WOOL TAX AMENDMENT BILLS (NOS. 1-5) 1979

Date Introduced: 22 March 1977
House: House of Representatives
Presented by: Hon. A.E. Adermann, M.P., Minister Assisting the Minister for Primary Industry

Purpose

To amend the Wool Tax Acts (Nos. 1-5) 1964 to enable the special 5% levy on the sale value of all shorn wool sold to apply for an additional year, the 1979-80 selling season.

Background

The 5% levy was introduced at the inception of the floor price scheme for wool on 2 September 1974 to provide a fund for meeting any operating losses on the floor price scheme. Originally both the scheme and the levy were to operate for one season only. Their operation was extended successively to each of the subsequent four seasons and the present statutory provisions for the payment of the levy expire on 30 June 1979. If there is to be no interruption in the collection of the levy, the statutory provisions under which the levy is imposed must be amended before 30 June. The Wool Industry Act 1972 is to be amended at the same time to extend the financing and accounting provisions of the floor price scheme for another year. (See Digests on the Wool Industry Amendment Bills for 1977, 1978 and 1979). For administrative convenience the special levy of 5% is collected in conjunction with the 3% levy that represents wool grower contributions towards the financing of programs of wool research and promotion and the administration of the marketing functions of the Australian Wool Corporation. The 3% levy is continuing and hence does not have to be provided for each year with specific legislation. The present total levy of 8% has been in force since August 1975 and in 1978-79 is estimated to raise $56.5m from the 5% levy and $33.9m from the 3% levy.

Each of the 5 Wool Tax Acts 1964 covers a different method of selling wool because of a constitutional requirement that laws imposing taxes should deal with one subject of taxation only. The 5 Wool Tax Bills that amend the 5 Acts are all similar in their text. The Digests on
the Wool Tax Amendment Bills for 1977 and 1978 give further detail of the types of wool covered by each Act.

Provisions

Clause 3 of each of the 5 Bills amends section 5 of each corresponding Wool Tax Act (Nos. 1-5) 1964, to provide for the application of the 5% levy between 1 July 1979 and 30 June 1980. This will effectively extend by one year the arrangement whereby woolgrowers pay 5% of the gross sale value of their shorn wool sold, to the Market Support Fund.

Finance, Industries, Trade & Development Group

LEGISLATIVE RESEARCH SERVICE

28 March 1979