

WOOL INDUSTRY ACT (No. 2) 1974

No. 152 of 1974

An Act to amend the *Wool Industry Act 1972-1973*.

BE IT ENACTED by the Queen, the Senate and the House of Representatives of Australia, as follows:—

Short title
and citation.

1. (1) This Act may be cited as the *Wool Industry Act (No. 2) 1974*.¹

(2) The *Wool Industry Act 1972-1973*,² as amended by the *Wool Industry Act 1974*,³ is in this Act referred to as the Principal Act.

(3) Section 1 of the *Wool Industry Act 1974* is amended by omitting sub-section (3).

(4) The Principal Act, as amended by this Act, may be cited as the *Wool Industry Act 1972-1974*.

Commence-
ment.

2. This Act shall come into operation on the day on which it receives the Royal Assent.¹

Objects of
Act.

3. Section 5 of the Principal Act is amended—

(a) by adding at the end of paragraph (a) of sub-section (1) the words “and to protect the interests of the Australian wool industry in relation to that export”; and

(b) by adding at the end of paragraph (b) of sub-section (1) the words “and to protect the interests of the Australian wool industry in relation to that trade and commerce”.

Interpret-
ation.

4. Section 6 of the Principal Act is amended—

(a) by omitting from sub-section (1) the definition of “wool products” and substituting the following definition:—

“ ‘wool products’ includes goods made wholly or partly from wool or from materials produced by processing wool; ”;
and

(b) by adding at the end thereof the following sub-sections:—

“(3) References in this Act to sales of wool at auction, to auction sales of wool and to the auction system shall be read as including references to sales of wool by tender and references in this Act to brokers shall be read as including references to persons conducting sales of wool by tender.

“(4) A reference in this Act to interest in respect of borrowed moneys shall be read as including a reference to fees or charges in relation to arrangements for the borrowing of moneys and a

reference to interest in respect of borrowed moneys used for a particular purpose shall be read as including a reference to fees or charges in relation to arrangements for the borrowing of moneys for use for those purposes.”.

5. (1) Section 8 of the Principal Act is amended—
- (a) by omitting sub-section (1) and substituting the following sub-section:—

Membership
of
Corporation.

“(1) The Corporation shall consist of 10 members, namely:—

- (a) a Chairman;
- (b) 4 members to represent Australian woolgrowers;
- (c) 1 member to represent the Australian Government; and
- (d) 4 other members.”; and

- (b) by omitting sub-section (4) and substituting the following sub-sections:—

“(4) The appointment at any time of a member or members to represent Australian woolgrowers (including the appointment of such a member under sub-section (2) of section 9) shall be made from amongst persons whose names are included in a list of names submitted to the Minister by the Australian Wool Industry Conference.

“(4A) The list shall consist of names to the number of twice the number of members to be appointed but the Minister may, if he thinks fit, request the Australian Wool Industry Conference to submit additional names for inclusion in the list.”.

(2) Subject to sub-section (3), the amendments made by this section do not affect the continuance in office of a member of the Corporation holding office at the commencement of this Act.

(3) The Minister shall, by notice in the *Gazette*, fix a date, being a date not more than 3 months after the date of commencement of this Act, as the date upon which the members of the Corporation, other than the Chairman, holding office immediately before that date shall cease to hold office, and those members shall cease to hold office accordingly, but are eligible for re-appointment.

(4) Notwithstanding section 9 of the Principal Act, as amended by this Act, of the 4 members to represent Australian woolgrowers first appointed on or after the date fixed under sub-section (3) of this section and of the 4 members referred to in paragraph (d) of sub-section (1) of section 8 of the Principal Act, as amended by this Act, first appointed on or after that date—

- (a) 2 shall be appointed, in accordance with section 8 of the Principal Act as amended by this Act, for a period of 2 years; and
- (b) 2 shall be appointed, in accordance with section 8 of the Principal Act, as amended by this Act, for a period of 3 years.

Deputies of members.

6. Section 13 of the Principal Act is amended by omitting from sub-sections (1) and (2) the words “the Commonwealth” and substituting the words “the Australian Government”.

Remuneration and allowances of members and deputies of members.

7. Section 14 of the Principal Act is amended by omitting from sub-section (2) the words “the Commonwealth” and substituting the words “the Australian Government”.

