Goat Fibre Levy Bill 1989

Date Introduced: 30 August 1989
House: House of Representatives
Portfolio: Primary Industries and Energy

Digest of Bill

Purpose
To impose a levy on goat fibre produced in Australia to support research into the industry.

Background
Commercial interest in goats as a farmed animal in Australia began in the 1970's with the expansion of the angora goat population and in 1980 with the development of the cashmere industry. Mohair is a fibre produced by Angora goats. It is used in clothing and upholstery fabrics, with the biggest demand coming from the European fashion market. World mohair production is dominated by South Africa, Lesotho, the United States, and Turkey. These countries supply more than 85% of world mohair needs. In 1986, the Australian Angora goat population had increased to the point where it provides approximately 3% of world mohair. In 1986-87, the value of Australian mohair exports was $4 496 669. The largest buyer of Australian mohair was the United Kingdom (342 178 kg). The sale average for Australian mohair, over an eight year period to December 1986, was approximately $8.00 per kg. ¹

Cashmere is a type of downy undercoat which can grow on any breed of goat but in greater quantities on some individuals than others. Cashmere is one of the world's finest and most expensive commercial animal fibres. World production levels of cashmere are low, approximately 6 000 tonnes was produced in 1986. Two-thirds of world production of cashmere comes from China, Iran, and Afghanistan. In 1986-87, the value of Australian cashmere exports was $841 766. The largest buyer of Australian cashmere was Italy, which bought 16 096 kg. The sale average for Australian cashmere in 1987 was $80 kg. ²

Cashgora fibre is the result of crossing two different types of goats of the same species (i.e. Angora and cashmere producing goats). Cashgora is in limited production in Australia. New Zealand is at the forefront of developing and marketing cashgora in co-operation with processors in Europe. New Zealanders are attempting to establish Cashgora goats as a breed type. Cashgora was selling in 1988 for between $22-$25 per kg.
In 1986, the NSW Farmers Goat Industry Committee (GIC) commissioned a report on mohair, cashmere and goat meat marketing. The report was published in May 1987, and made several recommendations, including: that a commercial mohair growers' association and a Mohair Industry Policy Council be formed; a goat fibre research council be established; and a voluntary levy on all mohair growers be introduced to cover all aspects of research and development.\(^3\) There are currently no levies on mohair directed into the Australian industry. The only levy being applied is a voluntary 4 cents per kg which is paid to the International Mohair Association (IMA) which is used for promotional and research purposes. The Australian Cashmere Growers Association (ACGA) collects a levy of 4% on all cashmere sold in Australia. ACGA is a central selling organisation. One per cent of the levy is directed to research and 3% to development.

**Main Provisions**

The Goat Fibre Levy Collection Bill 1989 is to be read as one with this Bill (clause 3).

'Leviable fibre' is defined to be goat's fibre obtained by shearing a live goat, or in a prescribed way, has not been processed (clause 4).

'Sale value' is defined to be: in the case of leviable fibre sold in Australia in a pool – the amount paid for it; or in the case of other leviable fibre sold in Australia – the documented sale price, or where there are no documents – the value set by the growers organisation that the Secretary considers appropriate; or in any other case – an amount set in a prescribed way (clause 4).

A levy will be imposed on leviable fibre from 1 January 1990 (clause 5).

The rate of levy will be 1.5% of the sale value of leviable fibre, or a prescribed amount up to 5%, and will be payable by the grower (clauses 6 and 7).

Where the levy on leviable fibre payable by a grower, or delivered by growers to a dealer would be less than $50, or a prescribed amount, per year, no levy will be payable (clause 9 and 10).

The Governor-General may make regulations, including regulations prescribing the rate of levy (clause 11).

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

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