

1985

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

DAIRYING INDUSTRY RESEARCH
AND PROMOTION LEVY AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Primary Industry,
The Hon John Kerin, MP)

OUTLINE

DAIRYING INDUSTRY RESEARCH AND PROMOTION LEVY AMENDMENT BILL 1985

This Bill amends the Dairying Industry Research and Promotion Levy Act 1972 which imposes a levy on milk and butterfat production. The Act provides for levy to fund the dairy research program, for promotion and to finance operations of the Australian Dairy Corporation. The present Bill is confined to the research aspect. The Bill increases the maximum rate of levy, for research purposes, that can be applied on whole milk from 1.2 cents per 100 litres to 10 cents per 100 litres and on butterfat from 30 cents per 100 kilograms to \$2.50 per 100 kilograms. These are alternative methods of applying the levy.

The Bill enables the industry to meet the Government objective of raising its contribution to research progressively over a five year period up to 0.5 per cent of the gross value of production (GVP).

- . The maximum rates of levy for research contained in the Bill represent about 0.5 per cent of GVP.
- . Operative rates of levy for research purposes are prescribed by regulation.

No additional Budgetary expenditure requirement will result in 1985/86 from the amendments. The Australian Dairy Research Committee has proposed an increase to 2 cents per 100 litres of whole milk and 50 cents per 100 kilograms butterfat for the operative rate of research levy in 1985/86, which would apply soon after the maximum rates are incorporated in the Act. This would result in an increase in Budget revenue in this year.

There will be no increase in budgetary outlays for the Commonwealth in 1985/86 because the 1985/86 Government contribution to the dairy research program has been approved already. The amount of extra levy collected in 1985/86 will be accumulated for expenditure early in 1986/87 when that and future annual research budgets are expected to provide for higher matching contributions from the Government.

DAIRYING INDUSTRY RESEARCH AND
PROMOTION LEVY AMENDMENT BILL 1985

NOTES ON CLAUSES

NO. OF
CLAUSE

EXPLANATION

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| 1. | Provides mode of citation of Act. |
| 2. | Provides that the Act will come into effect on the day it receives Royal Assent. |
| 3. | Increases the maximum amount of levy for research purposes that is payable on wholemilk to 10 cents per 100 litres. |
| 4. | Provides for an alternative equivalent increase in the maximum amount of levy for research purposes, payable on butterfat, to \$2.50 per 100 kilograms of butterfat. |