Poultry Industry Assistance 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 remove the current statutory ceiling of $150,000 on the Commonwealth's annual contribution to poultry research.

Background

In 1962, a non-statutory consultative body, the Council of Egg Marketing Authorities of Australia (CEMAA) was formed as an association of all State Egg Marketing Boards. Recommendations by the CEMAA for a Commonwealth equalisation scheme for the egg industry to replace the various State schemes were incorporated in the CEMAA Stabilisation Scheme which commenced on 1 July 1965. Under the Scheme, unit returns from domestic and (lower-priced) export markets are equalised, within State boundaries. To enable the operation of the Scheme, a national hen levy was imposed, under the Poultry Industry Levy Act 1965, to replace the State egg levies. The levy is imposed on commercial hens, not less than 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.

The Poultry Industry Levy Collection Act 1965 provides for the collection of the hen levy which is collected and remitted to the Consolidated Revenue Fund by the State Egg Marketing Boards, as agents of the Commonwealth. An equivalent sum is then paid by the Commonwealth to the Poultry Industry Trust Fund, established by the Poultry Industry Assistance Act 1965 (the Principal Act). The Principal Act provides for the funds to be disbursed for financial assistance to the poultry industry and for poultry research. Funds spent on research are matched by the Commonwealth up to a limit of $150,000 in a financial year. The States are reimbursed from the Fund for disposal of eggs at reduced prices on export markets, and rebates of funds not required are made to producers.
Hen quotas were introduced in 1972 as a means of providing control over production and were adopted by all States by 1975. Each State has its fixed maximum quota which it allocates to individual producers.

Various studies in recent years of the marketing arrangement for eggs indicate that the CEMAA Scheme has achieved several of its objectives including "fair" returns to producers and a reasonable degree of stability. Furthermore, hen quotas have reduced excess production to some extent. However, the marketing system imposes a significant cost on consumers. In its review of egg marketing arrangements, the Bureau of Agricultural Economics recommended that egg quotas should be eliminated in the long term and that egg production should be price determined in order to achieve an efficient marketing system. In 1984, industry agreed to a progressive reduction of surplus egg production through hen quotas so that by 1 July 1987, there will be a minimum surplus sufficient to meet seasonal domestic demand. Furthermore, the Commonwealth, after consultation with the States and the Australian Agricultural Council, decided to phase out the hen levy by 1 July 1987.

As a result of the new arrangements for the administration and organisation of rural research as provided by the Rural Industries Research legislation (see Digests Nos. 85/54 and 85/58) this Bill will allow for poultry research expenditure to be removed from the Principal Act and to come under the new research legislation.

Furthermore, in the 1984-85 Budget, the Government announced that the current statutory ceiling of $150,000 on the Commonwealth's contribution to poultry research would be lifted. Consequently, poultry research funding will have the same basis as other rural research funding. Since 1982-83, the industry contribution to poultry research has been greater than that provided by the Commonwealth.

Main Provisions

The current annual ceiling of $150,000 on Commonwealth matching of industry contributions to poultry research will be removed. The Commonwealth will match funds paid into the Poultry Industry Trust Fund on a dollar-to-dollar basis until poultry research funding is covered by the Rural Industries Research legislation (clause 3, amending section 5 of the Principal Act).

Funds standing to the credit of the Poultry Industry Trust Fund are to be paid into a separate research fund when established under the new Rural Industries
Research legislation (clause 4, amending section 6 of the Principal Act).

Clause 5 repeals section 6B to remove poultry research expenditure from the Poultry Industry Trust Fund.

For further information, if required, contact:

30 July 1985

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Reference
