

EXPLANATORY STATEMENT

Select Legislative Instrument 2007 No. 243

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

Primary Industries and Energy Research and Development Act 1989

*Forest and Wood Products Research and Development Corporation (Repeal)
Regulations 2007*

Subsection 1 and 9(1) of the *Primary Industries and Energy Research and Development Act 1989* provides that the Governor-General may make regulations not inconsistent with the Act, prescribing matters required or permitted by the Act to be prescribed, or necessary, or convenient to be prescribed for, in carrying out or giving effect to the Act.

The purpose of the Regulations is to repeal the *Forest and Wood Products Research and Development Corporation Regulations 1993 (the Principal Regulations)* which established the Forest and Wood Products Research and Development Corporation. The *Forestry Marketing and Research and Development Act 2007* provides for a new industry services body to replace the Forest and Wood Products Research and Development Corporation. The Principal Regulations will therefore become inoperative on a specified date after a company has been declared as the industry services body for the Australian forest industries. The Principal Regulations are expected to become inoperative on 3 September 2007 and the industry services body is expected to be declared on or before 31 August 2007.

The repeal is consequential to the *Forestry Marketing and Research and Development Act 2007*, which removes the need for Forest and Wood Product Research and Development Corporation. Section 4 of the *Forest and Wood Products Research and Development Corporation Regulations 1993* provides for Forest and Wood Products Research and Development Corporation to be declared the Research and Development Corporation in respect of the forest and wood product industry. Section 8 of the *Primary Industries and Energy Research and Development Act 1989* provides for the establishment of a Research and Development Corporation.

The changes were an initiative of the Australian forestry industry to introduce an industry services body that is able to undertake generic marketing and promotion activities, along with research and development.

A full consultation process, involving a ballot of each affected industry member was conducted during March and April 2006. Of the 434 who exercised a vote in the ballot, 310 voted in favour of the establishment of a new industry services body. Of the 77 sawmillers who exercised a vote in the ballot, 54 voted against the increase. However, of the seven largest hardwood sawmillers, who are defined as those who process over 50,000 cubic metres of hardwood sawlogs per year, five voted in support of the increase. These five votes represent over 70 per cent of the hardwood sawlogs

produced in Australia. Following the ballot, the hardwood sector representative body, NAFI, publicly announced its support to the levy increase on behalf of the sector.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Regulations will commence on 3 September 2007.