

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL 1994

EXPLANATORY MEMORANDUM

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

This memorandum takes account of amendments made by the
House of Representatives to the Bill as introduced

PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL 1994

OUTLINE

1. The purpose of this Bill is to amend the *Primary Industries Levies and Charges Collection Act 1991* and the *Beef Production Levy Act 1990*.
2. This Bill proposes to amend the *Beef Production Levy Act 1990* by introducing a conversion factor allowing the beef production levy to be calculated where only a cold carcase weight is available. Otherwise, a deemed carcase weight of 240 kilograms will continue to apply for levy calculation purposes. The Australian Meat and Livestock Industry Policy Council recommended that a conversion factor be incorporated into this Act to overcome the problem that some abattoir proprietors are being charged more levy through this mechanism than they should reasonably be paying.
3. The proposed amendment in this Bill with regard to the *Primary Industries Levies and Charges Collection Act 1991* is to clarify the intention that an agent, if involved in the sale of cattle, is responsible for collecting and forwarding the levy to the Commonwealth. The abattoir proprietor will only become responsible for collecting and forwarding the levy where an agent is not involved.
4. Penalties are also to be imposed in the *Primary Industries Levies and Charges Collection Act 1991* for offences relating to amendments in the *Beef Production Levy Act 1990* regarding the failure to use the hot carcase weight or the cold carcase weight when it is available.
5. This amendment also corrects an omission in the *Primary Industries Levies and Charges Collection Act 1991* regarding abattoir proprietors' ability to refuse to slaughter live-stock owned by another person unless funds for the payment of the Live-stock Slaughter Levy are first made available. The correction brings pigs within this provision, so that if pigs are to be slaughtered funds for the payment of the pig levy are first to be made available.

FINANCIAL IMPACT STATEMENT

6. There will be no financial implications for the Government in the implementation of this legislation.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Clause 1: Short title

7. The Act will be called the *Primary Industries Legislation Amendment Act 1994*.

Clause 2: Commencement

8. Subclause 2(a) provides for commencement of part 1 of the legislation on the day on which this Act receives Royal Assent.

9. Subclause 2(b) provides for commencement of parts 3 and 4 of the legislation on a day to be fixed by Proclamation, subject to subclause 2(c). The purpose of this is to allow sufficient time to advise levy payers of changes to levy and collection arrangements prior to their introduction.

10. Subclause 2(c) provides that if parts 3 and 4 have not commenced by Proclamation within six months of the day on which this Act receives Royal Assent then parts 3 and 4 commence on the first day of the next month.

PART 3 - AMENDMENTS OF THE BEEF PRODUCTION LEVY ACT 1990

Clause 6: Principal Act

11. This clause defines the **Principal Act**, for the purposes of part 3 of this Act, as the *Beef Production Levy Act 1990*.

Clause 7: Interpretation

12. Provides a definition for two new terms to be used in the Act. The definition of **cold carcass weight** is to be used to introduce a conversion factor to allow the beef production levy to be calculated only where the hot carcass weight is unavailable and the cold carcass weight is available.

13. The definition of **weighing period** is to be used to set a time limit for when weighing for levy calculation purposes.

Clause 8: Rate of levy on slaughter of cattle

14. Subclause 8(a) amends subsection 6(3) of the Principal Act to provide for circumstances where the hot carcass weight is not available for levy calculation purposes. The Act imposes a levy on the slaughter of cattle on a cents per kilogram basis of the hot carcass weight. Currently where the hot carcass weight of an animal is not available, a deemed weight of 240 kilograms is applied to determine the levy.

15. This amendment inserts a conversion factor to be used in the situation where an abattoir is unable to determine the hot carcase weight but is able to determine the cold carcase weight. The conversion factor of 1.03 allows for a weight reduction of three percent for the chilled or frozen meat and provides the hot carcase weight equivalent for levy calculation purposes. Where neither the hot carcase weight nor cold carcase weight is determined, a deemed carcase weight of 240 kilograms will continue to apply for levy calculation purposes.

16. Subclause 8(b) inserts at the end of section 6 of the Principal Act a note relating to offences provided under section 24A of the *Primary Industries Levies and Charges Collection Act 1991*. This section provides that where the hot carcase weight is available it must be used, and if an abattoir is unable to determine a hot carcase weight but is able to determine a cold carcase weight within the weighing period it must do so. Failing to comply with these requirements is deemed an offence.

Clause 9: Application

17. This clause provides for amendments made by clause 8 of this Act to apply to cattle slaughtered only after the commencement of that clause.

PART 4 - AMENDMENTS OF THE PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION ACT 1991

Clause 10: Principal Act

18. This clause defines the **Principal Act**, for the purposes of part 4 of this Act, as the *Primary Industries Levies and Charges Collection Act 1991*.

Clause 11: Interpretation

19. Subclause 11(a) amends the definition of **intermediary** used in Section 4 of the Principal Act. The amended definition is extended to include the importing agents (where appropriate), in addition to existing definition including the selling agent, the first purchaser or buying agent, the receiver of the product, the abattoir proprietor, and the exporting agent (where appropriate).

20. Subclause 11(b) amends the definition of **intermediary** used in the Principal Act. The amended definition makes it clear that a payment is made on behalf of the producer rather than the intermediary.

Clause 12: Liability of intermediaries

21. Paragraphs 12(1)(a) and 12(1)(b) amend subsections 7(1) and 7(2) of the Principal Act to be subject to subsection 7(2A) of that Act.

22. Paragraph 12(1)(c) inserts subsection 7(2A) into the Principal Act. This new subsection will provide that where an agent is involved in the sale of cattle to an abattoir proprietor or facilitates the sale of cattle on an "over-the-hooks" basis, the agent rather than the abattoir proprietor will be responsible for collecting and forwarding to the Commonwealth the levy imposed by the *Cattle Transaction Levy Act 1990*.

23. Subclause 12(2) provides for amendments made by subclause 12(1) to apply to levy imposed after the commencement of part 4 of this Act.

Clause 13: Liability of intermediaries - ancillary provisions

24. Subclauses 13(a) and 13(b) amend subsection 8(3) of the Principal Act to provide for pigs to be included in the subsection. This will allow an abattoir proprietor to refuse to slaughter pigs owned by another person unless the person first provides the funds necessary for the payment of any levy that would accrue on that slaughter.

Clause 14: Insertion of new section 24A

25. This clause inserts a new section into the Principal Act defining offences applying to cattle slaughtered at an abattoir when the slaughter is leviable under provisions of the *Beef Production Levy Act 1990*. This section provides that where the hot carcase weight is available it must be used. If an abattoir is unable to determine a hot carcase weight but is able to determine a cold carcase weight within the weighing period it must do so. Failing to comply with these requirements is deemed an offence which is punishable with a fine not exceeding 60 penalty units.

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