POULTRY INDUSTRY ASSISTANCE AMENDMENT BILL 1978

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

Short Digest of Bill

Purpose

To increase the maximum annual level of the Commonwealth's contribution to the funding of poultry research from $100,000 to $150,000.

Background

In 1962, a non-statutory consultative body, the Council of Egg Marketing Authorities of Australia (CEMAA) was formed comprising all 39 members (25 of whom are producers) of all 6 State Egg Marketing Boards (SEMB). Recommendations by 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 egg markets are equalised, within State boundaries. To enable this, the Commonwealth makes payments to the States from funds raised by a Commonwealth levy on the owners of hens. The necessary Commonwealth legislation for this scheme is embodied in 3 Acts: the Poultry Industry Levy Act 1965 (which imposes a levy on commercial hens, not less than 6 months of age and in flocks of more than 20 hens), the Poultry Industry Levy Collection Act 1965 (which provides for the collection of the hen levy) and the Poultry Industry Assistance Act 1965 (which established the Poultry Industry Trust Fund (PITF), into which are paid amounts equal to funds collected from the hen levy). The hen levy is not to exceed $1.00 per hen per year. The operative rate is prescribed after recommendations from CEMAA have been considered by the Minister. From 1 July 1965 to 30 June 1966 the operative rate was $0.72 per hen per year and since 1 July 1966 it has been at the maximum of $1.00. In 1977, CEMAA recommended that the maximum rate of the hen levy be raised from $1.00 to $2.00. No decision on this has yet been announced by the Government. On the recommendation of CEMAA, egg producers in the Northern Territory have been exempt from payment of the hen levy.
The Poultry Industry Assistance Act 1966 amended the Poultry Industry Assistance Act 1965, to provide the necessary legislation for a joint industry-Commonwealth funded Poultry Research Scheme, to provide funds for research into the Australian egg industry. The amending legislation provided for Commonwealth payments to be made to the PITF for research purposes, and that, in addition to disbursements to the States for egg marketing assistance, moneys in the PITF may be used for research. The PITF funds which are used for research are obtained partly from the use of a portion of the hen levy proceeds (the egg producers' contribution to research) and partly by way of a special appropriation of the Consolidated Revenue Fund paid into the PITF (the Commonwealth's contribution to research). Under the 1966 amendment, the Commonwealth contributes (up to a maximum of $100,000 per financial year) half the amounts allocated from the PITF for research. Payments from the Fund for research are recommended by CEMAA and approved by the Minister. CEMAA established the Poultry Research Advisory Committee (PRAC) to advise it and make recommendations to it on research matters.

Allocations for research from the PITF were first made in 1969-70. From 1 July 1969 to 30 June 1977, the total allocation for research was $1.65m., with $1.42m. actually spent. The annual reports of the PRAC and the operation of the Poultry Industry Assistance Act 1965 provide details on research funds expended and the projects concerned.

Rising costs since the inception of the Poultry Research Scheme and the need for more research oriented to marketing and economics led to the industry requesting an increase in the dollar for dollar funding arrangements. The industry offered to contribute up to an extra $50,000 per year and the Commonwealth has agreed to match this offer. Accordingly, this Bill will provide for an increase in the limit to the Commonwealth's contribution in any financial year, from $100,000 to $150,000.

In addition to the Poultry Research Scheme, there is a separate scheme, the Chicken Meat Research Scheme, which provides assistance for research into the chicken meat industry, and has been operating since 1 July 1969. This scheme is funded on a $1 for $1 basis by the Commonwealth and a levy on meat chickens hatched.

Provisions

Clause 3 amends section 5 so that the Commonwealth will contribute in any financial year from 1 July 1978, one half of the expenditure from the PITF on research, up to a
maximum PITF allocation of $300,000 (instead of $200,000, which has been the case until now). Hence, the Commonwealth will now contribute (on a $1 to $1 basis) up to $150,000. Clause 4 amends the Principal Act, in accordance with the Schedule to the Bill, by altering certain expressions to make them consistent with current drafting practice.