WOOL TAX (NOS. 1-5) AMENDMENT BILLS 1980

Date Introduced: 17 April 1980
House: House of Representatives
Presented by: Hon. P.J. Nixon, Minister for Primary Industry

Short Digest of Bill

Purpose
To extend indefinitely the 5 per cent levy on wool for the purpose of the reserve price scheme, and to enable separate rates of tax to be prescribed for (a) wool research and (b) wool promotion.

Background and Provisions

See also Bills Digest to Wool Industry Amendment Bill 1980. The present Bills impose taxes on shorn wool:

- sold by a wool-broker (No. 1);
- purchased by a registered wool dealer from a person (not a wool-broker) (No. 2);
- purchased by a manufacturer from a person (not a wool-broker) (No. 3);
- subjected by a manufacturer to a process of manufacture (No. 4);
- exported from Australia (No. 5).

Under the Constitution these five separate subjects of taxation require five separate Acts. However, except where the subject of the tax is mentioned, the Bills are identical.

Under the existing legislation two taxes are levied. The first tax is levied at maximum of 3 per cent (sub-s. 5(a)) providing for research and promotion activities. The second levies a 5 per cent tax (sub-s. 5(2)) to finance the reserve price scheme. Clause 3 of the present Bills repeals section 5 replacing it with a new section. Two taxes are provided for at rates to be
prescribed (paras. 5(1)(a) and 5(1)(b)). These taxes are for the purposes of research and promotion respectively. Their combined value is not permitted to exceed 3 per cent (sub-s. 5(2)). The 5 per cent levy is continued (para. 5(1)(c)), but the new paragraph contains no termination date.