Meetings.

8. Section 19 of the Principal Act is amended by omitting from sub-section (7) the word “six” and substituting the figure “7”.

9. After section 20 of the Principal Act the following section is inserted:—

Consultation with trade union organizations.

“20A. (1) Before taking any action that could reasonably be expected to affect the conditions of employment, or the demand for labour, in the wool industry, the Corporation shall consult with, and have regard to the views of, the appropriate trade union organizations.

“(2) The Minister may give to the Corporation such directions in writing as he thinks necessary in connexion with the performance of the duty of the Corporation under sub-section (1).”.

10. After section 28 of the Principal Act the following section is inserted:—

Market Support Fund.

“28A. (1) The Corporation shall establish and maintain a fund to be known as the Market Support Fund.

“(2) Amounts paid to the Corporation in accordance with section 84B shall be placed to the credit of the Market Support Fund.

“(3) Moneys standing to the credit of the Market Support Fund may be used by the Corporation for the purchase of wool in the performance of its functions or in the payment of advances to growers the marketing of whose wool has been delayed by reason of the exercise of the powers and functions of the Corporation, or may be invested in accordance with section 36 and the accounts of the Corporation shall identify amounts so used or invested.

“(4) There shall be credited to the Market Support Fund—

- (a) income derived from investments made in accordance with sub-section (3);
- (b) interest received on advances made in accordance with sub-section (3), less administrative expenses incurred by the Corporation in connexion with those advances; and
- (c) amounts representing interest on moneys standing to the credit of that Fund and used by the Corporation for the purchase of wool, being interest at rates determined by the Corporation.

“(5) As soon as practicable after 30 June 1975, the Auditor-General shall certify to the Minister whether the Corporation has made a profit or incurred a loss as a result of the operations of the Corporation in respect of its reserve price scheme in the period that commenced on 2 September 1974 and ended on 30 June 1975 and the amount of that profit or loss, and the Minister shall deliver a copy of the certificate to the Corporation.

“(6) The operations of the Corporation referred to in sub-section (5) shall be deemed to include its operations in connexion with the making of advances to growers during the period referred to in that sub-section, and costs (including valuation costs), losses and receipts of interest (other than amounts credited to the Market Support Fund) in connexion with those advances shall be taken into account accordingly.

“(7) The certificate referred to in sub-section (5) shall not be given until the whole of the wool purchased by the Corporation under its reserve price scheme in the period referred to in that sub-section has been disposed of, and the proceeds of that disposal (including disposal after the end of that period) shall be taken into account for the purposes of that sub-section.

“(8) The costs to be taken into account in ascertaining, under sub-section (5), whether the Corporation has made a profit or incurred a loss or the amount of such a profit or loss include interest paid or payable by the Corporation on borrowed moneys used for the purposes of the operations referred to in that sub-section and costs incurred by the Corporation in connexion with those operations that are of a kind that have been approved by the Minister as being storage, handling or selling costs but, subject to sub-section (6), do not include costs incurred by the Corporation in connexion with wool before it is purchased by the Corporation.

“(9) If the certificate under sub-section (5) discloses a loss, the amount of that loss, as specified in the certificate, shall be debited to the Market Support Fund.

“(10) In ascertaining, for the purposes of section 33, the profit or loss of the Corporation for the financial year ending on 30 June 1975, there shall not be taken into account the operations of the Corporation referred to in sub-section (5) or any income or interest referred to in sub-section (4).

“(11) If the certificate under sub-section (5) discloses a profit, that profit shall be dealt with in accordance with section 33 as if it were profit of the Corporation for a financial year to which that section applies.

“(12) If any moneys stand to the credit of the Market Support Fund after the profit or loss certified under sub-section (5) has been dealt with in accordance with sub-section (9) or (11), those moneys shall be applied by the Corporation for such purpose in relation to the wool industry as is determined by the Minister with the approval in writing of the Australian Wool Industry Conference.”

Repeal of
section 29.

11. Section 29 of the Principal Act is repealed.

12. After section 39 of the Principal Act the following section is inserted:—

Further
trading
functions of
Corporation.

