
1990

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BEEF PRODUCTION LEVY BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary
Industries and Energy, the Honourable John Kerin MP)

BEEF PRODUCTION LEVY BILL 1990OUTLINE

The Beef Production Levy Bill imposes a levy on the production of beef, on a cents per kilogram basis of the carcase weight. The levy will, in combination with the levy imposed by the Cattle Transaction Levy Bill 1990, replace the levy imposed on the slaughter of cattle imposed under the Live-stock Slaughter Levy Act 1964. The new levy is part of a package of revised arrangements for cattle and beef industry levies and export charge developed by the industry.

Moneys raised from the levy will be used for funding of the Australian Meat and Live-stock Corporation and Australian Meat and Live-stock Research and Development Corporation. The levy consists of two components, one for each of these Corporations.

The revised levy and export charge arrangements are designed to provide a more visible and equitable division of levy and charge payments between industry sectors by clarifying the relative contributions paid by each sector.

The initial rates of levy are set out in the legislation but they may be varied by regulation, within maxima set in the Bill, on the recommendation of the appropriate Corporation following the approval of that recommendation by the annual general meeting of the industry.

FINANCIAL IMPACT STATEMENT

The rate of levy imposed under this Bill will, in combination with the levies imposed by the Cattle Transaction Levy Bill 1990 and the Cattle Export Charge Bill 1990, yield revenue approximately equal to that which would be yielded by the current rates of levy and charge imposed on cattle, calves and bobby calves under the Live-stock Slaughter Levy Act 1964 and the Live-stock Export Charge Act 1977.

Since the introduction of cost recovery for levy and charge collection in 1988 the Commonwealth is reimbursed for expenses incurred. Consequently there will be no net effect to revenue in the implementation of this legislation.

NOTES ON CLAUSES

Clause 1: Short title

1. The Act will be called the Beef Production Levy Act 1990.

Clause 2: Commencement

2. Provides for commencement of the legislation on 1 January 1991.

Clause 3: Collection Act to be read with this Act

3. Provides that the Cattle and Beef Levy Collection Bill 1990 is to be read as one with this Act.

Clause 4: Interpretation

4. Lists definitions of terms used in the Act.

Clause 5: Imposition of levy

5. Imposes a levy on the slaughter at an abattoir of cattle for human consumption. Levy is not imposed on a carcass which is condemned or rejected as unfit for human consumption.

Clause 6: Rate of levy on slaughter of cattle

6. Subclause 6(1) specifies the initial operative rates of levy imposed and the maximum rates that can be imposed by regulation on the slaughter of cattle, on a per kilogram rate of the carcass weight. Separate components are provided for funding of the Australian Meat and Live-stock Corporation and Australian Meat and Live-stock Research and Development Corporation.

7. Subclause 6(2) provides that for the calculation of the levy, the weight of the carcass is its hot carcass weight.

8. Subclause 6(3) provides that where an abattoir is not able to determine the weight of a carcass, the weight is taken to be 240 kilograms.

9. Subclause 6(4) provides a mechanism whereby the Minister, after consultation with the Australian Meat and Live-stock Industry Policy Council, may set the rate of this levy and the levy imposed under the Cattle Transaction Levy Bill 1990 at zero, and reinstate the levy imposed under the Live-stock Slaughter Levy Act 1964 at the rate operative at 31 December 1990 should this scheme not be operating in a satisfactory manner.

Clause 7: By whom levy payable

10. Provides that the levy is payable by the owner of the carcase immediately after its hot carcase weight is determined or taken to be determined.

Clause 8: Regulations

11. Subclause 8(1) provides for the Governor-General to make regulations in respect of this Act.

12. Subclauses 8(2), (4) and (5) provide for the making of regulations to vary the rate of levy for the purpose of funding the Australian Meat and Live-stock Corporation. The Corporation may not make a recommendation to the Minister in relation to the rate of levy unless the recommendation has been passed by the industry annual general meeting and the Corporation must provide the Minister with details of the voting in writing.

13. Subclauses 8(3), (6) and (7) provide for the making of regulations to vary the rate of levy for the purpose of funding the Australian Meat and Live-stock Research and Development Corporation. The Research and Development Corporation may not make a recommendation to the Minister in relation to the rate of levy unless the recommendation has been passed by the industry annual general meeting and the Research and Development Corporation must provide the Minister with details of the voting in writing.

