

1995

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CATTLE EXPORT CHARGES AMENDMENT BILL 1995

EXPLANATORY MEMORANDUM

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



CATTLE EXPORT CHARGES AMENDMENT BILL 1995**OUTLINE**

1. The *Cattle Export Charge Act 1990* imposes a charge on the export of cattle from Australia, based on the liveweight of cattle at the time of export. This Bill amends the *Cattle Export Charge Act 1990* by introducing a component of the charge which is to fund the Meat Industry Council, but which is to be offset by a reduction in the marketing component. In relation to this, the Meat Industry Council will take over the role for making recommendations on rates of this charge to the Minister from the Australian Meat and Live-stock Corporation and the Meat Research Corporation.
2. This Bill is also imposes two further charges, one being on cattle held by an exporter for over 60 days prior to export and the other on cattle exported from Australia where the cattle transaction levy has not previously been payable. In recognition of the imposition of these new charges the Act will be retitled the *Cattle Export Charges Act 1990*. The imposition of the charge on cattle held for more than 60 days prior to export will bring charges for live cattle exporters into line with levies for processors.
3. The imposition of the charge imposing a per head charge on the export of cattle where no transaction levy has been paid will be retrospective to 1 February 1991 but levypayers who have satisfied levy liabilities under the provisions of the *Cattle Transaction Levy Act 1990* will have been taken to have discharged their charge liabilities prior to 1 July 1995 under this Bill (see clause 39 of *Meat and Live-stock Industry Repeal Act 1995*). This charge replaces the one imposed by the *Cattle Transaction Levy Act 1990* (which had created a legal drafting error in the *Cattle Transaction Levy Act 1990* in that a customs duty and an excise duty was imposed in the same Act).
4. The levy imposed by the *Cattle Export Charge Act 1990* has been an integral part of a package of arrangements for (red) meat and live-stock industry levies and charges developed by the industry. This package has been designed to provide a more visible and equitable division of levy and charge payments between industry sectors by clarifying the relative contributions paid by each sector.

FINANCIAL IMPACT STATEMENT

5. The rate of levy imposed under this Bill will yield revenue equal to that which has been and would have been yielded by the levy imposed on cattle under the *Cattle Transaction Levy Act 1990*.
6. Since the introduction of cost recovery for levy and charge collection in 1988 the Commonwealth has been reimbursed for expenses incurred. Consequently there will be no net effect to revenue in the implementation of this legislation. The Meat Industry Council's new component is expected to reflect the expenditure on functions that the Meat Industry Council is taking over from the Australian Meat and Live-stock Corporation and Meat Research Corporation.

NOTES ON CLAUSES

Clause 1 - Short Title

7. Provides for the Act to be called the *Cattle Export Charges Amendment Act 1995* and defines the "**Principal Act**" as the *Cattle Export Charge Act 1990*.

Clause 2 - Commencement

8. Provides for this Act to commence on 1 July 1995.

Clause 3 - Amendments

9. Provides for the *Cattle Export Charge Act 1990* to be amended by the Schedule.

SCHEDULE - AMENDMENTS OF THE PRINCIPAL ACT

Cattle Export Charge Act 1990

Item 1: Title

10. Amends the title from "**an Act to impose a charge on the export of cattle**" to "**an Act to impose charges on the export of cattle**". This amendment reflects that additional charges will be added to the Act.

Item 2: Section 1 - Short title

11. This amendment changes the short title from "*Cattle Export Charge Act 1990*" to "*Cattle Export Charges Act 1990*".

Items 3, 4 and 5: Section 4 - Interpretation

12. Deletes definition "**Corporation**", inserting in its place a more specific definition "**Australian Meat and Live-stock Corporation**" for clarity. Adds definitions "**Meat Industry Council**" and "**Meat Research Corporation**" which update references in the Act in respect to these statutory meat industry authorities.
13. Among the definitions added by this amendment are "**bobby calf**" and "**chargeable bobby calf**", which are defined to facilitate the charge to apply on bobby calves.

Item 6: Section 5 - Imposition of charge

14. This amendment imposes two further categories of charge, the first being on cattle and bobby calves exported from Australia where the cattle transaction levy has previously not been payable. The imposition of the first charge will be retrospective to 1 February 1991 but charge payers who have satisfied levy for parallel liabilities under the provisions of the *Cattle Transaction Levy Act 1990* will have been taken to have

discharged their charge liabilities prior to 1 July 1995 under this Bill (see clause 39 of *Meat and Live-stock Industry Repeal Act 1995*).

15. The second of the two further categories of charge imposes a charge on an exporter who holds cattle for more than 60 days prior to export, except where quarantine requirements necessitate a longer holding period.

Items 7, 8, 9 and 10: Section 6 - Rate of charge on export of cattle

16. Amendments to this Section introduce the Meat Industry Council component of the charge and replaces "**Corporation**" with "**Australian Meat and Live-stock Corporation**" for clarity.
17. This amendment also changes the heading of the section from "Rate of charge on export of cattle" to "Rate of charge on export of cattle imposed by subsection 5(1)" due to the need to differentiate the two new categories of the charge referred to in Section 5 from the original charge on the export of cattle (other than dairy cattle).
18. Other amendments to the wording of this section also add reference to the original category of charge imposed under subsection 5(1) (ie. on the export of cattle, other than dairy cattle).
19. The amendment repealing subsection 6(4) provides for the removal of the mechanism to revert to the earlier arrangement where cattle, calves and bobby calves exported were also covered by the *Live-stock Export Charge Act 1977*.

Item 11: Section 6A - Rates of charges imposed by subsections 5(2) and (3) on export of cattle

20. This new section refers to the two new charges referred to in Section 5 and the need to differentiate these from the charge imposed under subsection 5(1).
21. The amendment also provides charge rates for MIC, AMLC and MRC on cattle held by an exporter for over 60 days prior to export and on cattle exported from Australia where the cattle transaction levy has not previously been payable.

Item 12: Section 7 - By whom charge payable

21. This amendment clarifies that it is the act of exporting which incurs a charge.

Item 13: Section 8 - Regulations

20. This amendment provides, in respect of making regulations, for the Meat Industry Council to take over, from the Australian Meat and Live-stock Corporation and the Meat Research Corporation, the role for making recommendations on rates of the charge on cattle exported to the Minister.