ARTHUR ROBINSON & HEDDERWICKS

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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

DEER SLAUGHTER LEVY BILL 1992

DEER EXPORT CHARGE BILL 1992

DEER VELVET LEVY BILL 1992

DEER VELVET EXPORT CHARGE BILL 1992

PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION

AMENDMENT BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Primary Industries and Energy, the Hon Simon Crean MP)

DEER SLAUGHTER LEVY BILL 1992 DEER EXPORT CHARGE BILL 1992 DEER VELVET LEVY BILL 1992 DEER VELVET EXPORT CHARGE BILL 1992 PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT BILL 1992

OUTLINE

- 1. These Bills form a package to institute levies and charges on the deer industry to fund a research and development program in relation to the deer industry. The Bills make provision to impose, from 1 July 1992; a levy on the slaughter of deer for human consumption; a charge on the export of live deer; a levy on the sale of deer velvet, and on deer velvet used in the production of other goods; and a charge on the export of deer velvet. In addition to the imposition Bills a fifth Bill in this package makes provision for consequential amendments to the Primary Industries Levies and Charges Collection Act 1991 (PILCC Act).
- 2. Regulations under the PILCC Act will provide for collection of the levies and charges. Other regulations, under the <u>Primary Industries and Energy Research and Development Act 1989</u> will attach the levies and charges to the Rural Industries Research and Development Corporation and thereby provide the administrative infrastructure for the scheme.
- 3. Introduction of these levies and charges is at the request of the Deer Farmers Federation of Australia (DFFA), which represents the majority of deer farmers in Australia. There is provision to alter future rates of levy and charge by regulations authorised by the Governor-General having regard to recommendations made to the Minister by the DFFA or such other prescribed representative deer industry body.

FINANCIAL IMPACT STATEMENT

4. Passage of these Bills will have a minimal impact on the Commonwealth budget. Under the Commonwealth Government's research and development policy, industry levies and charges for expenditure on research and development are matched up to a maximum of 0.5 percent of the industry's gross value of production. Accordingly, it is estimated that the Commonwealth contribution would be approximately \$30,000 in 1992/93 rising to \$60,000 in 1995/96.

NOTES ON CLAUSES

DEER SLAUGHTER LEVY BILL 1992

Clause 1 - Short title

5. Provides for the Bill to be called the Deer Slaughter Levy Act 1992.

Clause 2 - Commencement

Provides that the Act shall commence from 1 July 1992.

Clause 3- Main object of Act

7. States the main objective of this Bill as being to raise funds for research and development activities in relation to the deer industry.

Clause 4 - Act binds the Crown

8. This clause provides that the Bill binds the Crown in the right of the Commonwealth, of each of the States, of the Australian Capital Territory and the Northern Territory.

Clause 5 - Interpretation

- Provides definition of terms used in the Bill.
- Subclause (2) provides for the <u>Primary Industries Levies and Charges</u>
 <u>Collection Act 1991 (PILCC Act)</u> to be incorporated and read as one with this Bill.

Clause 6 – Imposition of levy

- 11. Subclause (1) imposes a levy on the slaughter of deer at an abattoir intended for human consumption.
- 12. Subclause (2) exempts deer from being levied under subclause (1) if the deer carcase is found to be unfit for human consumption under any Commonwealth or state law.

Clause 7 - Rate of levy on slaughter of deer

13. Subclause (1) provides for levy to be determined on the hot dressed carcase weight of the deer slaughtered. The rate of levy is that set by regulation on a per kilogram basis per deer slaughtered.

- 14. When only the cold dressed carcase weight can be determined the levy imposed is the same prescribed amount per kilogram of each deer slaughtered multiplied by a shrinkage compensation factor of 1.03.
- 15. Subclause (3) makes provision to deem the carcase weight if neither the hot dressed carcase weight or the cold dressed carcase weight of deer slaughtered is able to be determined. The same levy rate per kilogram set by regulation applies to the deemed carcase weight.
- 16. Subclause (4) defines deemed carcase weight for the purposes of subclause (3) to be 60 kilograms and for the purposes of subclauses (1), (2) and (3), sets the maximum rate of levy to be \$0.30.
- Subclause (5) sets the operative rate of levy, in the absence of Regulations at \$0.18.

