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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
COARSE GRAINS LEVY AMENDMENT BILL 1994

HOUSE OF REPRESENTATIVES

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary  
Industries and Energy, Senator the Hon Bob Collins)

COARSE GRAINS LEVY AMENDMENT BILL 1994GENERAL OUTLINE

1. This Bill provides for amendments to the Coarse Grains Levy Act 1992 (the Act) to change the basis on which research levies are imposed on barley and triticale from a flat rate per tonne to an ad valorem rate. Research levies for oats, cereal rye, sorghum, maize, millet and canary seed are already collected on an ad valorem basis under the Act. Levy revenue attracts matching Commonwealth contributions and is used to fund research programs for these grains administered by the Grains Research and Development Corporation (GRDC).

2. Presently, levies are paid on the basis of flat rates per tonne as recommended by the Grains Council of Australia (GCA) and the Triticale Grain Association of Australia (TGAA) which are the prescribed grower organisations for barley and triticale respectively. The ad valorem levies proposed would ensure that growers' contributions to research are proportional to their net returns from the relevant crop. Maximum and operative ad valorem levy rates are specified in the Bill with provision for the operative rate to be changed by regulation on the recommendation of the growers' organisations. The maximum rate may only be changed by Parliament amending the Act. The GCA and TGAA have recommended an initial operative levy rate of 1 per cent of the net farm gate value and a maximum rate of 5 per cent for both grains.

3. In line with the change from a specific rate to an ad valorem basis, any exemptions applying will now be expressed in value terms and all references to leviable weight have been omitted from the legislation.

4. This Bill will also effect a minor amendment to the Act which will avoid confusion that has been occurring amongst some levy payers regarding their liabilities in respect of oats and rye harvested prior to 1 October 1992 but delivered or processed after that date.

FINANCIAL IMPACT STATEMENT

5. The change to ad valorem based levies is not expected to result in any significant change in the Commonwealth's dollar-for-dollar matching contributions in relation to barley and triticale as current specific levy rates were set at the equivalent of 1 per cent of net farm gate value.

NOTES ON INDIVIDUAL CLAUSES

Clause 1 : Short title

6. Provides for this Bill to be cited as the Coarse Grains Levy Amendment Act 1994.

Clause 2 : Commencement

7. Those clauses not specifically effecting the change from specific rates to an ad valorem basis will commence on the date of Royal Assent. Others will commence on 1 October 1994, if possible, or if the amending legislation is not effective by that date, 1 October 1995.

Clause 3 : Interpretation

8. Clause 3 omits the definition of 'leviable weight' from section 3 of the Coarse Grains Levy Act 1992 (the Principal Act).

Clause 4 : Imposition of levy

9. Clause 4 amends section 9 of the Principal Act to ensure that only oats and cereal rye produced after 1 October 1992 is leviable.

Clause 5 : Repeal of section

10. Clause 5 repeals section 10 of the Principal Act which specifies the rates of levy for barley and triticale on a specific rate basis.

Clause 6 : Rates of levy

11. Clause 6 amends section 11 of the Principal Act to include operative rates of levy for barley and triticale of 1% of the value of the grain and maximum rates of levy of 5% of the value of the grain.

Clause 7 : Repeal of section

12. Clause 7 repeals section 14 of the Principal Act which provides for exemptions from the levy under a certain leviable weight.

Clause 8 : Regulations

13. Clause 8 amends section 15(2)(a) and (c) of the Principal Act to omit regulation making powers relating to leviable weight and rate of levy on a specific rate basis.

