TOBACCO CHARGE (NO. 1) AMENDMENT BILL 1985

Date Introduced: 17 April 1985
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

Short Digest of Bill

Purpose

To provide for the continued funding of the Australian Tobacco Board from tobacco levies, under the new arrangements for rural research.

Background

The Tobacco Charge Act (No. 1) 1955 imposes a levy on growers for tobacco leaf sold to a manufacturer; the No. 2 Act imposes a levy on tobacco leaf purchased by a manufacturer, and the No. 3 Act imposes a levy on tobacco leaf grown and processed by a manufacturer. The current levy is set at 3.5 cents per kilogram.

Industry funds raised by the levies are used for research and extension and are financed from the Tobacco Industry Trust Account, established by the Tobacco Industry Act 1955. This Act was amended in 1965 so that part of the charges paid by growers and manufacturers could be appropriated to meet the cost of operating the Australian Tobacco Board (ATB). After amounts are deducted to finance ATB operations, funds are matched by the Commonwealth. State Governments also contribute on a smaller scale, and miscellaneous receipts are derived from interest on invested funds and sale of assets.

Outline

This Bill is complementary to the Rural Industries Research Bill 1985 and the Rural Industries Research (Transitional Provisions and Consequential Amendments) Bill 1985, also introduced into the House of Representatives on 17 April 1985. This legislation provides for the new arrangements for the organisation and administration of rural industry research funds. The latter Bill provides for the repeal of the Tobacco Industry Act 1965. For further information about the new legislative arrangements, refer to the Bills Digests Nos. 85/54 and 85/58.
As a result of the proposed rural research legislation, this Bill will provide for a proportion of the amount of the tobacco charge to be set aside by regulation to meet the expenses of the ATB. The balance is to be directed to the new Tobacco Research Trust Account (amendments to sections 5 and 6 by clause 3).

The existing arrangements for raising tobacco charges under section 6 of the Tobacco Charge Act (No. 1) 1955 are to continue until levies imposed by the Tobacco Charge Acts, for the purpose of research, are prescribed under the Rural Industries Research Act 1985 (clause 2). The maximum rate of charge of 6 cents per kilogram of tobacco leaf will continue to apply. Before making regulations prescribing the rate of charge, the Governor-General is to take account of any recommendations made by the ATB (clause 3).

For further information, if required, contact:

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Economics and Commerce Group
LEGISLATIVE RESEARCH SERVICE