“39A. Without limiting the functions of the Corporation under section 38, the functions of the Corporation include, to such extent as the Minister approves, trading in wool and wool products, acquiring and supplying wool for the purposes of programs of aid by Australia to other countries, and manufacturing, or arranging for the manufacture, of wool products.”.

13. Section 40 of the Principal Act is amended—

(a) by omitting all the words preceding paragraph (e) and substituting the following words:—

Specific
powers of
Corporation.

“40. Without limiting the generality of sub-section (4) of section 20, the powers of the Corporation for the purposes of the performance of its functions include power to—

- (a) inspect and appraise wool presented for sale at auction;
- (b) buy and sell wool at auction or otherwise, export wool and enter into transactions in relation to the buying and selling of wool, including transactions by way of wool futures contracts;
- (c) process, or arrange for the processing, of wool;
- (d) buy, sell and export wool products;” and

(b) by adding at the end thereof the following sub-section:—

“(2) The Corporation shall not enter into transactions by way of wool futures contracts except in accordance with an approval of the Minister.”.

Reserve
price
scheme.

14. Section 41 of the Principal Act is amended—

(a) by inserting in paragraph (b) of sub-section (1), after the word “auction”, the words “(not being sale by tender)”;

(b) by omitting from that paragraph the word “and”;

(c) by inserting after that paragraph the following paragraph:—

“(ba) in respect of any wool offered for sale by tender in accordance with any such arrangements, the Corporation submits a tender at the appropriate reserve price determined by the Corporation; and”;

(d) by inserting after sub-section (1) the following sub-sections:—

“(1A) The Corporation may refrain from operating its flexible reserve price scheme in respect of particular wool unless—

- (a) that wool has been prepared for submission for sale at auction in accordance with standards approved by the Corporation; and

- (b) the terms and conditions governing the acceptance of the wool for sale and the sale of the wool are approved by the Corporation.

“(1B) Where the Corporation is satisfied, after consultation, so far as practicable, with the members of the body known as the Joint Wool Selling Organization, that, by reason of unexpected changes in market conditions, it is necessary in the interests of the wool industry so to do, the Corporation may recommend to the person proposing to conduct a sale by auction in relation to which sub-section (1) applies that the sale of all or any of the wool proposed to be offered at the sale should be deferred and, where such a recommendation is made, the Corporation may refrain from operating its reserve price scheme in relation to any wool that is offered for sale contrary to the recommendation.”.

15. Section 83 of the Principal Act is amended by adding at the end thereof the following sub-section:—

Payments to Corporation and to Fund.

“(7) This section does not apply to so much of any amount received by the Commissioner of Taxation as would not have been payable as tax but for the operation of sub-section (2) of section 5 of any Wool Tax Act.”.

16. After section 84A of the Principal Act the following sections are inserted:—

“84B. In addition to moneys payable to the Corporation under the foregoing provisions of this Part, there are payable to the Corporation, from time to time as determined by the Minister, amounts equal to so much of the amounts received by the Commissioner of Taxation as tax under any Wool Tax Act as would not have been payable as tax but for the operation of sub-section (2) of section 5 of that Wool Tax Act.

Payment to Corporation of proceeds of marketing levy.

“84C. Moneys payable to the Corporation or to the Fund under this Part are payable out of the Consolidated Revenue Fund, which is appropriated accordingly.”.

Appropriation.

17. Section 87 of the Principal Act is amended by omitting sub-section (1) and substituting the following sub-sections:—

Liability to taxation.

“(1) The Corporation and the Authority are subject to taxation (other than income tax) under the laws of Australia.

“(1A) Subject to sub-sections (1B), (2) and (3), the Corporation and the Authority are not subject to taxation under a law of a State or Territory.

“(1B) The regulations may provide that sub-section (1A) does not apply in relation to taxation under a specified law of a State or Territory.”.

Reports. **18.** Section 90 of the Principal Act is amended by adding at the end thereof the following sub-section:—

“(7) A report under sub-section (1) shall refer to any directions given by the Minister under sub-section (2) of section 20A in the year to which the report relates.”

NOTES

1. Act No. 152, 1974; assented to 17 December 1974.
2. Act No. 111, 1972, as amended by No. 63, 1973; and No. 216, 1973 (as amended by No. 20, 1974).
3. Act No. 65, 1974.