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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BEEF PRODUCTION LEVY AMENDMENT BILL 1997

EXPLANATORY MEMORANDUM

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

BEEF PRODUCTION LEVY AMENDMENT BILL 1997

GENERAL OUTLINE

1. The purpose of this Bill is to amend the *Beef Production Levy Act 1990*. The Bill is one of a package of Bills which will give effect to the Government's decision on meat and live-stock industry reform.
2. The amendments will redirect slaughter levies, currently paid by the owners of cattle at the time of slaughter (processors), from the two statutory meat corporations, the Australian Meat and Live-stock Corporation (AMLC) and the Meat Research Corporation (MRC) to the new declared marketing and research bodies. The definition of the Meat Industry Council (MIC) is also repealed in line with the new arrangements whereby the MIC, AMLC and MRC will cease to exist.
3. The Bill also provides that regulations may be made to provide that no charge will be payable under the Act. This reflects undertakings by the processing sector to implement other non-statutory collection arrangements and participate with producers in common industry programs.
4. The processing sector will give agreement, prior to the proclamation of the Act, that the levy rate can be reinstated in the event of a clear failure of the co-operative arrangements.
5. The regulatory impact consequences for this Bill are not considered to be significant and have been covered in the Explanatory Memorandum prepared for the *Australian Meat and Live-stock Industry Bill 1997*.

FINANCIAL IMPACT STATEMENT

6. The intent of the Bill is to redirect current levies and will therefore have no financial impact on either Government or the cattle industry. The provision permitting no levy to be collected will significantly reduce costs in the processing sector when implemented.

NOTES ON CLAUSES**Clause 1 - Short Title**

7. This clause provides for the Act to be called the *Beef Production Levy Amendment Act 1997*.

Clause 2 - Commencement

8. This clause provides for the Act to come into effect on the same day as Part 3 of the *Australian Meat and Live-stock Industry Act 1997* commences.

Clause 3 - Schedule(s)

9. This clause provides that the Act specified in the Schedule (the *Beef Production Levy Act 1990*) is amended as specified in the Schedule.

SCHEDULE 1

AMENDMENT OF THE BEEF PRODUCTION LEVY ACT 1990

Item 1: Subsection 4(1) (definition of *Australian Meat and Live-stock Corporation*)

Item 2: Subsection 4(1)

Item 3: Subsection 4(1) (definition of *Meat Industry Council*)

Item 4: Subsection 4(1) (definition of *Meat Research Corporation*)

Item 5: Subsection 4(1)

10. These items repeal the *Beef Production Levy Act 1990* (the Act) definitions of the Australian Meat and Live-stock Corporation (AMLC), the Meat Research Corporation (MRC) and the Meat Industry Council (MIC). Under the new arrangements, new marketing and research bodies replace the authorities as levy recipient bodies, when declared under subsections 60(1) and 60(2) of the *Australian Meat and Live-stock Industry Act 1997*.

Item 6: After section 5

11. This item provides that regulations may be made to provide that no levy will be payable under the Act, and will further provide that if such a regulation is made, it will override any other relevant provisions of the Act during the period the regulation is in force. This reflects undertakings by the processing sector to implement other non-statutory collection arrangements and participate with producers in common industry programs.
12. It is anticipated that the processing sector will give agreement, prior to the proclamation of the Act or the making of regulations under this item, that the levy rate can be reinstated in the event of a clear failure of the co-operative arrangements.

Item 7: Paragraphs 6(1)(a), (b) and (c)

13. This item repeals paragraphs 6(1)(a), (b) and (c) which relate to the operative and maximum levy rates payable to the MIC, AMLC and MRC, which will cease to operate. It provides that these prescribed levies (within the stated maximums) will be directed to the new prescribed bodies.

Item 8: Subsections 8(2), (3) and (4)

14. This item repeals subsections 8(2), (3) and (4), which relate to the making of regulations on the advice of the MIC, as the MIC will no longer exist under the new arrangements. It also provides for the Minister to declare a body as the representative body for the industry

for the purpose of making recommendations to the Minister on the operational levy rates to be prescribed by the regulations.

15. To make such a declaration, the Minister must publish a written notice in the Gazette.
16. This item also limits the power of the Governor-General to make regulations prescribing the operational levy rate payable. If a declaration is in place, the Governor-General may only exercise this power when acting on the advice of the Executive Council, following its consideration of recommendations made to the Minister by a body declared to be the body representing the industry for that component of the levy.





