

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

POULTRY INDUSTRY ASSISTANCE AMENDMENT BILL 1991

EXPLANATORY MEMORANDUM

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

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OUTLINE

This Bill is to enable the Commonwealth to recover from the egg industry, through the Poultry Industry Trust Fund, the cost of collecting outstanding Commonwealth hen levies and disbursing these funds.

2. The effect of the Bill will be to bring the collection of the hen levy in line with the collection procedures of other agricultural levies administered by the Commonwealth, whereby the Commonwealth is reimbursed from the industries concerned the cost of collecting and disbursing funds raised through the levy. The Bill will remove the current subsidy whereby the Commonwealth collects hen levies at the request, and for the benefit, of the egg industry and also meets the full cost of undertaking this function.

3. The hen levy is no longer operative, however there are a number of egg producers, all in New South Wales, who owe outstanding levy debts. Prior to the termination of the New South Wales Egg Corporation on 12 October 1990 the responsibility for collecting those levies rested with that body. The Corporation could under the Act seek reimbursement of any costs incurred in collecting the levies from the industry, through the Poultry Industry Trust Fund. From 12 October 1990 the Commonwealth assumed responsibility for collecting the debts. The Bill will enable the Commonwealth to be paid reimbursements from the Trust Fund for any expenses incurred from that date as a result of that responsibility. In effect this retrospective provision of the Bill will not adversely affect the rights or impose any liabilities on the industry in a manner different to that which existed prior to 12 October 1990, in that levy collection expenses will continue to be met from the Poultry Industry Trust Fund. When any outstanding levies have been recovered, such monies are to be used for the benefit of the Australian egg industry.

FINANCIAL IMPLICATIONS

4. It is estimated that levy and charge collection and disbursement costs amount to 0.3 per cent of total collections in a full year. Current hen levy debts amount to almost \$1.7 million and while some of these debts may be irrecoverable, litigation proceedings are continuing against some egg producers with outstanding debts. It is expected that the major costs that may have to be met by the Commonwealth in collecting the outstanding hen levies will be court costs in the event of these litigation proceedings being unsuccessful, any associated legal costs incurred by the Australian Government Solicitor's Office and any charges made by that Office for its services. It is difficult to accurately estimate many of these likely costs but following consultation with that Office and industry it is judged that the current balance of \$180 000 in the Poultry Industry Trust Fund should cover any such costs.

NOTES ON CLAUSES

Clause 1 – Short title etc.

5. Sub-clause (1) provides for the short title of the Act for citation purposes to be the Poultry Industry Assistance Amendment Act 1991.
6. Sub-clause (2) establishes that references to the Principal Act are references to the Poultry Industry Assistance Act 1965.

Clause 2 – Commencement

7. Provides that the Act shall come into operation on the day that it receives Royal Assent.

Clause 3 – Application of Fund

8. Amends subsection 6(1) of the Poultry Industry Assistance Act 1965 to allow the Commonwealth to recover from the Poultry Industry Trust Fund costs incurred, on or after 12 October 1990, in the collection of hen levies and in the administration of the disbursement of these levies.
9. The clause also amends subsection 6(2) of the Poultry Industry Assistance Act 1965 to permit the Minister to make an approval of an amount of money from the Poultry Industry Trust Fund for egg industry research and development purposes only if there is sufficient monies in the Fund, after taking into account an amount payable to the Commonwealth for levy collection and disbursement expenses and any amounts payable for industry assistance in accordance with an approval of the Minister.

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