

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

EGG INDUSTRY RESEARCH (HEN QUOTA) LEVY BILL 1987

EXPLANATORY MEMORANDUM

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

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OUTLINE

This Bill and the associated levy collection Bill seek to establish a new mechanism for levying producers to finance research sponsored by the egg industry, which is also supported by matching Commonwealth grants.

The new arrangements will supersede the present levy mechanism whereby egg producers contribute towards research through a small component of the Commonwealth hen levy. This levy, and the equalisation scheme which has been its main purpose, will be discontinued on 30 June 1987.

Under the present Bill, a levy is to be imposed on the licensed hen quotas held by egg producers under State or Territory laws. The proceeds will be used solely for research.

The levy will be based on the number of quota hens which a person is licensed to keep as at 1 July each year. The rate of levy per hen is to be prescribed but is limited to a maximum of 10 cents per hen.

Special provisions are made to cater for the Northern Territory, which does not have a hen quota scheme.

The only effect of the new levy will be to enable the existing scheme for sponsorship of egg research to continue after the loss of the present levy mechanism on 30 June 1987. Accordingly, the measure involves no new financial commitments for the Commonwealth or the industry.

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NOTES ON CLAUSES

<u>NO. OF CLAUSE</u>	<u>EXPLANATION</u>
1	Short title of the Act.
2	Provides for the Act to come into operation on 1 July 1987.
3	Formally links the Act under which levy is imposed with the Act under which that levy is collected.
4	Defines terms used in the Bill.
5	In the absence of a hen quota system in the Northern Territory, a deeming provision will be used to create notional quotas for the Territory's egg producers. This will be done on the basis of information provided by Territory authorities after consultation with local producers.
6	This clause is to meet a situation which would arise if hen quotas were abolished in the A.C.T. but continued to operate in the States. As in the case of the Northern Territory, notional quotas would be established for A.C.T. producers.
7	Sub-clause (1) has the effect of excluding persons who do not hold a hen quota from payment of levy. In the main, these would be persons keeping a few hens to provide eggs for own use. Sub-clause (2) deems hen quota licence holders to be keeping the number of hens specified in their licence. This avoids the need to check actual hen numbers (which fluctuate) for levy purposes.
8	This clause must be read in conjunction with clause 7, ie levy is imposed annually on the number of hens specified in a quota holder's licence on 1 July.
9	Again, by virtue of clause 7, this provision places the obligation to pay levy on the holders of hen quotas.
10	Provides for operative rate of levy to be set by Regulation and sets maximum rate of 10 cents per hen.

- 11 Sub-clause (1) permits the Governor-General to make Regulations setting an operative rate of levy.
- Sub-clause (2) provides for egg producers to make recommendations to the Minister on the operative rate of levy to be prescribed by Regulation.
- Sub-clause (3) provides for recommendations from producers to the Minister to be taken into account in the making of Regulations.
- 12 Provides for levy to cease if any State ceases to issue hen quota licences. Since the levy is based on hen quotas, their abolition would render the levy inoperable.