EXPLANATORY STATEMENT

Select Legislative Instrument 2005 No. 189

Issued by Authority of the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry

Primary Industries (Excise) Levies Act 1999

Primary Industries (Excise) Levies Amendment Regulations 2005 (No. 3)

Statutory Basis

Section 8 of the Primary Industries (Excise) Levies Act 1999 (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Schedule 3 to the Act imposes levies in relation to cattle transactions. Funds corresponding with the amounts of revenue raised under the Schedule are appropriated for Meat & Livestock Australia Ltd (MLA) for marketing and research activities, Australian Animal Health Council Ltd to ensure that Australia’s national animal health system delivers competitive advantage for Australia’s livestock, and National Residue Survey for recovery of costs incurred in monitoring and testing residues and contaminants in food production.

Purpose of the Regulations

The purpose of the proposed Regulations is to continue the marketing component of the excise levy at $2.32 per head for grass-fed cattle. The proposed Regulations would also decrease the research component of the excise levy in respect to lot-fed cattle from $1.57 to $0.70 per head, and increase the marketing component from $1.67 to $2.54 per head. The proposed Regulations would not alter the existing overall excise levy rate of $3.50 for each transaction per head for adult cattle.

The Regulations are a legislative instrument for the purposes of the Legislative Instruments Act 2003.

Background to the Regulations

Following industry’s review of its research and marketing needs and priorities, the peak industry bodies of the Cattle Council of Australia (CCA) and the Australian Lot Feeders’ Association (ALFA) approached government to amend allocations within the excise levy.

The continuation and expansion of funds available to MLA for marketing purposes is consistent with industry’s increased emphasis on overseas marketing. MLA will use the funds to maintain Australia’s market share in our export markets following increasing pressure from overseas producers such as Brazil, as well as combating the eventual return of the United States and Canada to the international arena when bans imposed in some markets following positive tests for bovine spongiform encephalopathy are lifted.

Details of the Regulations are provided in the Attachment.

The Office of Regulation Review has been consulted in the preparation of these regulations and a Regulation Impact Statement exemption has been granted (reference number RIS ID 7488).
Details of the *Primary Industries (Excise) Levies Amendment Regulations 2005 (No. 3)*

**Regulation 1 – Name of Regulations**

This regulation provides for the citation of the Regulations.

**Regulation 2 – Commencement**

This regulation provides for the Regulations to commence on the day after they are registered on the Federal Register of Legislative Instruments.

**Regulation 3 – Amendment of *Primary Industries (Excise) Levies Amendment Regulations 2004 (No. 6)***

This regulation provides that the *Primary Industries (Excise) Levies Amendment Regulations 2004 (No. 6)* (the Principal Regulations) are amended as set out in the Schedule. The Principal Regulations amend the *Primary Industries (Excise) Levies Regulations 1999* (the Excise Regulations).

**Schedule – Amendments**

**Item [1] – Schedule 2**

Schedule 2 of the Principal Regulations provides that the marketing component of the excise levy would revert to $2.16 per head for grass-fed cattle and $1.51 per head for lot-fed cattle as of 1 September 2005. This item completely substitutes Schedule 2 of the Principal Regulations.

**Item [1] – Schedule 3, subclause 1A (1A), notes**

Item [1] substitutes the *notes* under subclause 1A (1A) of Schedule 3 of the Excise Regulations to advise the amount of the excise levy for adult grass-fed cattle that is destined for the marketing body. The reference in the Principal Regulations to the levy component in the *Primary Industries (Excise) Levies Act 1999* (the Act) is removed.

**Item [2] – Schedule 3, subclause 1A (3), note 2**

Item [2] substitutes note 2 under subclause 1A (3) to advise that the Australian Animal Health Council component of the excise levy for adult grass-fed cattle reverts to $0.13 per head from $0.30 per head on 1 January 2007.

**Item [3] – Schedule 3, subclause 2 (1)**

Item [3] amends subclause 2 (1) of Schedule 3 of the Excise Regulations to increase the marketing component of the excise levy from $1.67 per head to $2.54 per head for lot-fed cattle.

Item [4] substitutes the note under subclause 2 (1) of Schedule 3 of the Excise Regulations to advise the amount of the excise levy for adult lot-fed cattle that is destined for the marketing body. The reference in the Principal Regulations to the levy component in the Act is removed.


Item [5] amends subclause 2 (2) of Schedule 3 to the Excise Regulations to decrease the research component of the excise levy from $1.57 per head to $0.70 per head for lot-fed cattle.


Item [6] substitutes note 2 under subclause 2 (4) to advise that the Australian Animal Health Council component of the excise levy for adult lot-fed cattle reverts to $0.13 per head from $0.30 per head on 1 January 2007.