

1989

HOUSE OF REPRESENTATIVES

EXPORT INSPECTION (QUANTITY CHARGE)

AMENDMENT BILL 1989

EXPLANATORY MEMORANDUM

(circulated by authority of the Minister for Primary Industries  
and Energy The Hon John Kerin, MP)

## EXPORT INSPECTION (QUANTITY CHARGE) AMENDMENT BILL 1989

OUTLINE

The Bill amends the Export Inspection (Quantity Charge) Act 1985 (the Principal Act) to revise the maximum levels of charge which can be set by the regulations for several prescribed commodities and exclude certain other commodities from any imposition of a quantity charge. The amendments will allow appropriate levels of charge to be set for effective recovery of costs for export inspection of dairy produce and grain. The exclusion of quantity charge on certain commodities results from the Government's move towards recovery of costs on the more efficient and equitable basis of inspection time used rather than volume of commodity exported.

Amendments to the Export Inspection (Quantity Charge) Act

2. Section 6 of the Principal Act provides that subject to that section a charge is imposed on a prescribed commodity in respect of which an export permit is granted. Subsection 6(1E) lists commodities in respect of which a quantity charge cannot be imposed. Subsection 7(1) of the Principal Act provides that subject to section 7, the rate of charge (if any) in respect of a prescribed commodity is that set by the regulations. Subsection 7(3) establishes maximum allowable rates of charge in respect of certain commodities.

3. The Bill excludes eight commodity items from quantity charge liability by including those items on the list in subsection 6(1E) of the Principal Act, and as a consequence removes from subsection 7(3) those paragraphs, specifying maximum allowable rates of charge, for those items. The maximum allowable rates of charge for dairy produce and various grains have been increased.

Financial Impact Statement

4. The Bill introduces into the Principal Act provisions to allow for recovery of costs incurred by the Government in providing inspection services for those commodities for which it is more efficient to charge on the basis of quantity. This will more closely reflect the Government's current policy to recover 60% of the cost of the provision of inspection services for agricultural export commodities.

5. The Bill will have some impact, after the making of appropriate regulations, on the inspection costs in respect of bulk grain shipments. Industry has been aware of these proposed changes for some time. While the maximum allowable rate of charge will be made substantially higher by the Bill, regulations made under the Act will only impose those charges which most closely and equitably reflect the Government's cost recovery policy. The overall cost impact on industry and on the recovery of costs to the Commonwealth will be minor.

## NOTES ON CLAUSES

### Clause 1 - Short Title

6. Subclause 1(1) gives the name of the amending Act. Subclause 1(2) identifies the Act being amended as the Export Inspection (Quantity Charge) Act 1985 to be referred to in the amending Act as the "Principal Act".

### Clause 2 - Imposition of Charge

7. Section 6 of the Principal Act is amended by adding eggs, fruit (other than dried fruit), fruit juice, fruit products, fish, vegetables, vegetable juice and vegetable products to subsection 6(1E) of the Principal Act which prevents quantity charge being imposed in respect of commodities listed in that subsection.

### Clause 3 - Rates of Charge

8. This clause amends subsection 7(3) of the Principal Act to increase the maximum allowable rates of charge for dairy produce (from \$5 to \$10 per tonne), for grain that is shipped for export in bulk otherwise than in a container system unit (from 33 cents to \$1 per tonne), for grain that is shipped for export in bags otherwise than in a container system unit (from 40 cents to \$1 per tonne), and for grain that is shipped for export in a container system unit (from \$1.46 to \$5 per tonne).

9. As a consequence of the amendments to Section 6 of the Principal Act the clause also removes from subsection 7(3) those paragraphs, specifying maximum allowable rates of charge, for eggs in the shell (paragraph (b)), eggs other than eggs in the shell (paragraph (c)), fruit other than dried fruit (paragraph (e)), fruit juice (paragraph (f)), oysters in the shell or half shell (paragraph (g)), fish other than oysters in the shell or half shell (paragraph (h)), vegetables (paragraph (n)), and vegetable juice (paragraph (o)).