

ARTHUR ROBINSON & HEDDERWICKS
LIBRARY

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT BILL

1994

EXPLANATORY MEMORANDUM

(circulated by authority of the Minister for Primary Industries and Energy
Senator the Hon. Bob Collins)

**PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT BILL
1994**

OUTLINE

1. The purpose of this Bill is to amend the Primary Industries Levies and Charges Collection Act 1991 to give effect to amendments to the Horticultural Levy Act 1987 which broaden the basis for levy collection to give horticultural industries greater flexibility in choosing a levy basis appropriate to their needs.
2. The Bill amends the definition of producer to include the producer of a product presumed to be produced. This will enable levy to be collected under the Horticultural Levy Act 1987 on a presumed level of production of a horticultural product. For example the number of trees under cultivation may assist in determining the presumed yield of the leviable horticultural product.
3. Liability to pay levy on leviable products will arise when a producer of products presumed to be produced in Australia purchases certain prescribed goods for use in the production of those products. The seller of the prescribed goods will collect the levy from the producer. This should reduce levy collection costs because levy will be collected early in the production chain, and reduce the involvement of agents and first purchasers in levy collection.

FINANCIAL IMPACT STATEMENT

4. The amendments proposed in this Bill will not directly affect Government expenditure. The proposed amendments by broadening the definition of producer may encourage additional horticultural industries to become levy paying members of the Australian Horticultural Corporation and the Horticultural Research and Development Corporation (HRDC). The Government has a commitment to match levy contributions to the HRDC up to a maximum level of 0.5% of the gross value of production of the industry.
5. The draft amendments will have no staffing implications for the Department of Primary Industries and Energy.

NOTES ON INDIVIDUAL CLAUSES

Clause 1: Short Title

6. This clause provides for the Act to be called the Primary Industries Levies and Charges Collection Amendment Act 1994.

Clause 2: Commencement

7. Clause 2 provides for sections 1,2,3 and 4 to commence on the day on which the Horticultural Levy Amendment Act 1994 commences. Section 5, which corrects a drafting error in the original legislation, is taken to have commenced on 1 July 1991.

Clause 3: Definitions

8. This clause inserts a new definition of "producer" to include the person who would be taken to be the grower of the product presumed to be produced.

9. Paragraph 1(b) of this clause extends the definition of "prescribed goods and services", in the "Principal Act" to include goods identified by the regulations as goods used in the production of those products which will for the purpose of the imposition of the levy, presumed to have been produced in Australia.

10. Subclause (2) provides a saving provision concerning the definition of prescribed goods and services which was in force immediately before the repeal and remaking of that definition.

Clause 4: Liabilities of sellers of prescribed goods and services

11. This clause amends section 9 of the "Principal Act" to make a person who purchases prescribed goods for use in the production of leviable products (ie the producer), liable to pay the seller of those goods an amount equal to the levy payable on the presumed production of products of that kind. The producer will also be liable to pay an amount equal to the amount of any penalty payable by the producer in relation to levy not paid at the time of a previous purchase of such prescribed goods. For example, if a producer purchases fruit trees, levy may be collected on presumed production at that time.

12. A new subsection 3(A) is inserted so that a person is freed from liability to pay levy on prescribed goods if he or she informs the person selling those goods, in writing, that he or she does not intend to use those goods in producing leviable products. Where no such undertaking is given levy liability remains.

13. A new subsection 4(A) is inserted to provide that a person is discharged from liability to pay levy on the presumed production of collection products (to the extent of levy only) when a payment is made to a seller of prescribed goods for use in the production of leviable products. The liability of the seller is not affected.

Clause 5: Refund of levy, charge etc

14. This clause rectifies a drafting error in the original legislation by replacing the words "subsection 9" with "section 9" in section 18 of the "Principal Act".

