NATIONAL CATTLE DISEASE ERADICATION ACCOUNT AMENDMENT
BILL 2006

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Agriculture, Fisheries and Forestry, the Hon Peter McGauran MP)
NATIONAL CATTLE DISEASE ERADICATION ACCOUNT AMENDMENT BILL 2006

GENERAL OUTLINE

The purpose of the amendments to the National Cattle Disease Eradication Account Act 1991 (the Act) is to enable funds to be transferred from the National Cattle Disease Eradication Account (NCDEA) to the more broadly-based Cattle Disease Contingency Fund (CDCF).

The NCDEA was established to receive levy funds from the cattle and buffalo industries to fund the industry contribution to the national Brucellosis and Tuberculosis Eradication Campaign and its successor, the Tuberculosis Freedom Assurance Program (TFAP). The National Cattle Disease Eradication Account Act 1991 allows funds in the NCDEA to be used for the eradication of cattle diseases that are endemic in Australia.

As the Tuberculosis Freedom Assurance Program (TFAP) will end on 31 December 2006, the cattle and buffalo industries requested that residual funds in the Trust Account are transferred into the CDCF.

The CDCF is a trust fund which currently holds cattle industry levy monies. The trustee is a company, the Cattle Disease Contingency Fund Pty Ltd, which was established in 2002 by the Cattle Council of Australia (CCA), the Australian Lot-Feeders’ Association (ALFA) and Animal Health Australia (AHA), for this purpose. AHA provides administrative and financial services to the company. The company, as trustee, is permitted to use the funds in the CDCF for specified purposes, including prevention, eradication and control of endemic or exotic cattle diseases, research and other animal health activities likely to benefit the Australian cattle industry.

The increased flexibility in the use of the levy monies will strengthen the cattle industry’s ability to address biosecurity issues, to conduct research and risk mitigation activities and to respond to incursions of exotic diseases.

FINANCIAL IMPACT STATEMENT

There are no direct financial implications for the Commonwealth as the intention of the Bill is to facilitate the transfer of cattle and buffalo producer levies and charges to the CDCF.
NOTES ON CLAUSES

Clause 1: Short title

This clause provides for the Act to be called the National Cattle Disease Eradication Account Amendment Act 2006.

Clause 2: Commencement

This clause provides for the Act to come into effect on Royal Assent.

Clause 3: Schedule(s)

This clause advises that the amendments being made to the National Cattle Disease Eradication Account Amendment Act 2006 are contained in Schedule 1.

Schedule 1: National Cattle Disease Eradication Account Act 1991

Item 1 – At the end of subsection 6(1)

Clause (c) allows payments to be made from the National Cattle Disease Eradication Account to the Cattle Disease Contingency Fund.

Items 2 - At the end of Section 6

Section 3 provides a definition of the Cattle Disease Contingency Fund Trust for the purposes of the Act.