

Primary Industries (Customs) Charges Amendment Regulations 2001 (No. 4) 2001 No. 112

EXPLANATORY STATEMENT

Statutory Rules 2001 No. 112

Issued by the Authority of the Minister for Forestry and Conservation.

Primary Industries (Excise) Levies Act 1999

Primary Industries (Customs) Charges Act 1999

Primary Industries Levies and Charges Collection Act 1991

Primary Industries and Energy Research and Development Act 1989

Primary Industries (Excise) Levies Amendment Regulations 2001 (No. 5)

Primary Industries (Customs) Charges Amendment Regulations 2001 (No. 4)

Primary Industries Levies and Charges Collection Amendment Regulations 2001 (No. 3)

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

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

Section 30 of the *Primary Industries Levies and Charges Collection Act 1991* [the Collection Act] provides that the Governor-General may make regulations prescribing matters required or permitted by that Act to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to that Act.

The purpose of the Primary Industries (Excise) Levies Amendment Regulations 2001 (No. 5), Primary Industries (Customs) Charges Amendment Regulations 2001 (No. 4) and Primary Industries Levies and Charges Collection Amendment Regulations 2001 (No. 3) is to continue the consolidation of individual commodity Levy and Charges regulations into two main regulations and introduce two new categories of leviable log with levies set at 8 cents per cubic metre.

Schedule 10 to the Levies Act provides that levy is imposed on logs at rates prescribed by regulation, and that the Minister must take into consideration relevant recommendations made by an industry representative body declared under Section 7 of the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act). Schedules 7 and 8 of the Charges Act provide that the rate of charges imposed shall be equal to the rate of levy imposed by the Levies Act.

The two new softwood categories were proposed by the National Association of Forest Industries, the industry representative body declared under Section 7 of the PIERD Act in relation to the Forest and Wood Products R&D Corporation. The recommendations follow extensive consultations with industry in accordance with the government's general principles applying to

proposals for new and changed Primary industry levies and have broad support, including in the softwood sector.

The new log classifications enable a lower rate of levy for low value softwood, while continuing levies at 29 cents per cubic metre for higher value softwood. This addresses a long-standing perceived inequity, whereby producers of low grade softwood and softwood roundwood contribute disproportionately to research funded by the Forest and Wood Products R&D Corporation, the majority of which is focused at higher value softwood. The proposed operative rate of levy for the two new low value log categories is 8 cents per cubic metre.

The Levies Act and the Charges Act consolidated legislation imposing duties of excise, and of customs, on various primary industry commodities and products for the funding and administration of research and development relating to primary industries. In the initial consolidation process, the individual Acts that imposed levies and charges on various commodities were repealed. Regulations (including those for forest and wood products) made under the repealed Acts were continued in force under transitional provisions in the Levies Act and the Charges Act. The Collection Act provides the mechanisms for an efficient and effective collection process for all primary industry duties of excise and of customs. The Primary Industries Levies and Charges Collection Regulations 1991 (Collection Regulations) contain the details required for the collection process.

The regulations replace regulations relating to forest and wood products that were made under Acts that have been repealed but had transitional effect under the Levies Act and the Charges Act. The naming and numbering of Schedules in the Primary Industries (Excise) Levies Regulations 1999 reflect the naming and numbering of Schedules to the Levies Act. Similarly, the naming and numbering of Schedules to the Primary Industries (Customs) Charges Regulations 2000 reflect the naming and numbering of schedules to the Charges Act. Some 90% of all previous commodity regulations have now been consolidated since the introduction of the Levies Act and Charges Act in 1999.

Details of the substantive provisions contained in the proposed Primary Industries Levies and Charges Collection Amendment Regulations 2001 (No. 3), Primary Industries (Excise) Levies Amendment Regulations 2001 (No.5), and Primary Industries (Customs) Charges Regulations 2001 (No. 4) are included in Attachments 1, 2, and 3 respectively.

The Regulations will commence on. 1 July 2001.

