EXPLANATORY STATEMENT

STATUTORY RULES 1982 No. 223

Issued by the Authority of the Minister for Primary Industry

WHEAT TAX REGULATIONS (AMENDMENTS)

The Wheat Tax Regulations prescribe the rate of tax which is imposed on all wheat delivered to and all wheat not delivered to but sold by the Australian Wheat Board.

Wheat tax monies are held in the Wheat Research Trust Account and are used to finance wheat industry research approved by the Wheat Industry Research Committees in each mainland State. The Commonwealth Government also contributes money to the Wheat Research Trust Account to cover research expenditure recommended by the Wheat Industry Research Council and approved by the Minister. Under sub-section 5(1) of the Wheat Research Act 1957 the Commonwealth contribution in aggregate must not exceed the aggregate of the amounts paid into the account from wheat tax collections.

The Wheat Tax Regulations currently provide for a rate of tax of 20 cents per tonne while sub-section 5(1) of the Wheat Tax Act 1957 limits the maximum rate of tax which can be imposed to 30 cents per tonne

-   the current rate of tax has been operative since
    October 1978

-   the proposed amendment would increase the rate of tax
    to 25 cents per tonne from 1 October 1982.

As required under sub-section 5(2) of the <u>Wheat Tax</u>
<u>Act</u> 1957 the Australian Wheatgrowers' Federation has submitted
a report to the Minister for Primary Industry setting out
reasons for their request that the rate of tax be raised by
5 cents per tonne.

The Australian Wheatgrowers' Federation identified
several areas where lack of research funds were having a
detrimental effect on wheat research. The report drew
attention to essential projects which have been denied support
because of inadequate funds, to new areas requiring research as
the wheat industry expands, and to the deteriorating level of
reserves in wheat research funds.

The Minister for Primary Industry has consulted with
the Minister for Finance and both concur with the increase in
tax recommended by the Federation.

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