

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL 1994

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary Industries and Energy, Senator the Honourable Bob Collins)

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OUTLINE

1. The purpose of this Bill is to amend the *Australian Meat and Live-stock (Quotas) Act 1990*, the *Primary Industries Levies and Charges Collection Act 1991* and the *Beef Production Levy Act 1990*.
2. The *Australian Meat and Live-stock (Quotas) Act 1990* provides the Australian Meat and Live-stock Corporation with the powers to establish quota schemes on the export of meat and live sheep from Australia where restrictions are imposed (or likely to be) on Australian exports by importing countries or by the Australian Government. The proposed amendments will clarify the types of restrictions imposed by importing countries which enable the Australian Meat and Live-stock Corporation to establish export quota mechanisms. The necessity for these amendments has arisen from the successful outcome of the Uruguay Round of the General Agreement on Tariffs and Trade, a result of which is that many quantitative restriction measures are being converted into tariff quota. The United States' action of introducing a tariff quota mechanism to replace the former quantitative mechanism under the US Meat Import Law is one such example of this.
3. A delegations clause is also proposed for the *Australian Meat and Live-stock (Quotas) Act 1990* to enable the Corporation's staff to sign the documents imposing a quota scheme.
4. This Bill also proposes to amend the *Beef Production Levy Act 1990* by introducing a conversion factor allowing the beef production levy to be calculated where only a cold carcase weight is available. Otherwise, a deemed carcase weight of 240 kilograms will continue to apply for levy calculation purposes. The Australian Meat and Livestock Industry Policy Council recommended that a conversion factor be incorporated into this Act to overcome the problem that some abattoir proprietors are being charged more levy through this mechanism than they should reasonably be paying.
5. The proposed amendment in this Bill with regard to the *Primary Industries Levies and Charges Collection Act 1991* is to clarify the intention that an agent, if involved in the sale of cattle, is responsible for collecting and forwarding the levy to the Commonwealth. The abattoir proprietor will only become responsible for collecting and forwarding the levy where an agent is not involved.
6. Penalties are also to be imposed in the *Primary Industries Levies and Charges Collection Act 1991* for offences relating to amendments in the *Beef Production Levy Act 1990* regarding the failure to use the hot carcase weight or the cold carcase weight when it is available.
7. This amendment also corrects an omission in the *Primary Industries Levies and Charges Collection Act 1991* regarding abattoir proprietors' ability to refuse to slaughter live-stock owned by another person unless funds for the payment of the Live-stock Slaughter Levy are first made available. The correction brings pigs within this provision, so that if pigs are to be slaughtered funds for the payment of the pig levy are first to be made available.

FINANCIAL IMPACT STATEMENT

8. There will be no financial implications for the Government in the implementation of this legislation.

NOTES ON CLAUSES

PART 1 – PRELIMINARY

Clause 1: Short title

9. The Act will be called the *Primary Industries Legislation Amendment Act 1994*.

Clause 2: Commencement

10. Subclause 2(a) provides for commencement of parts 1 and 2 of the legislation on the day on which this Act receives Royal Assent.

11. Subclause 2(b) provides for commencement of parts 3 and 4 of the legislation on a day to be fixed by Proclamation, subject to subclause 2(c). The purpose of this is to allow sufficient time to advise levy payers of changes to levy and collection arrangements prior to their introduction.

12. Subclause 2(c) provides that if parts 3 and 4 have not commenced by Proclamation within six months of the day on which this Act receives Royal Assent then parts 3 and 4 commence on the first day of the next month.

PART 2 – AMENDMENTS OF THE AUSTRALIAN MEAT AND LIVE-STOCK
(QUOTAS) ACT 1990Clause 3: Principal Act

13. This clause defines the **Principal Act** for the purposes of part 2 of this Act as the *Australian Meat and Live-stock (Quotas) Act 1990*.

Clause 4: Definitions

14. Subclause 4(a) amends the definition of **class** used in the Act. Its use is linked to the insert in subclause 4(c).

15. Subclause 4(b) provides a definition for a new term to be used in the Act. The definition of **restriction** is to clarify the types of measures imposed by an importing country on the export of meat that are sufficient to trigger the Australian Meat and Live-stock Corporation's powers to set up a quota mechanism to include economic disincentives such as quota tariff regimes, as well as total quantitative restrictions.

16. Subclause 4(c) inserts an indicative list of factors which may be used to determine a class of goods to which quota regimes can be applied. Such references include the quality, standard or grade of a good, the period during which goods are to be exported, and the way an export restriction (such as a tariff) is applied to goods.

Clause 5: Insertion of new section

17. This inserts a subsection into the Principal Act to provide for the delegation of all or part of powers under the Principal Act by the Corporation to either a person or a committee.

