Horticultural Legislation Amendment Bill 1989

Date Introduced: 4 May 1989
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industries and Energy

Digest of Bill

Purpose
To alter the time of payment of the horticultural levy or charge, and to allow agreements to be entered into with the States and Territories for the collection of the levy.

Background
In April 1986, the Government issued its Statement on Economic and Rural Policy in which it proposed the establishment of an Australian Horticultural Corporation (AHC) to co-ordinate the export of fresh and processed fruit and vegetable products. This would be complemented by another corporation to co-ordinate and assist research into more effective production techniques (the Horticultural Research and Development Corporation (HRDC)), and a policy council for co-ordinating national policy for the horticultural industry in consultation with the Government and industry bodies. These two corporations were established in 1987.

To help meet establishment costs of the two corporations, the Government committed, over a five year period, $5.85 million to the AHC and $1.25 million to the HRDC. The corporations are financed through the imposition of export charges, a levy on the production of eligible products that are not exported and by Commonwealth contributions. The levy is payable on the sale, or export, of the product. As a result, the producer or exporter is liable for the levy only when the return from the product is realised. Funds raised by the Horticultural export charge are approximately $300 000 per year, while funds from horticultural levies amount to approximately $1.3 million per year.

A proposal under this Bill will mean that certain levies will become payable on the inputs to production. This is aimed to counter any avoidance of the levy which may occur where the product is first sold to a large number of distributors, and it appears, some of those distributors are not paying the levy. However, the bringing forward of the payment of the levy to a time before the payment for the final product will mean that the producer will have to bear the cost of the levy between the time of payment for an input and the sale of
the product. This is particularly important for industries such as nurseries where there is a high proportion of the final cost associated with the input (e.g. plastic containers for the growing of plants).

Main Provisions

Amendments to the *Australian Horticultural Act 1987*

Clause 6 provides that the AHC may enter into agreements with those responsible for the collection of a levy or charge, for the payment of a fee to those people for the collection.

Amendments to the *Horticultural Export Charge Collection Act 1987*

‘Prescribed goods or services’ are defined as those goods or services, identified by regulation, used in subjecting chargeable horticultural products (i.e. fruits, vegetables, nursery products, and prescribed products) to a process (e.g. freezing, drying and packing) in the course of their production or preparation for export (clause 4).

Chargeable horticultural products may be classified by reference to any process to which they are subjected in their production, or preparation for export, and the rate of charge payable on those products may be based on the process (clause 4).

Clause 11 provides that a charge will be payable by a person who buys prescribed goods or services to the seller, who in turn, is to pay to the Commonwealth the charge collected. A buyer will not have to make a payment where they indicate in writing that they do not intend to use those goods or services in producing chargeable horticultural products for export, or where products may be subject to the levy, or that it is not intended to use them for sale or to produce similar goods. In addition, the Commonwealth may enter into agreements with States or Territories to collect the charge on the Commonwealth’s behalf (proposed section 7B).

Clauses 12–18 reflect standard provisions of Commonwealth charge legislation including penalty for late payment, recovery and refund of charge, the power of authorised person in relation to premises, warrants to enter premises, and review of decisions.

The proposed amendments to the *Horticultural Levy Collection Act 1987* (clauses 19–30) are substantially the same as those proposed in relation to the *Horticultural Export Charge Collection Act 1987* (see above).

Amendments to the *Horticultural Research and Development Corporation Act 1987*

Clause 34 will amend this Act to achieve the same effect as clause 6 (see above).
References
1. Economic and Rural Policy, Canberra, 1986, p. 66.
2. Ibid.

For further information, if required, contact the Economics and Commerce Group.

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Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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