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 abolish the hen levy with effect from 1 July 1987.

Background

The Commonwealth, at the request of the States, introduced a hen levy on 1 July 1965. Under the Poultry Industry Levy Act 1965 (the Principal Act) a levy is imposed on commercial hens, not less six months of age and in flocks of more than twenty hens. The maximum levy which may be imposed in a year commencing 1 July is two dollars per hen. Proceeds of the levy are used to provide financial assistance to the industry and for research. Assistance was required to help the poultry industry meet trading losses from the disposal of surplus eggs. For further background information refer to the Bills Digest for the Poultry Industry Assistance Amendment Bill 1985 (Digest No. 85/126).

A number of reviews and reports on egg marketing in recent years have questioned the need for the levy. These reports included studies by the Bureau of Agricultural Economics, State Government Inquiries and the Standing Committee on Agriculture working parties.

In 1984, industry agreed on a plan whereby egg production would be reduced, by 1 July 1987, to a level which would provide a minimum surplus. Subsequently, in the 1984-85 Budget, the Commonwealth, after discussions with the States and the Australian Agricultural Council, announced that the hen levy would be phased out by 1 July 1987.

Main Provisions

The hen levy is to be abolished from 1 July 1987 (clause 3, amending section 4 of the Principal Act).
The hen levy is to be divided in order to provide for a specific research component (clause 4, amending section 6 of the Principal Act). Provision of a separate research component is an interim measure to ensure the continuation of industry funding being matched by Commonwealth funds (see Digests Nos. 85/54 and 85/58).

For further information, if required, contact:

30 July 1985

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Reference