

1980

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Dairying Industry Research and Promotion Levy Amendment Bill 1980

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary
Industry, the Hon. Peter Nixon, M.P.)

OUTLINE

The Bill provides for amendment, at the industry's request, of the Dairying Industry Research and Promotion Levy Act 1972 which imposes a three-component levy on whole milk and butter fat produced in Australia, for the purposes of:

- the industry's contribution to research activities;
- domestic sales promotion activities; and
- administration costs and overseas promotion activities of the Australian Dairy Corporation.

The Act sets maximum rates of levy and provides for operative rates to be prescribed up to the maxima.

The amendments will raise the maximum rates of levy for research and domestic promotion as follows:

	Proposed Maximum Rates	Current Maximum Rates
Research		
100 litres whole milk	1.2 cents	1.0 cent
100 kg butter fat	30 cents	25 cents
Domestic Promotion		
100 litres whole milk	12 cents	6 cents
100 kg butter fat	\$3	\$1.50

An increase in the maximum rates of research levy will facilitate forward planning of the dairy research program to meet cost increases and urgent research needs.

Because of declining milk production and increasing costs of domestic promotion, proceeds from the current maximum operative levy rates for domestic promotion are not sufficient to meet the promotional programs developed by the Australian Dairy Corporation on the industry's behalf.