 2000

Wool Services Privatisation (Miscellaneous Provisions) Regulations 2000

Section 39 of the *Wool Services Privatisation Act 2000* (the 'Act') provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The Act provides for the privatisation of the Australian Wool Research and Promotion Organisation (AWRAP) into a new Corporations Law company, Australian Wool Services Limited (AWS).

The Government's decision to privatise AWRAP and establish the new AWS followed Government consideration of the 1999 wool industry Future Directions Taskforce Report. The Taskforce was established in December 1998 to undertake a major inquiry into the future directions of the Australian wool industry. Whilst most of the recommendations of the Task-force Report were focussed on individual farm businesses and what they can do to improve their profitability, there were recommendations for Government to consider, including the future of AWRAP.

Section 30 of the Act provides for the Minister to declare a research body to be the research body for the purposes of receiving payments in relation to wool tax and wool levy and payments in relation to research and development. Section 31 of the Act permits the Minister on behalf of the Commonwealth to enter into a contract with the research body that provides for the Commonwealth to make payments of various kinds to the research body. It is expected that the Minister will declare Australian Wool Innovation Limited ('AWI'), a subsidiary of AWS, to be the research body.

The regulations deal with miscellaneous matters to enable payments to be made by the Commonwealth to the research body. The regulations will:

- * provide that the definition of wool levy includes a levy or charge prescribed by regulations; and
- * provide a definition of eligible wool and prescribe the manner in which the Minister is to determine the gross value of eligible wool produced in Australia in the financial year for the purposes of determining payments by the Commonwealth to the research body.

Other regulations are being made which provide regulations for other aspects of the privatisation process, including the proposed Primary Industries Levies and Charges Collection Amendment Regulations 2000 (No. 5), the proposed Primary Industries (Excise) Levies Amendment Regulations 2000 (No. 6), the proposed Primary Industries (Customs) Charges Amendment Regulations 2000 (No. 2) and the proposed Wool Services Privatisation (Eligible Woolgrowers) Regulations 2000.

Details of the regulations are at Attachment A.

The regulations would commence on the date on which Schedule 1 of the *Wool Services Privatisation Act 2000* commences (expected to be 1 January 2001).

ATTACHMENT A

WOOL SERVICES PRIVATISATION (MISCELLANEOUS PROVISIONS) REGULATIONS 2000

Regulation 1 gives the name of the regulations as the Wool Services Privatisation (Miscellaneous Provisions) Regulations 2000.

Regulation 2 provides for the regulations to commence at the same time as Schedule 1 to the *Wool Services Privatisation Act 2000* (the 'Act'). That is, on a date to be fixed by Proclamation (expected to be 1 January 2001).

Regulation 3 provides definitions for terms used in the regulations.

Regulation 4 provides that the definition of wool levy for the purposes of Section 7 of the Act is the levy imposed under the *Primary Industries (Excise) Levies Regulations 1999* and the charge imposed under *Primary Industries (Customs) Charges Regulations 1999*. This regulation enables those payments made by the Commonwealth to the research body (as provided for in Section 31 of the Act) in relation to wool levy to include the prescribed levy and charge.

Regulation 5:

Subregulation 5(1) provides that eligible wool has the same meaning as shorn wool as defined under the *Primary Industries Levies and Charges Collection Regulations 1991*. This defines 'eligible wool' for the purposes of determining the gross value of eligible wool.

Subregulation 5(2) provides that the Minister must determine the gross value of eligible wool produced in Australia in accordance with Subregulations 5(3) and 5(4).

Subregulation 5(3) provides that the gross value of eligible wool produced in Australia in a financial year is the average of an estimate of the gross value of eligible wool for that financial year provided by the Australian Bureau of Agricultural and Resource Economics (ABARE), and the amounts stated by ABARE to be the gross value of eligible wool in each of the two last preceding financial years.

Subregulation 5(4) provides that the Minister may estimate the gross value of eligible wool for a financial year if the determination is made prior to ABARE releasing its estimate for the current year or stating the amounts for either of the two last preceding financial years.