

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

SUGAR CANE LEVY BILL 1987

EXPLANATORY MEMORANDUM

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

## SUGAR CANE LEVY BILL 1987

### OUTLINE

The Sugar Cane Levy Bill and the Sugar Cane Levy Collection Bill are similar in content to Research Acts already in operation for other rural industries such as grain legumes and cotton. The legislation provides for the imposition and collection of a levy on growers and millers of sugar cane to finance the Research Scheme. The levy will be applied to sugar cane delivered and accepted by a raw sugar mill for milling on or after 1 June 1987.

The initial rate of the levy will be set at \$0.05/tonne with a provision for the rate to be varied to a maximum of \$0.10/tonne. The levy is to be paid 50 per cent by the grower and 50 per cent by the mill.

The Rural Industries Research Act 1985 established the administrative and organisational arrangements necessary for this scheme. The more important features of that legislation are

- a research scheme will be administered by a Research Council whose members will be selected by an independent Selection Committee comprising up to three members provided by the industry involved
- a research scheme will have clearly identified goals to be encompassed in a 5 year strategic plan which will be developed in consultation with the industry and approved by the Minister
- the Research Council through its Chairman, will be required to report annually to a meeting of industry representatives.

### Financial Impact Statement

If levy collections begin with the 1987 harvest, research expenditure under the scheme can begin in 1988-89. The Commonwealth will match expenditure of industry moneys from the Trust Fund \$ for \$ up to a limit of 0.5% of the average annual Gross Value of Production of raw sugar. The initial annual Commonwealth contribution will be about \$1.25 million.

The Commonwealth will meet half the costs of administering the Trust Fund, providing secretariat services, etc. The Commonwealth's share of these costs has been estimated at around \$25,000 for a full year.

## SUGAR CANE LEVY BILL 1987

### NOTES ON CLAUSES

#### Clause 1: Short Title

1. This clause provides the mode of citation of the Act.

#### Clause 2: Commencement

2. Clause 2 provides that the Act comes into operation when the Bill receives Royal Assent.

#### Clause 3: Acts to be read as one

3. The Sugar Cane Levy Collection Act 1987 is to be read as one with this Act.

#### Clause 4: Interpretation

4. This clause provides definitions and interpretations of various terms used in the Bill and clarification of liability for levy where ownership of cane passes from the grower to another person.

#### Clause 5: Act to bind Crown

5. Provides that Act binds the Crown in rights of States, Northern Territory and Norfolk Island.

#### Clause 6: Imposition of levy

6. Sub-clause 6(1) provides for a levy to be imposed on sugar cane produced in Australia on or after 1 June 1987.
7. Sub-clause 6(2) provides that levy is not payable on cane unless it is accepted for processing to produce raw sugar.

#### Clause 7: Rate of levy

8. The rate of levy to be imposed is to be set initially at \$0.05 /tonne but may be varied up to \$0.10 by way of regulation.

#### Clause 8: By whom levy payable

9. The levy is payable 50 per cent by the grower and 50 per cent by the mill or in such other percentage as may be varied by regulation.

Clause 9: Regulations

10. Sub-clause 9(1) provides that the Governor-General may make regulations necessary for the administration of the Act. It provides that before making regulations which alter the rate of the levy or the percentage payable by the grower or the miller the Governor-General is to take into consideration recommendations arising out of consultations between the Minister and the sugar industry organisations.