The Australian Meat and Live-stock Corporation is already able to delegate all its other existing powers, and this bring delegations regarding this Act into line. For example, it will allow AMLC staff to do such work as signing documents imposing a quota scheme.

PART 3 – AMENDMENTS OF THE BEEF PRODUCTION LEVY ACT 1990

Clause 6: Principal Act

18. This clause defines the **Principal Act**, for the purposes of part 3 of this Act, as the *Beef Production Levy Act 1990*.

Clause 7: Interpretation

19. Provides a definition for two new terms to be used in the Act. The definition of **cold carcass weight** is to be used to introduce a conversion factor to allow the beef production levy to be calculated only where the hot carcass weight is unavailable and the cold carcass weight is available.

20. The definition of **weighing period** is to be used to set a time limit for when weighing for levy calculation purposes.

Clause 8: Rate of levy on slaughter of cattle

21. Subclause 8(a) amends subsection 6(3) of the Principal Act to provide for circumstances where the hot carcass weight is not available for levy calculation purposes. The Act imposes a levy on the slaughter of cattle on a cents per kilogram basis of the hot carcass weight. Currently where the hot carcass weight of an animal is not available, a deemed weight of 240 kilograms is applied to determine the levy.

22. This amendment inserts a conversion factor to be used in the situation where an abattoir is unable to determine the hot carcass weight but is able to determine the cold carcass weight. The conversion factor of 1.03 allows for a weight reduction of three percent for the chilled or frozen meat and provides the hot carcass weight equivalent for levy calculation purposes. Where neither the hot carcass weight nor cold carcass weight is determined, a deemed carcass weight of 240 kilograms will continue to apply for levy calculation purposes.

23. Subclause 8(b) inserts at the end of section 6 of the Principal Act a note relating to offences provided under section 24A of the *Primary Industries Levies and Charges Collection Act 1991*. This section provides that where the hot carcass weight is available it must be used, and if an abattoir is unable to determine a hot carcass weight but is able to determine a cold carcass weight within the weighing period it must do so. Failing to comply with these requirements is deemed an offence.

Clause 9: Application

24. This clause provides for amendments made by clause 8 of this Act to apply to cattle slaughtered only after the commencement of that clause.

PART 4 – AMENDMENTS OF THE PRIMARY INDUSTRIES LEVIES AND CHARGES
COLLECTION ACT 1991

Clause 10: Principal Act

25. This clause defines the **Principal Act**, for the purposes of part 4 of this Act, as the *Primary Industries Levies And Charges Collection Act 1991*.

Clause 11: Interpretation

26. Subclause 11(a) amends the definition of **intermediary** used in Section 4 of the Principal Act. The amended definition is extended to include the importing agents (where appropriate), in addition to existing definition including the selling agent, the first purchaser or buying agent, the receiver of the product, the abattoir proprietor, and the exporting agent (where appropriate).

27. Subclause 11(b) amends the definition of **intermediary** used in the Principal Act. The amended definition makes it clear that a payment is made on behalf of the producer rather than the intermediary.

Clause 12: Liability of intermediaries

28. Paragraphs 12(1)(a) and 12(1)(b) amend subsections 7(1) and 7(2) of the Principal Act to be subject to subsection 7(2A) of that Act.

29. Paragraph 12(1)(c) inserts subsection 7(2A) into the Principal Act. This new subsection will provide that where an agent is involved in the sale of cattle to an abattoir proprietor or facilitates the sale of cattle on an "over-the-hooks" basis, the agent rather than the abattoir proprietor will be responsible for collecting and forwarding to the Commonwealth the levy imposed by the *Cattle Transaction Levy Act 1990*.

30. Subclause 12(2) provides for amendments made by subclause 12(1) to apply to levy imposed after the commencement of part 4 of this Act.

Clause 13: Liability of intermediaries – ancillary provisions

31. Subclauses 13(a) and 13(b) amend subsection 8(3) of the Principal Act to provide for pigs to be included in the subsection. This will allow an abattoir proprietor to refuse to slaughter pigs owned by another person unless the person first provides the funds necessary for the payment of any levy that would accrue on that slaughter.

Clause 14: Insertion of new section 24A

32. This clause inserts a new section into the Principal Act defining offences applying to cattle slaughtered at an abattoir when the slaughter is leviable under provisions of the *Beef Production Levy Act 1990*. This section provides that where the hot carcase weight is available it must be used. If an abattoir is unable to determine a hot carcase weight but is able to determine a cold carcase weight within the weighing period it must do so. Failing to comply with these requirements is deemed an offence which is punishable with a fine not exceeding 60 penalty units.







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