Date Introduced: 22 March 1979  
House: House of Representatives  
Presented by: Hon. Evan Ademann, Minister Assisting the Minister for Primary Industry

Short Digest of Bill

Purpose

To ensure that levy is paid in respect of all grapes and grape juice used in the production of wine, brandy and spirit for fortifying wine.

Background

This Bill is to replace the Wine Grapes Charges Act 1929, to be repealed by the Wine Grapes Charges (Repeal) Bill 1979, and is complementary to the Wine Grapes Levy Collection Bill 1979 which is to facilitate the collection of levy imposed under this Bill.

As a result of developments in wine industry technology, the Wine Grapes Charges Act 1929 is defective. In terms of the present Act (s.3), levy is payable by "the owner of any winery or distillery on all grapes delivered to that winery or distillery for use in the manufacture of wine".

New technology of particular importance, according to the Second Reading Speech, includes new methods of storing single-strength grape juice at the establishment producing the juice pending a decision at some future stage whether to convert it to wine manufacture, or sell the juice to another establishment which would use it for the manufacture of wine. Under the existing law the charge is not payable on these transactions. There is no intention to make the winery liable in respect of grape juice sold for consumption as such.

The proceeds of the levy form the income of the Australian Wine Board, which is responsible under the Wine Overseas Marketing Act 1929 for controlling export of wine, undertaking promotion in Australia and overseas and research into the quality of Australian wine and brandy.
The levy is expected to provide the Board with an income of about $1.1 million a year. The levy has not been increased despite a financial deficit of $203,000 in the operations of the Board in 1977-78.

Main Provisions

The Bill is to come into operation on the date that Royal Assent is given (clause 2), but levy is imposed on prescribed goods (fresh grapes, dried grapes, and single-strength or concentrated grape juice produced in Australia) used at a winery in Australia on or after 1 January 1979 in the manufacture of wine (clause 5) "C".

Clause 6 sets the maximum rate of levy to be imposed at $2.50 per tonne in the case of fresh grapes or their equivalents but with a standard amount of at present $2.40. This standard amount can be varied by regulation. There is provision for the Board to make recommendations about the rate of levy which are to be taken into account by the Governor-General before making regulations to vary the rate.

Sub-clauses 8(b) and 8(c) are to ensure that double-payment does not occur during the transition period between the imposition of the levy on 1 January 1979 by this Bill and the repeal of the Wine Grapes Charges Act on 30 June 1979.