

1982

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Cotton Levy Bill 1982

Cotton Research Bill 1982

EXPLANATORY MEMORANDUM

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



OUTLINE

Since 1973 a voluntary research levy has been paid by cotton growers. The proceeds are disbursed by the Australian Cotton Growers' Research Association and enable additional cotton research to be carried out by the Commonwealth Scientific and Industrial Research Organisation, the New South Wales Department of Agriculture, the Queensland Department of Primary Industries and the Universities of Queensland and New England. In 1980-81 the voluntary levy was increased from 70 cents per bale (225 kg) to \$1 per bale (225 kg).

Australian cotton growers requested and the Government agreed to the establishment of a statutory research scheme for cotton similar to those operating for other rural industries.

The legislation provides for the establishment of a cotton research scheme financed by way of a levy on cotton production and a Commonwealth contribution matching expenditure of any moneys. It is intended that the levy will apply to cotton produced on or after 1 March 1983

Cotton Levy Bill 1982

The Cotton Levy Bill 1982 provides for the imposition of a levy on the production of cotton. The initial operative rate of levy has been set at \$1 per 225 kg with provision for it to be varied by regulation up to a maximum of \$3 per 225 kg. The grower is liable to pay the levy. For convenience the levy is collected from the processor of the leviable cotton.

Cotton Research Bill 1982

The Cotton Research Bill 1982 provides for the collection of the research levy imposed under the Cotton Levy Bill 1982. It also establishes a Cotton Research Trust Account in two parts into one of which is paid amounts equal to the amounts received by way of levy plus Commonwealth contributions. A separate account is established for the receipt of revenues other than the levy which are not matched by a Commonwealth contribution. A Cotton Research Committee will make recommendations to the Minister for payments out of either of the Accounts for national research purposes.



COTTON LEVY BILL 1982

NO. OF
CLAUSE

EXPLANATION

1. Citation
2. Commencement - on receipt of the Royal Assent
3. The Cotton Research Act is to be read as one with this Act
4. Interpretation - provides definitions of growers' organisation, leviable cotton, cotton seed etc.
5. Imposition of levy
 - (1) Levy is imposed on cotton produced on or after 1 March 1983
 - (2) Operative rate is \$1 per 225 kg but may be varied by regulation to maximum of \$3 per 225 kg. A bale of cotton has a nominal net weight of 225 kg
 - (3) Levy is payable by grower
6. Regulations
 - (1) Provides, as is customary, for the making of regulations necessary for the administration of the Act
 - (2) Before rate of levy may be varied by regulation any relevant recommendation to the Minister by the Australian Cotton Growers' Research Association must be taken into account.

COTTON RESEARCH BILL 1982

NO. OF
CLAUSE

EXPLANATION

1. Short title
2. Commencement - on same day as Cotton Levy Act 1982
3. Interpretation - provides definitions to be used in interpretation of Act
4. Act binds the Crown - ensures that statutory authorities, e.g. Cotton Marketing Board of Queensland, are subject to Act

PART II - COLLECTION OF LEVY

5. Time for payment of levy
Levy is payable 28 days after end of month in which leviable cotton is produced
6. Liability of processor
(1) (2) For administrative convenience processor is liable for payment to the Commonwealth of amounts equal to the levy and is authorised to deduct relevant amounts from payments to growers
7. Penalty for non-payment
(1) (2) A penalty of 10% per annum is imposed and must be paid in addition to the levy if the levy is not paid by the due date
(3) (4) Penalty may be remitted by the Minister or, if it does not exceed \$500, by a person authorised by the Minister
8. Recovery of levy and other payments
Facilitates legal action to recover amounts owing to the Commonwealth
9. Refund of levy
Enables the refund out of the Cotton Research Trust Account of amounts of levy or penalty paid in excess of what is due

