

EXPLANATORY STATEMENT

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

Primary Industries Levies and Charges Disbursement Act 2024

*Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre)
Rules 2025*

Legislative Authority

The *Primary Industries Levies and Charges Disbursement Act 2024* (the Act) provides for, among other things, the payment of amounts to recipient bodies by the Commonwealth, and the spending of such amounts by recipient bodies on certain matters.

Section 90 of the Act provides that the Minister may, by legislative instrument, make rules prescribing matters required or permitted by the Act to be prescribed by the rules or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Purpose

The purpose of the *Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre) Rules 2025* (the Amendment Rules) is to amend the *Primary Industries Levies and Charges Disbursement Rules 2024* (the Rules) to clarify provisions relating to Commonwealth payments made to, and the spending of amounts by, two recipient bodies. In particular, the amendments:

- ensure that all wool and goat fibre harvested in Australia on a commercial basis from sheep or lambs, or goats, is the subject of gross value of production (GVP) determinations relevant to calculating matching payments to the declared wool industry body and the Rural Industries Research and Development Corporation (RIRDC); and
- expand the definitions of ‘wool industry’ and ‘goat fibre industry’ to cover all wool and goat fibre harvested in Australia from sheep or lambs, or goats. These definitions inform the activities on which amounts paid to the declared wool industry body and to RIRDC under the Act, may be spent, and the calculation of matching payments to the bodies.

Background

The agricultural levy and charge system is a long-standing partnership between industry and the Australian Government to facilitate industry investment in strategic activities. Levies and charges imposed by regulations made under the *Primary Industries (Excise) Levies Act 2024* and *Primary Industries (Customs) Charges Act 2024* are generally payable by farmers, producers, processors and exporters. Amounts in respect of these levies and charges are collected under the *Primary Industries Levies and Charges Collection Act 2024*.

The Act requires the Commonwealth to pay amounts equal to collected amounts of levy and charge to recipient bodies and other entities, and to pay matching payment amounts to certain recipient bodies. It specifies the matters on which recipient bodies may spend such amounts,

including research and development (R&D) and other activities for the benefit of a designated primary industry sector in relation to the body. The Rules complement the Act by prescribing:

- additional spending requirements for some recipient bodies;
- primary industries or parts of primary industries as designated primary industry sectors in relation to recipient bodies; and
- the goods that are relevant to GVP calculations made for the purposes of working out amounts of matching payments to recipient bodies.

Impact and effect

The Amendment Rules clarify that the goods prescribed by the Rules in relation to the declared wool industry body and RIRDC include wool or goat fibre harvested in Australia on a commercial basis from all sheep or lambs, or goats, respectively. The prescribed goods are the subject of GVP determinations made in relation to a body for a financial year. These determinations are used to calculate the matching payments paid to a body for the year.

The ‘wool industry’ and ‘goat fibre industry’ are designated primary industry sectors in relation to the declared wool industry body and RIRDC respectively. The Amendment Rules clarify that these definitions include parts of those industries that are concerned with certain actions involving wool or goat fibre that is harvested from all sheep or lambs, or goats, respectively, not just live ones. This change is important because the declared wool industry body and RIRDC may only spend amounts paid to them on certain activities for the benefit of designated primary industry sectors. Further, only expenditure incurred during a year on R&D activities for the benefit of those sectors may be subject to matching payments under the Act.

The wool industry, as defined by the Rules following this amendment, remains a nationally significant primary industry, as required by section 6 of the Act.

Consultation

The department consulted with Australian Wool Innovation Limited (the current declared wool industry body) and RIRDC on the proposed changes and they are both supportive.

Details/Operation

Details of the Amendment Rules are set out in [Attachment A](#).

Other

The Amendment Rules are compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in [Attachment B](#).

The Amendment Rules will commence the day after registration. The Amendment Rules are a legislative instrument for the purposes of the *Legislation Act 2003*.

Details of the *Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre) Rules 2025*

Section 1—Name

This section provides that the name of the instrument is the *Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre) Rules 2025* (the Amendment Rules).

Section 2—Commencement

This section provides that the Amendment Rules commence on the day after the Amendment Rules are registered.

Section 3—Authority

This section provides that the Amendment Rules are made under the *Primary Industries Levies and Charges Disbursement Act 2024* (the Act).

Section 4—Schedules

This section provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Primary Industries Levies and Charges Disbursement Rules 2024

Item 1—Section 5 (paragraph (c) of the definition of *goat fibre industry*)

This item omits the word “live” from paragraph (c) of the definition of ***goat fibre industry*** in section 5 of the *Primary Industries Levies and Charges Disbursement Rules 2024* (the Rules).