Clause 8 - Who pays the levy

18. Imposes the liability for payment of the levy upon the producer.

Clause 9 - Regulations

- 19. Subclause (1) makes provision for the Governor-General to make regulations for the purpose of giving effect to this Bill.
- 20. In making changes to any prescribed rate of levy under subclause 7(4), the Governor-General must consider recommendations made to the Minister by any representative industry organisation.

DEER EXPORT CHARGE BILL 1992

Clause 1 - Short title

21. Provides for the Bill to be called the Deer Export Charge Act 1992.

Clause 2 - Commencement

22. Provides that the Act shall commence from 1 July 1992.

Clause 3- Main object of Act

23. States the main objective of the Bill as being to raise funds for research and development activities in relation to the deer industry.

Clause 4 - Act binds the Crown

24. This clause provides that the Bill binds the Crown in the right of the Commonwealth, of each of the States, of the Australian Capital Territory and of the Northern Territory.

Clause 5 - Interpretation

- 25. Provides definition of terms used in the Bill.
- 26. Subclause (2) provides for the PILCC Act to be incorporated and read as one with this Bill.

Clause 6 - Imposition of charge

27. This clause imposes a charge on live deer produced in Australia that are exported from Australia.

Clause 7 - Rate of charge on export of live deer

- 28. Subclause (1) provides for the rate of charge imposed per head of live deer exported to be specified in the regulations or if no amount is specified in the regulations to be set at the rate of \$10 per head of live deer exported.
- Subclause (2) provides for the rate of levy specified in the regulations not to exceed \$20 per head of live deer exported.

Clause 8 - Who pays the charge

30. Imposes the liability for payment of the charge upon the producer.

Clause 9 - Regulations

- 31. Subclause (1) provides for the Governor-General to make regulations for the purpose of giving effect to this Bill.
- In making changes to any regulation prescribing the rate of charge under clause7, the Governor-General must consider recommendations made to the Minister by any representative industry organisation.

DEER VELVET LEVY BILL 1992

Clause 1 - Short title

33. Provides for the Bill to be called the Deer Velvet Levy Act 1992.

Clause 2 - Commencement

34. Provides that the Act shall commence from 1 July 1992.

Clause 3- Main object of Act

35. States the main objective of the Bill as being to raise funds for research and development activities in relation to the deer industry.

Clause 4 - Act binds the Crown

36. This clause provides that the Bill binds the Crown in the right of the Commonwealth, of each of the States, of the Australian Capital Territory and of the Northern Territory.

Clause 5 - Interpretation

- 37. Provides definition of terms used in the Bill.
- Subclause (2) provides for the PILCC Act to be incorporated and read as one
 with this Bill.

Clause 6 - Imposition of levy on deer velvet sold

39. This clause imposes levy on the sale of deer velvet produced in Australia and which is sold in Australia after commencement of this Bill. Deer velvet is not exempted from levy by reason of it being produced before the commencement of this Bill.

<u>Clause 7 - Imposition of levy on deer velvet used in the production</u> <u>of other goods</u>

40. This clause imposes levy on the sale of deer velvet which is produced in Australia and used by the producer, or on behalf of the producer, in the production of other goods after the commencement of this Bill. Levy would only be imposed in this circumstance if, at the time deer velvet is used in the production of other goods, that deer velvet had not been sold previously and therefore would not have been previously subject to levy under clause 6.

Clause 8 - When levy not imposed

41. This clause exempts deer velvet from levy if levy has already been imposed on that deer velvet under this Bill.

Clause 9 - Rate of levy on sale of deer velvet

- 42. Subclause (1) provides for the operative rate of levy under clause 6 to be set by regulation. In the absence of regulations the operative rate of levy is 5 percent of the sale value of the deer velvet.
- 43. Subclause (2) limits the maximum rate of levy that can be set by regulation under subclause (1) to be not more than 7 percent.

