

1992

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES
OILSEEDS LEVY AMENDMENT BILL 1992

EXPLANATORY MEMORANDUM

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



OILSEEDS LEVY AMENDMENT BILL 1992GENERAL OUTLINE

This Bill provides for amendments to the Oilseeds Levy Act 1985 to allow the basis on which research levies are imposed on specified oilseeds, to be changed from a flat rate per tonne to an ad valorem rate. Levy revenue attracts matching Commonwealth contributions and is used to fund grain legumes research programs. The funding program is administered by the Grains Research and Development Corporation (GRDC).

Presently, levies are paid on the basis of flat rates per tonne as recommended by the Grains Council of Australia (GCA) which is the prescribed grower organisation. The rate is the same for all oilseeds. Maximum and operative ad valorem levy rates are specified in the Bill with provision for the operative rate to be increased by regulation on the recommendation of the GCA. Thus, the maximum rate may only be increased by Parliament amending the Act. The GCA has recommended an initial operative levy rate of 1 per cent of the net farm gate value and a maximum rate of 3 per cent. This rate will apply uniformly to all leviable oilseeds produced in Australia and will be payable when the oilseed is delivered for processing. Oilseeds retained by the producer for on-farm use, whether processed or not, will be exempt from the levy. Levy will not be payable where the amount of levy, which would otherwise be payable, is less than fifty dollars.

Regulations under the Primary Industries Levies and Charges Collection Act 1991 provide for the collection of the levies while regulations under the Primary Industries and Energy Research and Development Act 1989 attach the levies to the GRDC to enable them to administer the funds.

FINANCIAL IMPACT STATEMENT

Commonwealth liability for matching receipts from the ad valorem levy will commence on 1 October 1992 which is the start of the first quarterly collection period for the 1992/93 season. The Commonwealth contribution is paid on receipt of claims by the GRDC for expenditure incurred. At the rate of levy proposed, the Commonwealth's liability in respect of oilseeds is expected to increase in 1992/93 compared with 1991/92 depending on price trends for oilseeds.

NOTES ON INDIVIDUAL CLAUSES

Clause 1 : Short title

1. Provides for this Bill to be cited as the Oilseeds Levy Amendment Act 1992.

Clause 2 : Commencement

2. Provides for the Act to commence on 1 October 1992.

Clause 3 : Interpretation

3. Clause 3 omits the definition of 'exempt weight' from section 4 of the Oilseeds Levy Act 1977 (the Principal Act) and substitutes a definition for 'leviable amount'. It also adds a definition for 'value' to the same section.

Clause 4 : Rate of levy

4. Clause 4 changes the basis of assessment of the levy under section 6 of the Principal Act by establishing an operative levy rate of 1 per cent of the value of the leviable oilseeds. It also provides that the operative rate may be changed by regulation up to a maximum of 3 per cent of the value of the leviable oilseeds.

Clause 5 : Exemption from levy

5. Clause 5 provides for exemptions from the levy under section 8 of the Principal Act.
6. Section 8(1) provides for exemptions from the levy for amounts of leviable oilseeds delivered to a particular person, where the amount of levy payable would be less than the leviable amount.
7. Section 8(2) provides exemption from the levy for leviable oilseeds, processed by or for the producer, which are used on the producer's farm.
8. Section 8(3) provides exemption from the levy for amounts of leviable oilseeds, produced and processed by a grower other than for on-farm use, where the amount of levy payable would be less than the leviable amount.

Clause 6 : Regulations

9. Clause 6 amends section 9(2)(a) of the Principal Act by omitting 'exempt weight' and substituting 'leviable amount'.