The goat fibre industry is a primary industry within the meaning of that term in subsection 4(1) of the Act (see paragraph 6(3)(j) of the Rules). It is prescribed as a designated primary industry sector in relation to the Rural Industries Research and Development Corporation (RIRDC) by paragraph (f) of table item 12, column 2 in section 7 of the Rules.

As a result of this amendment, the ***goat fibre industry*** means the industry in Australia that is concerned with:

- (a) the breeding and raising of goats for the purposes of goat fibre production; and
- (b) the harvesting of goat fibre; and
- (c) the processing, distribution, storage, marketing and sale of goat fibre that is harvested from goats in Australia.

The amendment made by this item to paragraph (c) of the definition of ***goat fibre industry*** will ensure that the goat fibre industry includes the parts of the industry concerned with processing, distribution, storage, marketing and sale of goat fibre that is harvested in Australia from all goats, alive or dead. See the definition of ***goat*** in section 5 of the Rules and the definition of ***animal*** in subsection 4(1) of the Act.

Item 5 of this Schedule inserts an application provision into the Rules in relation to this amendment.

Item 2—Section 5 (paragraph (c) of the definition of *wool industry*)

This item omits the word “live” from paragraph (c) of the definition of ***wool industry*** in section 5 of the Rules.

The wool industry is a primary industry within the meaning of that term in subsection 4(1) of the Act (see paragraph 6(3)(za) of the Rules). It is prescribed as a designated primary industry sector in relation to the declared wool industry body by table item 15, column 2 in section 7 of the Rules. At the time of the making of the Amendment Rules, Australian Wool Innovation Limited (AWI) is the declared wool industry body: see item 10 of the table in subsection 5(2) of the *Primary Industries Levies and Charges Disbursement (List of Declared Recipient Bodies) Instrument 2024*.

As a result of this amendment, the ***wool industry*** means the industry in Australia that is concerned with:

- (a) the breeding and raising of sheep and lambs for the purposes of wool production; and
- (b) the harvesting of wool; and
- (c) the processing, distribution, storage, marketing, sale and export of wool that is harvested from sheep or lambs in Australia.

The amendment made by this item to paragraph (c) of the definition of **wool industry** will ensure that the wool industry includes the parts of the industry concerned with the processing, distribution, storage, marketing, sale and export of wool that is harvested in Australia from all sheep or lambs, alive or dead. See the definitions of **sheep** and **lamb** in section 5 of the Rules and the definition of **animal** in subsection 4(1) of the Act.

Section 6 of the Act provides that the rules may prescribe a primary industry or a part of a primary industry in relation to a declared recipient body, only if the primary industry or that part of a primary industry is a nationally significant one.

The wool industry, as defined by the Rules following the amendment made by this item, is a nationally significant primary industry, as required by section 6 of the Act.

Item 5 of this Schedule inserts an application provision into the Rules in relation to this amendment.

Item 3—Section 44 (table item 9, column 2, paragraph (f))

This item omits the word “live” from paragraph (f) in table item 9, column 2 in section 44 of the Rules.

Table item 9 in section 44 of the Rules prescribes goods in relation to RIRDC for the purposes of paragraph 25(5)(a) of the Act.

As a result of this amendment, the goods prescribed by the Rules in relation to RIRDC include goat fibre harvested in Australia on a commercial basis from a goat.

The amendment made by this item will ensure that all goat fibre harvested in Australia on a commercial basis from a goat, alive or dead, will form part of the **gross value of production amount** in relation to RIRDC for a financial year provided to the Secretary by the head of the agricultural statistics body under subsection 25(5) of the Act and the **average gross value of production amount** determined by the Secretary in relation to RIRDC for a financial year under subsection 25(2) of the Act.

Item 5 of this Schedule inserts an application provision into the Rules in relation to this amendment.

Item 4—Section 44 (table item 12, column 2)

This item omits the word “live” from table item 12, column 2 in section 44 of the Rules.

Table item 12 in section 44 of the Rules prescribes goods in relation to the declared wool industry body for the purposes of paragraph 25(5)(a) of the Act.

As a result of this amendment, the goods prescribed by the Rules in relation to the declared wool industry body are wool harvested in Australia on a commercial basis from a sheep or lamb.

The amendment made by this item will ensure that all wool harvested in Australia on a commercial basis from a sheep or lamb, alive or dead, will form part of the ***gross value of production amount*** in relation to the declared wool industry body for a financial year provided to the Secretary by the head of the agricultural statistics body under subsection 25(5) of the Act and the ***average gross value of production amount*** determined by the Secretary in relation to the declared wool industry body for a financial year under subsection 25(2) of the Act.

Item 5 of this Schedule inserts an application provision into the Rules in relation to this amendment.