Clause 10 - Rate of levy on deer velvet used in the production of other goods

- 44. Subclause (1) provides for the operative rate of levy under clause 7 to be set by regulation. In the absence of regulations the operative rate of levy is 5 percent of the declared value of the deer velvet.
- 45. For the purpose of calculating the amount of levy on deer velvet used in the production of other goods the declared value is the amount expressed in dollars and cents as determined by the Secretary.
- 46. In determining the value of a quantity of deer velvet used in the production of other goods the Secretary need only consider; the quantity of that deer velvet; the quality of that deer velvet; the price for deer velvet of that quality as published by, or by authority of the Deer Farmers Federation of Australia (or by any organisation known as the Deer Farmers Federation of Australia at the time this Act commences) and applicable at the time the deer velvet was exported; and any other prescribed matter.
- 47. Subclause (4) limits the maximum rate of levy that can be set by regulation under subclause (1) to be not more than 7 percent.

Clause 11 - Delegation by Secretary

48. This clause provides that the Secretary may delegate the power to determine the declared value of deer velvet used in the production of other goods to an officer of the Australian Public Service.

Clause 12 - Who pays the levy

49. Imposes the liability for payment of the levy upon the producer.

Clause 13 - Regulations

- 50. Subclause (1) provides for the Governor-General to make regulations for the purpose of giving effect to this Bill.
- 51. In making changes to any regulation prescribing the rate of levy charge under clauses 9 and 10, the Governor-General must consider recommendations made to the Minister by any representative industry organisation.

DEER VELVET EXPORT CHARGE BILL 1992

Clause 1 - Short title

52. Provides for the Bill to be called the Deer Velvet Export Charge Act 1992.

Clause 2 - Commencement

53. Provides that the Act shall commence from 1 July 1992.

Clause 3- Main object of Act

54. States the main objective of the Bill as being to raise funds for research and development activities in relation to the deer industry.

Clause 4 - Act binds the Crown

55. This clause provides that the Bill binds the Crown in the right of the Commonwealth, of each of the States, of the Australian Capital Territory and of the Northern Territory.

Clause 5 - Interpretation

- 56. Provides definition of terms used in the Bill.
- Subclause (2) provides for the PILCC Act to be incorporated and read as one
 with this Bill.

Clause 6 - Imposition of charge

- 58. Subclause (1) imposes a charge on the export of deer velvet produced in Australia and exported from Australia.
- 59. Subclause (2) exempts deer velvet being exported from charge if that velvet has already had a levy imposed on it by the Deer Velvet Levy Act 1992.

Clause 7 - Rate of charge on export of deer velvet

- 60. The rate of charge imposed on the export of deer velvet is the percentage of the declared value of that velvet, as specified in the regulations. If there is no percentage specified in the regulations then the rate of charge is 5 percent of the declared value of the deer velvet exported.
- 61. The declared value of a quantity of deer velvet for the purposes of determining charge under subclause (1) is the value of a quantity of deer velvet as described

- in the bill of lading or similar document facilitating the export of that deer velvet.
- 62. If the Secretary believes that the declared value of a quantity of deer velvet exported from Australia is not fair and reasonable, the Secretary may determine a value that in his opinion is fair and reasonable and for the purpose of calculating the charge imposed under this Bill, becomes the declared value of that deer velvet.
- 63. In determining the value of deer velvet the Secretary need only consider; the quantity of that deer velvet; the quality of that deer velvet; the price for deer velvet of that quality as published by, or by authority of, the Deer Farmers Federation of Australia (or by any organisation known as the Deer Farmers Federation of Australia at the time this Act commences) and applicable at the time the deer velvet was exported; and any other prescribed matter.
- **64.** Subclause (5) limits the maximum rate of charge that can be set by Regulation under subclause (1) to be not more than 7 percent.