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ATTACHMENT 1

PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT REGULATIONS 2001 (No. 3)

Regulation 1 gives the name of the regulations as the Primary Industries Levies and Charges Collection Amendment Regulations 2001 (No. 3).

Regulation 2 provides that the Regulations commence on 1 July 2001.

Regulation 3 provides that Schedule 1 amends the Primary Industries Levies and Charges Collection Regulations 1991.

Regulation 4 provides for the repeal of Statutory Rules 1994 No. 204 and 1997 No. 202. These regulations were originally made under the *Primary Industries Levies and Charges Collection Act 1991*, the *Forest Industries Research Export Charge Act 1993*, the *Forest Industries Research Import Charge Act 1993*, and the *Forest Industries Research Levy Act 1993*. They had effect under transitional arrangements in Schedules 7 and 8 to the *Primary Industries (Customs) Charges Act 1999* and Schedule 10 to the *Primary Industries (Excise) Levies Act 1999*.

Schedule 1 AMENDMENT

Item 1 substitutes details for Schedules 15, 16 and 17.

SCHEDULE 15 Forest industries products.

Clause 1 provides that this Schedule applies to leviable logs.

Clause 2 provides definitions for the Schedule.

Clause 3 defines a financial year as the levy year for leviable logs.

Clause 4 provides for when levy is due for payment

Clauses 5 and 6 provide for who must lodge a quarterly return and when.

Clauses 7 and 8 provide for who must lodge an annual return and when.

Clause 9 provides that a producer, who operates more than one mill, must lodge a single return containing all the details for each of those mills.

Clause 10 provides for what details must be included in a return.

Clause 11 provides for when a producer may make an application for exemption from the obligation to lodge quarterly returns and seek to lodge an annual return instead.

Clause 12 prescribes the details and the form of the application for seeking the exemption from the obligation to lodge quarterly returns.

Clauses 13, 14 and 15 provide a 14 day limit for a decision on exemption and prescribes what the Secretary must have regard to when deciding whether or not to grant or refuse or continue the exemption.

Clause 16 provides for when a quarterly return must be lodged if an exemption is refused or discontinued.

Clause 17 provides for the review of the Secretary's decision not to grant or refuse or continue the exemption under the *Administrative Appeals Tribunal Act 1975*.

Clause 18 provides for what records must be kept by the producer (i.e the operator of the mill to where the logs were delivered).

SCHEDULE 16 Forest industries (export)

This Schedule lists provisions for the collection of export charges on chargeable logs to corresponding provisions in Schedule 15 for leviable logs.

Clause 1 provides that the Schedule applies to chargeable logs.

Clause 2 provides definitions for the Schedule.

Clause 3 provides that a financial year is a levy year.

Clause 4 provides that chargeable logs are a product to which subsection 7(3) of the Collection Act applies. That subsection sets out the liabilities of intermediaries (particularly exporting agents).

Clause 5 provides for when export charge is due for payment.

Clause 6 provides who must lodge a quarterly return.

Clause 7 provides for when a quarterly return must be lodged.

Clause 8 provides for who must lodge a quarterly return.

Clause 9 provides that a producer, who operates more than one mill, must lodge a single return containing all the details for each of those mills.

Clause 10 provides for what details must be included in a return.

Clause 11 provides for when a producer may make application for exemption from the obligation to lodge quarterly returns and seek to lodge an annual return instead.

Clause 12 prescribes the details and the form of the application for seeking the exemption from the obligation to lodge quarterly returns.

Clauses 13, 14 and 15 provide a 14 day limit for a decision on exemption and prescribes what the Secretary must have regard to when deciding whether or not to grant or refuse or continue the exemption.

Clause 16 provides for when a quarterly return must be lodged if an exemption is refused or discontinued.

Clause 17 provides for the review of the Secretary's decision not to grant or refuse or continue the exemption under *the Administrative Appeals Tribunal Act 1975*.

Clause 18 provides for what records must be kept by the producer (i.e the exporter).

SCHEDULE 17 Forest industries (import)

This Schedule provides for the collection of import charges on forest products imported into Australia. The Australian Customs Service collects the import charge on forest products under an agreement with the Department of Agriculture, Fisheries and Forestry under section 11 of the Collection Act.