Item 5—At the end of the instrument

This item adds new “Part 7—Application and transitional provisions” at the end of the Rules; new “Division 1—Amendments made by the Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre) Rules 2025” at the start of new Part 7; and new section 52, “Application of amendments”, as the only section of new Division 1 of Part 7.

New section 52 of the Rules provides for the application of the amendments made by the Amendment Rules.

New subsection 52(1)

New subsection 52(1) of the Rules provides that the amendments of section 5 of the Rules made by Schedule 1 to the Amendment Rules apply in relation to the spending of amounts, or incurring of expenditure, on or after the commencement of section 52. Section 52 commences on the day after the Amendment Rules are registered.

The purpose of new subsection 52(1) is to provide an application provision for the amendments of the definitions of ***goat fibre industry*** and ***wool industry*** by items 1 and 2 of Schedule 1 to the Amendment Rules.

The goat fibre industry and the wool industry are designated primary industry sectors in relation to RIRDC and the declared wool industry body respectively.

As a result, the definitions of these industries inform requirements in the Act and Rules in relation to the spending by these bodies of amounts paid to them under sections 15 and 23 of the Act. Specifically:

- Subdivisions B and C of Division 2 of Part 2 of the Act and Divisions 14 and 11 of Part 2 of the Rules impose requirements on the declared wool industry body and RIRDC respectively for the spending of levy and charge related amounts paid to them under section 15 of the Act; and
- sections 33 and 34 of the Act impose requirements on the declared wool industry body and RIRDC respectively for the spending of matching payment amounts paid to them under section 23 of the Act.

The definitions also inform which expenditure incurred by the bodies is part of each body's ***qualifying expenditure amount*** for a financial year under subsection 24(1) of the Act and as a result is relevant to the calculation of matching payments made to the bodies under subsection 23(1) of the Act.

New subsection 52(2)

New subsection 52(2) of the Rules provides that the amendments of section 44 of the Rules made by items 3 and 4 of Schedule 1 to the Amendment Rules apply, in relation to a recipient body, to the following:

- (a) the determination of an amount under subsection 25(2) of the Act on or after the commencement of section 52;
- (b) an amount provided by the head of the agricultural statistics body under subsection 25(5) of the Act for each financial year relevant to the determination of an amount covered by paragraph 52(2)(a).

The purpose of new subsection 52(2) is to provide an application provision for the amendments, by items 3 and 4 of Schedule 1 to the Amendment Rules, of the goods prescribed by the Rules for the purposes of paragraph 25(5)(a) of the Act in relation to RIRDC and the declared wool industry body.

New subsection 52(2) of the Rules clarifies that the amendments, by items 3 and 4 of Schedule 1 to the Amendment Rules, of the goods prescribed for the purposes of paragraph 25(5)(a) of the Act in relation to RIRDC and the declared wool industry body apply in relation to:

- (a) the determination by the Secretary of the ***average gross value of production amount*** in relation to RIRDC or the declared wool industry body for a financial year under subsection 25(2) of the Act on or after the commencement of section 52; and
- (b) an amount provided by the head of the agricultural statistics body under subsection 25(5) of the Act for each financial year relevant to such a determination by the Secretary. That is, each ***gross value of production amount*** provided by the head of the agricultural statistics body to the Secretary that is used to calculate that ***average gross value of production amount***.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre) Rules 2025

This disallowable legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the legislative instrument

The *Primary Industries Levies and Charges Disbursement Act 2024* (the Act) provides for, among other things, the payment of amounts to recipient bodies by the Commonwealth, and the spending of such amounts by recipient bodies on certain matters.

The purpose of the *Primary Industries Levies and Charges Disbursement Amendment (Wool and Goat Fibre) Rules 2025* is to amend the *Primary Industries Levies and Charges Disbursement Rules 2024* to clarify provisions relating to Commonwealth payments made to, and the spending of amounts by, two recipient bodies. In particular, the amendments:

- ensure that all wool and goat fibre harvested in Australia on a commercial basis from sheep or lambs, or goats, is the subject of gross value of production determinations relevant to calculating matching payments to the declared wool industry body and the Rural Industries Research and Development Corporation (RIRDC); and
- expand the definitions of ‘wool industry’ and ‘goat fibre industry’ to cover all wool and goat fibre harvested in Australia from sheep or lambs, or goats. These definitions inform the activities on which amounts paid to the declared wool industry body and to RIRDC under the Act may be spent, and the calculation of matching payments to the bodies.

The legislative instrument commences the day after registration.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms.

Conclusion

The measures in the legislative instrument are compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights*

(Parliamentary Scrutiny) Act 2011 as the legislative instrument does not engage any human rights issues.

The Hon Julie Collins
Minister for Agriculture, Fisheries and Forestry