Clause 8 - Delegation by Secretary

65. The Secretary may delegate the power to determine the declared value of deer velvet exported to an officer of the Australian Public Service.

Clause 9 - Who pays the charge

66. Imposes the liability for payment of charge upon the producer.

Clause 10 - Regulations

- **67.** Subclause (1) provides for the Governor-General to make regulations for the purpose of giving effect to this Bill.
- 68. In making changes to any regulation prescribing the rate of charge under clause 7, the Governor-General must consider recommendations made to the Minister by any representative industry organisation.

PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMEN'T BILL 1992

Clause 1 - Short title

- 69. Provides for the Bill to be called the <u>Primary Industries Levies and Charges</u>
 Collection Amendment Act 1992.
- 70. Reference to the "Principal Act" means the <u>Primary Industries Levies and Charges Collection Act 1991</u> (PILCC Act).

Clause 2 - Commencement

71. Provides that the Act shall commence from 1 July 1992.

Clause 3 - Liability of intermediaries - ancilliary provisions

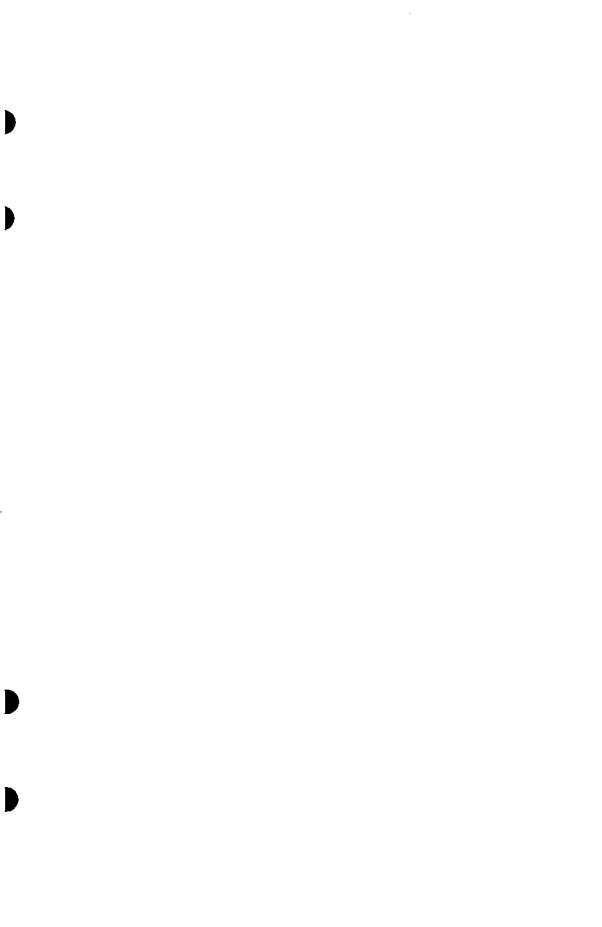
72. This clause amends section 8 of the PILCC Act by inserting a sub-section (4A) which allows the proprietor of an abattoir to refuse to slaughter, or refuse to permit the slaughter, of deer owned by another person if that other person has not made provision of funds for the proprietor to make levy payments on behalf of that other person.

Clause 4 - Reconsideration and review of decisions

73. This clause amends section 28 of the PILCC Act to include a provision for the Secretary or his delegate to make a determination; under subsection 10(2) of the <u>Deer Velvet Levy Act 1992</u> in relation to the declared value of a quantity of deer velvet used in the production of other goods; or under subsection 7(3) of the <u>Deer Velvet Export Charge Act 1992</u> in relation to the declared value of a quantity of deer velvet exported from Australia.

Clause 5-Schedules

74. This clause attaches the <u>Deer Export Charge Act 1992</u>, the <u>Deer Velvet Export Charge Act 1992</u>, the <u>Deer Slaughter Levy Act 1992</u> and the <u>Deer Velvet Levy Act 1992</u> to the PILCC Act.



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