LIVE-STOCK SLAUGHTER LEVY AMENDMENT BILL 1979

Date Introduced: 28 May 1979
House: House of Representatives

Purpose

To increase the maximum rates of levy which may be prescribed for cattle disease eradication, and to provide for the introduction of levies on the slaughter of calves.

Background

The Live-stock Slaughter Levy Act 1964 imposes a levy on the slaughter of cattle, buffaloes, sheep, lambs and goats for human consumption. The Act divides the levy on each type of animal into several components, the proceeds of each being allocated to a different purpose. One of the components is allocated (under the Live-stock Slaughter Levy Collection Amendment Act 1964) to livestock disease eradication. The Act also prescribes maximum rates for the components.

The Treasurer, in the 1978-79 Budget Speech announced that the Government would be reviewing producer levies to recover a greater share of the costs of providing cattle disease eradication campaigns. Charges would be increased in the light of the economic situation of the cattle industry at that time. The outcome of that review was announced by the Treasurer in his statement to the House on 24 May 1979. The Bill, in part, reflects the Government's opinion that the marked improvement in returns to the cattle industry in the past year gives the industry a capacity to increase its rate of contribution to brucellosis and T.B. eradication.

The Bill provides for the maximum disease eradication levy on cattle and buffalo slaughter to be increased from $1 to $3 per head. The Government has also announced its intention from 1 July 1979 to charge interest at the long term bond rate on the excess of Commonwealth advances for the disease eradication campaign over recoveries from the disease eradication components of slaughter levies and export charges. Net advances to the industry in the three years to June 1979 have approximated $19 million.
Additional revenue for cattle disease eradication will also come from the decision to implement a request from the Australian Meat and Live-stock Corporation (AMLC) to introduce levies on the slaughter of calves. Until now, calves under 90 kg. dressed weight have been exempt from levy. Provision has been made for two categories: heavier calves (calves between 40 and 90 kg.) for which the rate proposed is approximately 35% of the rate for cattle; and bobby calves (calves not exceeding 40 kg.) which are intended to be levied at 10% of the rate for cattle.

The Bill provides for the same four levy components for calf slaughter as in the case of cattle slaughter, namely those allocated to

(a) AMLC administration,
(b) meat research,
(c) meat processing research
and (d) cattle disease eradication.

Three accompanying Bills provide for the payment of the proceeds of three of the components for the appropriate purposes, namely:

(a) the Australian Meat and Live-stock Corporation Amendment Bill,
(b) Meat Research Amendment Bill
and (d) the Live-stock Slaughter Levy Collection Amendment Bill.

The Government proposes to recommend to the Governor-General the promulgation of regulations setting the disease eradication components of cattle, calf and bobby calf slaughter levies at the maximum levels provided in the Bill of $3, $1, and 30c per head respectively. On projected 1979-80 slaughterings the resulting revenue for cattle disease eradication is estimated at $23.26 million in a full year.

Main Provisions

Clause 2 states that this Act shall come into operation on 1 July 1979.

Clause 3 provides for amendments to definitions to reflect the inclusion of the two additional categories of bobby calf and calf.

Clause 4 rewords para. 5 (2) (a) which exempts meat classed as unfit for human consumption under Australian laws, so as to obtain consistency with the wording in the Livestock Slaughter (Export Inspection Charge) Bill.

Clause 4 also deletes para. 5 (2) (b), thus removing the levy exemption on calves which do not exceed 90 kg.
Clause 5 amends para. 6 (1) (d) to increase the maximum amount of the disease eradication component of the cattle slaughter levy from $1.00 per head to $3.00 per head. Clause 6 provides for the same amendment in relation to the slaughter of buffaloes.

Clause 7 inserts new s.6E and 6F for calves and bobby-calves respectively, prescribing four levy components and setting maximum rates.

Clause 8 relates to the requirement for certain bodies to be consulted before recommendations are made on amounts of levy to be prescribed. The amendment proposed in this clause extends these requirements to apply also to recommendations for rates of levy on calves and bobby calves.

Finance, Industries, Trade & Development Group
LEGISLATIVE RESEARCH SERVICE

12 June 1979