

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TOBACCO CHARGE (NOS 1-3) AMENDMENT BILLS 1985

EXPLANATORY MEMORANDA

(Circulated by Authority of the Minister
for Primary Industry
the Hon. John Kerin, MP)

OUTLINE

The Tobacco Charge (Nos 1-3) Amendment Bills are complementary to the Rural Industries Research Bill 1985 and the Rural Industries Research (Transitional Provisions and Consequential Amendments) Bill 1985.

The Bills make provision for the continued funding of the Australian Tobacco Board from tobacco levies when tobacco research is brought under the new arrangements for organisation and administration of rural research.

Effectively, the amendments provide for a continuation of the arrangement whereby part of the tobacco charge is made available to meet the expenses of the Tobacco Board leaving the balance of the charge to be directed to the Tobacco Research Trust Account.

The Tobacco Charge Acts raise levies from both growers and manufacturers of Australian tobacco leaf. Operative and maximum rates of levies specified under Charge Act (No 1) also apply under Charge Acts Nos 2 and 3.

The Bills involve no additional financial cost to the Government. They essentially continue arrangements already in place for funding tobacco research and the expenses of the Australian Tobacco Board.

TOBACCO CHARGE (NO 1) AMENDMENT BILL 1985

NOTES ON CLAUSES

<u>NO. OF CLAUSE</u>	<u>EXPLANATION</u>
1	(1) Provides for mode of citation of Act. (2) Establishes that references in the Act to the Principal Act are references to the Tobacco Charge Act (No 1) 1955.
2	(1) Provides that section 1 and 2 of the Act will come into operation on the day it receives the Royal Assent. (2) This sub-clause provides that the existing arrangements for raising tobacco charges under sections 5 and 6 of the Principal Act, remain in place until levies imposed by the Tobacco Charge Acts for the purpose of research are prescribed under the Rural Industries Research Act 1985. The new arrangements set out in clauses 3 and 4 then come into operation.
3	Sections 5 and 6 of the Principal Act are replaced by provisions which allow the apportionment of the tobacco charge into two components; one, under paragraph 5(a), for meeting the expenses of the Australian Tobacco Board, and the other under paragraph 5(b), to be paid into the Tobacco Research Trust Fund for research. A maximum overall rate of charge of 6 cents per kilogram of tobacco leaf will continue to apply. The operative rate will be prescribed by regulation taking into account any recommendations made by the Australian Tobacco Board. The regulations may specify a period of time during which the operative rates of charge apply.
4	This clause makes it clear in practical terms when the new charge arrangements will become operational in respect of tobacco leaf sold to a manufacturer.

TOBACCO CHARGE (NO 2) AMENDMENT BILL 1985NOTES ON CLAUSES

<u>NO. OF CLAUSE</u>	<u>EXPLANATION</u>
1	(1) Provides for mode of citation of Act. (2) Establishes that references in the Act to the Principal Act are references to the Tobacco Charge Act (No 2) 1955.
2	(1) Provides that sections 1 and 2 of the Act will come into operation on the day it receives the Royal Assent. (2) This sub-clause provides that the existing arrangements for raising tobacco charges under section 6 of the Principal Act remain in place until levies imposed by the Tobacco Charge Acts for the purpose of research are prescribed under the Rural Industries Research Act 1985. The new arrangements set out in clause 3 then come into operation.
3	(1) Section 6 of the Principal Act is replaced by provisions which allow the apportionment of the charge between the Australian Tobacco Board and the Tobacco Research Trust Fund as prescribed under the Tobacco Charge Act (No 1) 1955. (2) This sub-clause makes it clear in practical terms when the new charge arrangements will become operational in respect of tobacco leaf purchased by a manufacturer.

TOBACCO CHARGE (NO 3) AMENDMENT BILL 1985

NOTES ON CLAUSES

<u>NO. OF CLAUSE</u>	<u>EXPLANATION</u>
1	(1) Provides for mode of citation of Act. (2) Establishes that references in the Act to the Principal Act are references to the Tobacco Charge Act (No 3) 1955.
2	(1) Provides that sections 1 and 2 of the Act will come into operation on the day it receives the Royal Assent. (2) This sub-clause provides that the existing arrangements for raising tobacco charges under section 5 of the Principal Act remain in place until levies imposed by the Tobacco Charge Acts for the purposes of research are prescribed under the Rural Industries Research Act 1985. The new arrangements set out in clause 3 then come into operation.
3	(1) Section 5 of the Principal Act is replaced by provisions which allow the apportionment of the charge between the Australian Tobacco Board and the Tobacco Research Trust Fund as prescribed under Tobacco Charge Act (No 1) 1955. (2) This sub-clause makes it clear in practical terms when the new charge arrangements will become operational in respect of tobacco leaf grown and processed by a manufacturer.

