Date Introduced: 16 August 1978
House: House of Representatives
Presented by: Rt. Hon. Ian Sinclair, M.P., Minister for Primary Industry

Purpose

To amend the Wheat Tax Act 1957, to increase the maximum rate of levy paid by wheatgrowers for research from 15 cents to 30 cents per tonne.

Background

Comments in the 'Background' of the Digest of the Wheat Research Amendment Bill 1978 are relevant to this Digest.

The Principal Act (the Wheat Tax Act 1957), provides for a tax to be imposed on wheat delivered to the Australian Wheat Board (AWB), at a rate to be prescribed, subject to a maximum rate specified in the Act. The tax is payable to the Commonwealth by the AWB. The Board may deduct the tax from the amount payable to the wheatgrower for wheat delivered.

Funds raised by the tax imposed by the Principal Act represent the contribution by wheatgrowers to the Wheat Research Scheme. The scheme is also funded by the Commonwealth. Such tax funds are paid into the Wheat Research Trust Account, established by the Wheat Research Act 1957. Separate accounts are kept in the Account on a State basis in accordance with the proportions in which the tax funds are collected.

The wheat tax imposed by the Wheat Tax Act 1957, applied from 1 October 1956. The maximum rate was initially one fourth of one penny per bushell (about 7.7 cents per tonne). In 1965, the maximum rate was raised to three tenths of one penny per bushell (about 9.2 cents per tonne) by the Wheat Tax Amendment Act 1965. In 1973, the maximum rate was raised to 15 cents per tonne by the Wheat Tax Amendment Act 1973.

The operative rate of the wheat tax, as prescribed, is currently equal to the maximum rate of 15 cents per
tonne. The Australian Wheatgrowers' Federation, in requesting a rise in the maximum rate to 30 cents per tonne, also requested a rise in the operative rate to 20 cents per tonne. The Government has not yet announced any change in the operative rate.

The wheat tax raised $1.286m. in 1977-78 and is estimated to raise $1.8m. in 1978-79. The Commonwealth contributed $1.7m. in 1977-78, which exceeded the tax receipts from wheatgrowers in that year, and will contribute an estimated $1.7m. in 1978-79.

Provisions

Clause 3 amends sub-section 5(1) of the Principal Act by raising the maximum rate of tax which can be imposed on wheat delivered to the Australian Wheat Board from 15 to 30 cents per tonne.