To amend the Live-stock Slaughter Levy Act 1964 to increase the maximum rates leviable on cattle, buffaloes, sheep, lambs and goats slaughtered for human consumption.

Background

These levies along with the complementary charges on livestock exports are used to finance the operations of the Australian Meat and Livestock Corporation (AMLC), payments to the Research Account operated by the Australian Meat Research Committee (AMRC), some research of the Commonwealth Scientific and Industrial Research Organization (CSIRO), and the National Cattle Disease Eradication Trust Account. Both this levy and charges made under the Live-stock Export Charge Act 1977, which is being amended concurrently, are broken into a number of components according to the purpose for which the money is being raised. The components dealt with in this series of amendments are for meat research (AMRC), meat processing research (CSIRO), and administration of the AMLC. The Bill specifies maximum rates for only the first two of these components and a total of the three therefore leaving the third component as a residual possible maximum rate.

These maximum amounts leviable on the owners of stock slaughtered in Australia differ for each species of beast covered by the Act. At present the Act covers cattle, buffaloes, sheep, lambs and goats. Levies may be set by regulation of the Governor-General at any operative rate up to the maximum permissible under the Act.

Payments to the National Cattle Disease Eradication Trust Account are only levied or charged on cattle and buffaloes. Neither of these Bills alters payments on this component.

Operative rates for the meat processing research components are currently set at the maximum permissible
under the Act and increases in these rates have been recommended to the Government by the AMLC, which these Bills will implement, to support increased meat processing research at the CSIRO Meat Research Laboratory at Cannon Hill, Queensland. Other maximum components although currently still above the operative rates are being increased at this point of time. The Government matches research funds expended from monies raised from producers through the two research components on a $ for $ basis.

Monies raised through the component designed for administration of the AMLC are used to finance the Corporation's operations in the control and regulation of external marketing of Australian meat, meat products, edible offal and livestock and its other responsibilities in providing assistance for promotion of meat and meat products both in Australia and overseas. The AMLC is presently discussing with industry its forward expenditure budgets and income requirements, and increased operative rates to finance AMLC operations may be needed. In his Second Reading Speech Mr. Sinclair expressed the Government's wish that Australia's exports to the Middle East be expanded, requiring increasing expenditure on promotion of exports to these markets. Australian meat promotion expenditure in the Middle East in 1976-77 was $281,000 compared with $130,000 in 1975-76, a 116 per cent rise. A corresponding rise of 73 per cent in export tonnes to this area resulted. The Government does not supplement funds raised from producers to finance the AMLC.

Provisions

The proposed maximum rates for the levy components provided for by the Bill and the previous rates levied are:

**Cattle and Buffaloes**
- meat research from 25 cents to 50 cents (amending clauses 3(b) and 6(b)).
- meat processing research from 1 cent to 4 cents (clauses 3(a) and 6(a)).
- Total for above 2 components plus administration AMLC from 75 cents to $1.50 (clauses 3(c) and 6(c)).

**Sheep, Lambs and Goats**
- meat research from 3-1/3 cents to 6-2/3 cents (clauses 1(b), 5(b) and 7(b)).
- meat processing research from 0.1 cents to 0.4 cents (clauses 1(a), 5(a) and 7(a)).
- Total for above 2 components plus administration
AMLC from 7-1/2 cents to 15 cents (clauses 1(c), 5(c) and 7(c)).

The Act will be operational from the day it receives Royal Assent (clause 2).

Finance, Industries, Trade & Development Group

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LEGISLATIVE RESEARCH SERVICE