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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CATTLE TRANSACTIONS LEVY BILL 1997

EXPLANATORY MEMORANDUM

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

CATTLE TRANSACTION LEVY BILL 1997

## CATTLE TRANSACTIONS LEVY BILL 1997

### GENERAL OUTLINE

1. The purpose of this Bill is to provide for the imposition of a levy on transactions and other dealings involving cattle and leviable bobby calves. The Bill will replace provisions for the imposition of the levy contained in the *Cattle Transaction Levy Act 1995* (which is being repealed) and will not impose any new or additional levies. The Bill is one of a package of Bills which will give effect to the Governments' decision on meat and live-stock industry reform.
2. The levy payments are to support the cattle producers' contribution to the new declared marketing and research bodies, and also to provide continued funding to the National Cattle Disease Eradication Account (NCDEA) and the Australian Animal Health Council (AAHC) Limited.
3. Under the Bill, levy is imposed on the transfer of ownership of cattle or leviable bobby calves, or on their delivery to a processor (other than for sale to the processor); or on slaughter of the cattle by a processor (provided the cattle have been held for more than sixty days from the date of purchase); or on their slaughter by a processor where a levy has not otherwise been payable.
4. The Act also specifies where exemption from levy occurs, which includes the sale of dairy cattle; sale of cattle at auction to the vendor; sale or delivery of cattle between related companies and certain cases of delivery of cattle to a processor for slaughter. The Bill also allows for exemptions including concessional rates of levy to apply in such other circumstances as are prescribed by regulation. The levy will be collected under the provisions of the *Primary Industries Levies and Charges Collection Act 1991*.
5. The Bill provides for the continuation of the current operational and maximum levy rates for cattle and bobby calves. The Bill also provides for a separate Lot Fed cattle component, which allows for clearer definition of industry sectoral contributions, but does not increase actual or potential levy collections.
6. The Bill allows for the operational levy rate payable to be increased or decreased by regulations. Where a body has been declared by the Minister to be the representative body for the cattle industry for a component of the levy, regulations changing that component may only be made after considering recommendations made to the Minister by that body. While the operational rates of levy may be varied by regulation, they cannot be increased beyond the maximum rate for each

component set in the Bill. The maximum rate cannot be varied by regulation but only by primary legislation.

7. The regulatory impact consequences for this Bill are not considered to be significant and have been covered in the Explanatory Memorandum prepared for the *Australian Meat and Live-stock Industry Bill 1997*.

#### **FINANCIAL IMPACT STATEMENT**

8. The intent of the Bill is to provide a new legislative basis for the imposition of a cattle transaction levy following the repeal of the *Cattle Transaction Levy Act 1995*. The Bill will therefore have no financial impact on either Government or the cattle industry.

## **NOTES ON CLAUSES**

### **Clause 1 - Short Title**

9. This clause provides for the Act to be called the *Cattle Transactions Levy Act 1997*.

### **Clause 2 - Commencement**

10. This clause provides for the Act to come into effect on the same day as Part 3 of the *Australian Meat and Live-stock Industry Act 1997* commences, which will also be the day on which the *Cattle Transaction Levy Act 1995* will be repealed under the provisions of the *Australian Meat and Live-stock Industry (Repeals and Consequential Provisions) Act 1997*.

### **Clause 3 - Definitions**

11. This clause provides definitions that will assist in the interpretation of the Act.

### **Clause 4 - Determining the weight of a carcass**

12. This clause specifies conditions related to weighing a carcass necessary in determining whether or not an animal is a bobby calf.

### **Clause 5 - Related companies**

13. This clause provides that whether companies are or are not related will be determined in the same way that these matters are determined under Corporations Law.

### **Clause 6 - Imposition of levy**

14. This clause provides for the imposition of a levy on four types of transaction and specifies cases where a levy is not imposed. It provides for exemptions and concessional rates of levy to apply in such other circumstances as are prescribed by regulation. The clause also defines exempt dairy cattle transactions, and the conditions for levy payment in cases where cattle are held by a processor for fattening or agistment.

### **Clause 7 - Rate of levy**

15. This clause sets the operational and maximum levy rates payable on each head of cattle, bobby calf, or lot fed cattle for the specified purposes. The operational levy rate may be increased or decreased by regulation, provided the proposed amount of levy does not exceed the maximum rate. The maximum rate can only be changed through legislation.

16. The reason for allowing the operational rate to be changed by regulation is to avoid imposing an unreasonable burden on the Parliament as the operational rate is open to frequent changes. In addition, delays in amending legislation can hamper industry programs. Any changes to operational rates can only be made on the agreement of the prescribed industry organisation following full consultation with industry.

#### **Clause 8 - Who pays the levy**

17. This clause defines who is liable to pay the levy. Where the levy is imposed on transactions involving a change of ownership, or on delivery (not sale) of cattle to a processor, the levy is payable by the owner of the cattle immediately prior to transaction or delivery respectively. Where levy is imposed on the slaughter by a processor of cattle, levy is payable by the owner of the cattle at the time of slaughter.

#### **Clause 9 - Regulations**

18. This clause provides for the making of regulations that are authorised by the Act or needed to allow the Act to operate. It also empowers the Minister to declare a body or bodies as the representative body for the industry for the purpose of making recommendations to the Minister on the operational levy rates to be prescribed by the regulations.
19. To make such a declaration, the Minister must publish a written notice in the Gazette.
20. This clause also limits the power of the Governor-General to make regulations prescribing the operational levy rate payable. If a declaration is in place, the Governor-General may only exercise this power when acting on the advice of the Executive Council, following its consideration of recommendations made to the Minister by a body or bodies declared to be the body representing the industry for that component of the levy.

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