LEGISLATIVE RESEARCH SERVICE
DEPARTMENT OF THE PARLIAMENTARY LIBRARY

WOOL INDUSTRY AMENDMENT BILL 1986

Date introduced: 12 February 1986
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

DIGEST OF BILL

Purpose

To establish the Wool Research and Development Council (the Council) and to implement changes to the organisation, funding and administration of wool research.

Background

Wool accounts for almost 10% of Australia's exports. In 1984/85 the price of wool rose and the price for finer wool continues to break records. Shorn wool production for the year 1984/85 was the highest for ten years and the amount of wool handled by the Australian Wool Corporation's Wool Marketing Service increased by almost 45%. The strength of demand for wool both at manufacturing and retail levels, especially from China, United States and Japan, continues to be a major factor in the increase of wool prices.[1]

The Wool Industry Act 1972 (the Principal Act) established the Australian Wool Corporation (the Corporation). The functions of the Corporation include the sponsorship and co-ordination of wool research and development. The Corporation also makes recommendations for expenditure from the Wool Research Trust Fund (the Fund).

Woolgrowers contribute 0.5% of their gross value of production to the Fund, which amounted to $12.3 million in 1984/85. In addition, the Australian Government contributed $11.7 million to wool research which, together with amounts from other sources, such as interest on reserve investments, provided an income of $30 million for possible expenditure during 1984/85.[2]
181 research projects were supported during 1984/85 at a cost of $3.8 million. As well, a direct grant of $5 million was made to the CSIRO to assist wool production research.[3] Under the direction of the Corporation, research funds have been channelled into four main areas, namely: harvesting, measurement and distribution, textile use and the economics of the industry.

In 1984/85 approximately $2.1 million from the Fund was devoted to wool harvesting research. Research in this category has mainly been into automated shearing, with the development of a new shearing robot, and biological defleecing.

In 1984/85 expenditure on measurement and distribution totalled approximately $1.7 million. Already the results of research in this area have been implemented in the form of a CSIRO-designed automatic system for measuring staple length and strength.

Textile research received $6.9 million from the Fund in 1984/85, with most of this amount being directed to three of the CSIRO Wool Textile Divisions. The CSIRO developed a Single End Yarn Applicator for application of fancy colouration effects and special finishes. Further research is being conducted in this area into the factors which influence the physiological and comfort properties of apparel fabrics.

Finally, some $580 000 was spent from the Fund on economic research which is designed to improve the economic efficiency of all stages of production, processing and marketing of wool.[4]

Main Provisions

Part VI of the Principal Act which deals with Wool Research, is to be repealed by clause 16 and replaced by a new Part V headed 'Wool Research and Development'. Proposed Division 3 of the new Part will establish the Council. The Council's functions will include preparing wool research and development plans and making recommendations to the Corporation concerning the funding of wool research activities. It will also ensure that activities listed in the annual operational plan are carried out in an efficient manner and will report to the Corporation on these activities (proposed section 51).
The Bill provides for the Council, which will consist of nine members (proposed section 63), to prepare five year research and development plans (proposed section 55). Such plans will define the principal objectives of the Corporation and the Council in relation to research and development (proposed section 55(1)). The Bill provides for the plan to be submitted to the Minister for agreement (proposed section 56) and allows the Minister to request variations to the plan (proposed section 58). In addition to the five year plan the Council will be required to produce an annual operational plan. This plan will describe the particular activities which the Council considers should be funded by the Corporation. It will include estimates of the maximum financial contribution which the Corporation should make for each of these activities in the year to which the plan relates (proposed section 60).

The Council will be required to prepare an annual report (proposed section 71).

The Wool Research Trust Fund will be replaced by a Research and Development Fund (proposed section 52). The R and D Fund's income will principally consist of a percentage of the monies raised through the Wool Tax Acts and the Commonwealth's matching contribution up to a limit of 0.5% of the gross value of wool production (proposed section 53).

Other amendments proposed by the Bill include:

- that members of the Corporation should not normally serve beyond 65 years of age (clause 6 which amends section 8 of the Principal Act);
- that the renumeration and allowances payable to members of committees established by the Corporation be on the same basis as payment to members of the Corporation (clause 10 which amends section 21 of the Principal Act);
- that section 42Z of the Principal Act be amended to allow the Minister to appoint an independent arbitrator where the relevant parties cannot reach agreement on the renumeration for persons involved in making refunds to woolgrowers from the Market Support Fund (clause 15); and
References

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9 April 1986

Economics and Commerce Group.

For further information, if required, contact the

industry.

specifically for the benefit of the wool

the sale of wool stores must be used

Principal Act to state that the proceeds from

Clause 17 will amend sub-section 76(3) of the

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