

1981

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Beef Industry (Incentive Payments)
Amendment Bill 1981

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary Industry,
the Hon. Peter Nixon, M.P.)

OUTLINE

The Amendment proposed to the Beef Industry (Incentive Payments) Act 1977 is designed to overcome an anomaly whereby payments to groups of producers with interrelated and similar claims could vary under the existing Act's provisions according to the order in which those claims were paid.

Advice from the Attorney-General's Department indicated that interrelated claims could only be assessed to provide the most beneficial result where such claims were assessed at the one time. Once any payment had been made, the order of consideration of interrelated claims, including the paid claim, could not be adjusted to achieve a more beneficial result. This interpretation differed from the practice used by the Department of Primary Industry whereby entitlements for interrelated claims had all been maximised.

Typical examples of the anomaly which arose involved claims where a partnership owned a herd and some or all of the partners owned other herds in their own right. A payment at the maximum (\$2000) to a partnership rendered each of the partners ineligible for any further payments. On the other hand, if individual partners were paid first for their own herds they could receive up to the maximum of \$2000 each and the partnership would still qualify for a payment so long as there was at least one member who had not received a maximum payment.

The amendment removes this anomaly by validating the procedure followed by the Department whereby payments made on a group of interrelated claims were maximised up to a limit of \$2000 per producer.

The amendment also provides for further payments to be made to a small number of claimants where the maximising principle has not been applied pending a Government decision on the method of assessment. Such claimants would be eligible for further payment to maximise their entitlement as allowed by the amendment. The amendment ensures that no previous payment will become an overpayment as a result of the amendment to the legal assessment criteria.

NO OF
CLAUSE

EXPLANATION

1. Citation.
2. (1) Sections 1, 2 and sub-sections 3(2), 3(3) shall come into operation on the date the Act receives the Royal Assent.
(2) Sub-section 3(1) shall be deemed to have come into operation on 10 November 1977.
3. (1) Provides for a new section 9A to be inserted in the Principal Act. Where the total amount payable for two or more claims would vary according to the order in which they would normally be expected to be paid (the order of receipt of claims) the section provides for such claims to be assessed together in a manner which maximises the total amount legally payable on such claims.
(2) Provides for further incentive payments to be made to claimants where claims have been paid under the terms of the original Principal Act and further payment(s) would be required to maximise entitlements under the Principal Act as amended by this Act.
(3) Ensures that no previous payment will become an overpayment requiring recoupment as a result of the amendment to the Principal Act in sub-section 3(1) of this amendment Act.

