

1989

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HORTICULTURAL LEVY AMENDMENT BILL 1989

EXPLANATORY MEMORANDUM

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

## HORTICULTURAL LEVY AMENDMENT BILL 1989

## OUTLINE

This Bill contains amendments to the Horticultural Levy Act 1987 (the Act).

2. The Act, together with the Horticultural Levy Collection Act 1987, provides for the imposition and collection of a levy on prescribed horticultural products produced and sold or used in Australia. The funds raised are to provide for the operation of the Australian Horticultural Corporation and the Horticultural Research and Development Corporation.

3. Currently, the Act sets the maximum rate of levy at 2% of the annual average unit gross value in relation to prescribed classes of horticultural products. The amendments increase, at the request of industry, the maximum rate of the levy to 5%. This will permit an increase in operative rates beyond the present 2% maximum.

## FINANCIAL IMPACT STATEMENT

4. Funds raised through the increased levy in respect of the Australian Horticultural Corporation will have no financial impact on the Commonwealth as all operating and administrative costs of the Corporation are to be fully funded by levies and charges from industry and fees-for-service

- given the Government's commitment of \$5.85 million over the Corporation's first 5 years to assist in its establishment and early operation.

5. Additional funds raised through the increased levy receipts in respect of the Horticultural Research and Development Corporation will be matched by the Commonwealth, on a dollar for dollar basis, up to a limit of 0.5% of the average annual gross value of production of groups of products.

6. The extent of the Commonwealth contribution to research will thus depend on the number of industries which agree to participate in the Horticultural Research and Development Corporation and the rates, up to the maximum, at which they are prepared to fund Corporation research activities.

NOTES ON INDIVIDUAL CLAUSESClause 1 - Short title

7. Short title of the Act for citation purposes.

Clause 2 - Commencement

8. The Act will come into operation on the day on which it receives the Royal Assent.

Clause 3 - Rates of Levy

9. The maximum rate of levy for classes of leviable horticultural products is raised from 2% to 5% of their annual average unit gross value.