Clause 1 provides that the Schedule applies to forest products.

Clause 2 provides definitions for use in the Schedule.

Clause 3 provides that a financial year is a levy year.

Clause 4 prescribes what records a producer (i.e the import of the forest products) must keep.

ATTACHMENT 2

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT REGULATIONS 2001 (No. 5).

Regulation 1 gives the name of the regulations as the Primary Industries (Excise) Levies Amendment Regulations 2001 (No. 5).

Regulation 2 provides that the Regulations commence on 1 July 2001.

Regulation 3 provides that Schedule 1 amends the Primary Industries (Excise) Levies Regulations 1999.

Schedule 1 AMENDMENTS.

Item 1 substitutes details for Schedule 10.

SCHEDULE 10 Forest industries products.

Clause 1 describes in tabular form: the class of logs, the description of those logs, and the operative rates of levy. Two new categories of softwood sawlog have been introduced: low-grade *softwood* sawlogs and *softwood roundwood* log. Low-grade softwood sawlogs are softwood logs that are intended and suitable for making packing timbers, horticultural products, or tile battens. Softwood roundwood logs are softwood logs intended and suitable for treating with preservatives and use as poles and posts. The operative rate for both these categories will be 8 cents per cubic metre. All other softwood sawlogs, excluding Cypress sawlogs, but, including those that are intended and suitable for timber products and construction will remain levied at 29 cents per cubic metre. The operative rate of levy for Cypress sawlogs remains unchanged at 22 cents per cubic metre.

Clause 2 describes the method to be used to calculate the average value of a class of logs for the purposes of subclause 3 (6) of Schedule 10 to the Excise Levies Act (which provides that the rate of levy must not exceed 0.5% of the average values of the logs).

Clause 3 provides for exemption from levy if the producer's combined total amount of levy plus export charge plus import charge is less than \$330.

ATTACHMENT 3

PRIMARY INDUSTRIES (CUSTOMS) CHARGES AMENDMENT REGULATIONS 2001 (No. 4).

Regulation 1 gives the name of the regulations as the Primary Industries (Customs) Charges Amendment Regulations 2001 (No. 4).

Regulation 2 provides that the Regulations commence on 1 July 2001.

Regulation 3 provides that Schedule 1 amends the Primary Industries (Customs) Charges Regulations 2000.

SCHEDULE 1 AMENDMENTS.

Item 1 substitutes details for Schedules 7 and 8.

SCHEDULE 7 Forest Industries (Export).

Clause 1 defines export charge to be charge imposed under Schedule 7 to the Customs Charges Act.

Clause 2 provides for exemption from export charge if the combined total amount of export charge by a person for a levy year, plus import charge plus levy is less than \$330.

It is noted that clause 3 of Schedule 7 to the Customs Charges Act provides that rate of export charge is equal to the rate of levy (if any) that would have been imposed, under Schedule 10 to the Excise Levies Act, if the logs had been delivered to a mill in Australia. Clause 2 of Schedule 10 to the Excise Levies Act sets out the rate of levy for various classes of logs.

SCHEDULE 8 Forest Industries (Import).

Clause 1 defines import charge to be charge imposed under Schedule 8 to the Customs Charges Act.

Clause 2 prescribes certain products listed in Chapter 44 of Schedule 3 to the Customs Tariff Act 1995, are forest products for paragraph (b) of the definition of forest products in clause 1 of Schedule 8 to the Customs Charges Act.

Clause 3 provides for exemption of the import charge that if the combined total amount of import charge by a person for a levy year, plus export charge plus levy, is less than \$330.

It is noted that subclause 3(1) of Schedule 8 to the Customs Charges Act provides that rate of charge is equal to the rate of levy (if any) that would have been imposed, under Schedule 10 to the Excise Levies Act, if the logs had been delivered to a mill in Australia. Clause 2 of of Schedule 10 to the Excise Levies Act sets out the rate of levy for various classes of logs.