PART III - COTTON RESEARCH TRUST ACCOUNT

10. Cotton Research Trust Account
Establishes a Cotton Research Trust Account (the Research Account)

11. Moneys to be paid into Research Account
- (1) Provides for payment into the Trust Account of
 - amounts received by way of levy or penalty
 - Commonwealth contributions, equated to expenditure from the Trust Account of industry moneys i.e. levy expenditure is matched \$ for \$ by the Commonwealth
 - extraneous payments, e.g. donations
 - proceeds of sale of assets purchased from Research Account moneys or goods produced in the course of research
 - interest on investment of Research Account moneys
 - (2) Provides that the Commonwealth's contributions to the Trust Account will not exceed aggregate levy payments
 - (3) Provides legal authority to appropriate from the Consolidated Revenue Fund amounts equal to levy collected and Commonwealth contributions
12. Separate accounts to be kept
- (1) Provides for a separate account to be kept within the Research Account to which is to be credited levy payments and the Commonwealth matching contribution
 - (2) A separate account is to be kept of the moneys in the Research Account representing penalties for late payment of levy, donations, revenue produced by research activities and interest on investments. These amounts are not matched by the Commonwealth
13. Application of moneys in Research Account
- (1) Subject to the approval of the Minister, expenditure from either of the two separate accounts may be made for research, expenses of the Cotton Research Committee, remuneration and allowances of members, their deputies and any adviser appointed by the Committee
 - (2) (a) The recommendation of the Committee is to be a prerequisite for Ministerial approval of expenditure from the Research Account
 - (2) (b) Research paid for from the Research Account is to be additional to and not in substitution for research normally undertaken by CSIRO or other research organisations

14. Agreements for carrying out research
- (1) Provides authority for agreements to be made in respect of research which is to be financed in whole or in part from the Research Account. Agreements may be entered into by the Minister or an officer authorised by him
 - (2) Provides that agreements may contain conditions as to use of research moneys or property acquired with such moneys, the application of any net income arising from research (sale of assets, patent royalties etc.) and payment to the Research Account of receipts from sale of assets etc.
15. Cotton Research Committee
- (1) Establishes a Cotton Research Committee
 - (2) Outlines the functions of the Committee in respect of its recommendations for research expenditure, agreements under Clause 14 and operation of the Act
16. Constitution of the Committee
- (1) Sets out the composition of the Cotton Research Committee as 10 members, including 5 to represent cotton growers
 - (2) Provides for the appointment of members by the Minister for periods of up to 3 years
 - (3) Members representing the State Departments are to be appointed on the nomination of the relevant Minister
 - (4) Members representing CSIRO and Universities are to be appointed on nomination of the organisation(s) concerned
 - (5)(6) Members representing growers are to be appointed from a list of names submitted to the Minister by the Australian Cotton Growers' Research Association; the Minister may call for additional names
 - (7) Enables the Minister to fill vacancies for the unexpired period of the member's term
 - (8) A defect or irregularity in the instrument of appointment of a member does not in itself invalidate the appointment
 - (9) A vacancy or vacancies does not impair the functioning of the Committee

17. Chairman of Committee
The member representing the Department of Primary Industry is to be Chairman of the Committee
18. Deputy Members
(1) (2) A member may appoint a deputy with the approval
(3) of the Minister and may revoke an appointment:
a deputy attending a meeting in place of a member is deemed to be the member
19. Removal and resignation
(1) (2) Provisions for termination of appointment of
(3) (4) members or deputies by the Minister are as customary in such legislation
- incapacity, incompetence or misbehaviour
- at request of the Minister of the Crown or the organisations which the member represents
- failure to disclose pecuniary interest
(5) (6) Members or deputies may resign
20. Remuneration and allowances
(1) (2) Customary provisions cover the payment of
(3) (4) remuneration to members and deputy members
(5) (other than Commonwealth or CSIRO officers) of the Committee as determined by the Remuneration Tribunal; and prescribed allowances
21. Disclosure of interest
(1) (2) Disclosure by a member or deputy of a pecuniary interest in matters discussed by the Committee and the recording of such interest is mandatory. Reflects usual Code of Conduct requirements
22. Meetings of Committee
(1) (2) Self explanatory provisions cover the
(3) (4) conduct of Committee meetings, the quorum,
(5) (6) and the role of the Chairman
23. Appointment of advisers
(1) (2) Provides for the appointment by the Committee of advisers and for payment of fees and allowances approved by Minister
24. Annual Report
(1) (2) The Committee is required to submit an annual report commencing with 1983-84 year

PART IV - MISCELLANEOUS

25. Power to call for returns
Empowers a person authorised by the Minister to call for information relevant to the operation of the Act
26. Access to premises
(1) (2) Customary provisions are made in respect
(3) (4) of levies payable to the Commonwealth,
(5) (6) covering: access, with the consent of the occupier, to premises by a person authorised by the Minister, authority to seek an entry warrant where the consent of the occupier is not given and penalties for obstruction of the authorised person in the exercise of his powers
27. Offences in relation to returns
(1) (2) Provision is made for penalties for failing to furnish returns or falsifying material in returns
28. Appointment of authorised persons
Provides for the Minister to appoint authorised persons to perform functions under Clauses 7(3), 25 and 26
29. Review of decisions
(1) (2) Provides for an application to the
(3) Administrative Appeals Tribunal to review decisions taken under Clause 7(3) in relation to remissions of penalties for late payment of levies
30. Regulations
Normal provisions for regulations to prescribe matters to give effect to the Act, particularly in relation to levy payments and furnishing of returns.

