Legislative Research Service  
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Sugar Cane Levy Bill 1987

Date Introduced: 2 April 1987  
House: House of Representatives  
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

Digest of Bill

Purpose

To provide for the imposition of a levy on growers and millers of sugar cane in order to finance research into the sugar industry.

Background

The Rural Industries Research Act 1985 established a Research Council to administer rural research schemes. The Act is designed to give effect to the Government’s objective of increasing the contribution to rural research under the Research Funds to 0.5% of Gross Value of Production (GVP) over a 3 year period. Where a levy has been imposed, the Act provides for the establishment of a Research Trust Fund into which the Commonwealth is required to pay contributions to match the research and development component of money received from levies. The Commonwealth’s contribution cannot exceed 0.5% of the annual GVP of the goods to which the particular Fund relates.

In the Explanatory Memorandum to the Bill, it is estimated that the initial annual Commonwealth contribution to research expenditure will be approximately $1.25 million, while the Commonwealth’s share of the costs of administering the Fund is estimated at approximately $25,000 for a full year.

Main Provisions

Clause 6 will impose a levy on sugar cane which is produced in Australia and accepted for processing at a sugar mill on or after 1 June 1987.

The rate of levy will be five cents per tonne or a rate of up to ten cents per tonne as prescribed by regulation (clause 7).

The grower will pay 50% of the levy or a percentage prescribed by regulation. The miller will pay the remainder (clause 8).

The Governor-General will be empowered to make regulations consistent with this Bill and will be required to consider recommendations arising from consultation between the Minister and the sugar industry organisations before adjusting the levy rate or the percentage payable by the grower (clause 9).

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