

## **EXPLANATORY STATEMENT**

Issued by Authority of the Minister for Agriculture, Drought and Emergency Management

*Wool Services Privatisation Act 2000*

*Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021*

### **Legislative Authority**

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. In particular, regulations may be made for matters of a transitional or saving nature arising from the amendments or repeals made by the Act.

### **Purpose**

The purpose of the *Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021* (the Regulations) is to amend the *Wool Services Privatisation (Wool Levy Poll) Regulations 2003* to provide for a structured set of levy rates to be put to growers at WoolPoll, and to require Australian Wool Innovation Limited (AWI) to provide its levy rate recommendation to growers in a document separate to the Voter Information Memorandum.

The Regulations reflect the views of the wool industry in determining responsibility for setting levy rate options. They also balance the independence and transparency of the polling process with the need to ensure AWI's levy rate recommendation is available for those who find it useful.

### **Background**

Pursuant to subsection 30(1) of the Act, the Minister has declared AWI as a research body for the purposes of Division 7 of Part 2 of the Act. As the research body, AWI receives and invests wool levy funds to deliver research and development, marketing and other activities for the benefit of the Australian wool industry. WoolPoll is the 3-yearly poll conducted by AWI, through which wool levy payers vote on their preferred levy rate. AWI is required under section 32 of the Act to conduct WoolPoll in accordance with processes set out in the *Wool Services Privatisation (Wool Levy Poll) Regulations 2003*, and to then make a recommendation to the responsible minister on what the levy rate should be.

In 2020, the department undertook a review of WoolPoll (available at <https://haveyoursay.awe.gov.au/woolpoll-review>), which made ten recommendations focused on improving procedures, bolstering transparency, and clarifying existing roles and responsibilities. Two of the recommendations require changes to the regulations to implement.

The review recommended that the WoolPoll ballot paper be required by the regulations to list a structured set of levy rate options. This would provide more certainty for levy payers about what levy rate options they can expect to see and would address concerns raised in the review about how the levy rate options are settled. Currently, the regulations provide that AWI is responsible for deciding on the levy rates to be put to levy payers. The regulations require the ballot paper to present between 3 to 5 different rates of wool levy, including a zero rate. All other rates must be whole multiples of 0.5.

The review also recommended that the regulations require AWI to present its recommendation of a particular levy rate to levy payers as a standalone document. The review identified a wide spectrum of views on whether and in what format AWI should recommend a particular levy rate option to levy payers. This change to the regulations represents a practical compromise between the various positions.

### **Impact and Effect**

The Regulations will increase transparency and clarify the roles and responsibilities involved in undertaking WoolPoll. The Regulations impact on the nature of AWI's involvement in the poll, but do not create any broader impacts on the wider wool industry.

### **Consultation**

These regulatory changes are supported by wool industry stakeholders. The department undertook a consultative review of the WoolPoll mechanism in 2020, delivering on a recommendation made in the 2018 Australian Wool Innovation Performance Review (available at <https://www.agriculture.gov.au/ag-farm-food/innovation/awi-performance-review>). The department published a discussion paper and invited written submissions and responses to survey questions from wool industry participants.

A Regulation Impact Statement was not required, as the amendments are considered minor and machinery in nature (Office of Best Practice Regulation reference number: 43205).

### **Details/Operation**

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

### **Other**

The *Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021* is 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 *Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021* is a legislative instrument for the purposes of the *Legislation Act 2003*.

**Details of the *Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021***

**Section 1 – Name**

This section provides that the name of the instrument is the *Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021*.

**Section 2 – Commencement**

This section provides for the instrument to commence on the day after the instrument is registered.

**Section 3 – Authority**

This section provides that the instrument is made under the *Wool Services Privatisation Act 2000*.

**Section 4 – Schedules**

This section provides that the instrument is amended as set out in the applicable items in the Schedule to the instrument.

**Schedule 1 – Amendments**

**Item 1 – Regulation 9**

This item repeals regulation 9. The repealed provision required the research body to propose 3 to 5 different rates of wool levy at the poll, including a zero rate.

The purpose of this amendment is to remove the requirement for the research body to propose its own levy rates on the ballot paper. Instead, a structured set of levy rates will be included on the ballot paper, as provided in new paragraph 11(1)(c). The inclusion of a standard set of levy rates increases the transparency of the polling process for levy payers.

**Item 2 – After paragraph 10(c)**

This item inserts a new paragraph 10(ca). The new paragraph provides that the research body must provide a separate document setting out the research body's preferred wool levy rate and its reasons for preferring that rate.

The purpose of this amendment is to require the research body to provide its preferred wool levy rate in a document separate to the information memorandum. This requirement balances calls for greater independence and transparency in the polling process with the need to ensure that the research body's recommendation is available for those who find it useful.

**Item 3 – Paragraph 11(1)(c)**

This item repeals and substitutes paragraph 11(1)(c). The repealed provision required that the ballot paper set out the rates proposed by the research body. New paragraph 11(1)(c) requires the following levy rate options to be included on the ballot paper:

- a nil rate
- the rate (the **current rate**) of wool levy prescribed in Part 2 of Schedule 27 to the *Primary Industries (Excise) Levies Regulations 1999*
- if the current rate is greater than 0.5 percentage points – the rate 0.5 percentage points less than the current rate (but not less than nil)
- the rate 0.5 percentage points greater than the current rate
- if the research body considers it appropriate – another rate that differs from the current rate by a whole number multiple of 0.5 percentage points.

The purpose of this amendment is to provide more certainty to levy payers. It also removes unnecessary focus on the way rates are settled, addressing levy payer concerns identified in the review about how the levy rate options are decided.

This approach accurately reflects current wool levy settings and maintains flexibility to adapt to future needs. It creates a ‘sliding scale’, in which the levy rate options on the ballot paper track with any changes to the rate itself. This approach provides additional certainty for stakeholders, while still allowing a significant level of flexibility regarding the levy rate options.

#### **Item 4 – Paragraphs 13(b) and (c)**

This item repeals paragraphs 13(b) and (c). The repealed provisions required that the information memorandum set out the research body’s recommended rate from among the rates listed on the ballot paper and the reasons for the research body’s recommendation.

The purpose of this amendment is to align regulation 13 with new paragraph 10(ca), which requires the research body to provide a separate document setting out its preferred wool levy rate and its reasons for preferring that rate. This will enable levy payers to consider the preferred levy rate of the research body independently of the ballot paper.

**Statement of Compatibility with Human Rights**

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

*Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021*

This 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 purpose of the *Wool Services Privatisation (Wool Levy Poll) Amendment (Implementation of Review Measures) Regulations 2021* is to amend the *Wool Services Privatisation (Wool Levy Poll) Regulations 2003* to reflect the views of the wool industry in determining responsibility for setting levy rate options, and to balance the independence and transparency of the polling process with the need to ensure Australian Wool Innovation's (AWI) levy rate recommendation is available for those who find it useful.

**Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

**Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**The Hon. David Littleproud MP  
Minister for Agriculture, Drought and Emergency Management**