Date introduced: 22 August 1985
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

DIGEST OF BILL

Purpose

To amend the Dairying Industry Research and Promotion Act 1972 (the Principal Act) in order to increase the maximum rate of levy that may be imposed on the production of whole milk and butterfat for research purposes.

Background

Funds raised through the levy imposed by the Principal Act are used to finance research into the dairy industry, the promotion of its products and the Australian Dairy Corporation's administrative costs. The research component is very small and it is estimated that, of a total levy collection of $14.8m in 1985-86, $0.6m (or 4%) will be spent on research.[1] This represents about 0.05 per cent of the gross value of the industry's products.[2] As well, money raised through the levy for research is matched by the Commonwealth.

Like other rural industry levy Acts, the Principal Act sets the maximum rate of levy. The actual rate of levy, up to the maximum prescribed in the Principal Act, is set by regulation. Following requests from the Australian Dairy Research Committee and the Australian Dairy Farmers' Federation, the Government decided to increase the actual rate of levy to 2c per 100 litres of whole milk and 50c per 100 kilograms of butterfat. These rates exceed the current maxima prescribed in the Principal Act.
Main Provisions

The maximum rate of levy on whole milk is to be increased from 1.2c per 100 litres to 10c per 100 litres (clause 3).

The maximum rate of levy on butterfat is to be increased from 30c per 100 kilograms to $2.50 per 100 kilograms (clause 4).

Remarks

Industry contributions to research have been about 0.05 per cent of the Gross Value of Production (GVP). The higher maximum rates of levy should allow the industry to meet the Government's objective of raising industry contribution to research to 0.5 per cent of GVP within five years.

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

References


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