

Primary Industries (Excise) Levies Amendment Regulations 2001 (No. 6) 2001 No. 152

EXPLANATORY STATEMENT

STATUTORY RULES 2001 No. 152

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

Primary Industries (Excise) Levies Act 1999

Primary Industries Levies and Charges Collection Act 1991

Primary Industries (Excise) Levies Amendment Regulations 2001 (No. 6)

Primary Industries Levies and Charges Collection Amendment Regulations 2001 (No. 4)

Section 8 of the *Primary Industries (Excise) Levies Act 1999* (the Excise Act) and Section 30 of the *Primary Industries Levies and Charges Collection Act 1991* [the Collection, Act] provide for the Governor-General to make regulations, not inconsistent with the Act, to be prescribed for carrying out or giving effect to the Acts.

The purpose of the regulations is to:

- re-direct the levy from the Dried Fruits Research and Development Fund (the Fund) to Horticulture Australia Limited (HAL) for administration of the appropriate R&D activities;
- prescribe dried fruit as a horticultural product for the definition in Section 1 of Schedule 15 to the Excise Act; and
- to make complementary changes to the Primary Industries Levies and Charges Collection Regulations 1991 (Collection regulations).

There are no policy changes or new requirements for levy payers. The arrangements simply redirect the levy from the Fund to HAL for administration of the appropriate R&D activities.

HAL is the industry services body set up under the *Horticulture Marketing and Research and Development Services Act 2000*. It operates as a not-for-personal profit company, limited by guarantee under Corporations Law, to deliver marketing and research and development (R&D) services for the horticulture industry.

Following the restructuring of the horticultural industry, the Australian Dried Fruits Board (the former product board set up to deliver marketing for the dried vine fruits industry) was integrated into HAL from 1 February 2001. The dried fruits industry after consideration concluded that there were benefits associated with combining the marketing and research and development activities within one organisation. The levy under Schedule 9 was for R&D purposes and was directed to the Dried Fruits Research and Development Fund for R&D activities delivered by the Dried Fruits Research and Development Council (DFRDC). The expiry of the DFRDC is the subject of a separate memorandum.

To facilitate the changing of levies and payments to HAL, the operative rates for dried fruit, previously set under Schedule 9 (Dried Fruits) to the Excise Regulations, are transferred to Part 9 of Schedule 15 (Horticultural Products) to the Excise Regulations. This is a technical requirement to facilitate payments of the R&D levy to the industry services body. Also dried fruit have been

prescribed as a horticultural product as previously only dried vine fruit were so prescribed. The addition permits the inclusion of dried tree fruits such as dried apricots, dried peaches, dried pears, dried nectarines and dried plums, for which there was an existing operative R&D levy. As stated above the proposed regulations do not impose any new obligations on levy payers.

On the advice of the Office of Legislative Drafting, the operative rates for dried fruit in Schedule 9 to the Excise regulations are being set to zero. This retains the integrity of Schedule 9 and allows for possible amendments to be made to Section 4 of the *Horticulture Marketing and Research and Development Services Act 2000* to take in Schedule 9 to the Excise Regulations in the definition of "research and development amounts" if required.

Section 6 of Schedule 9 and subsection 6(6) of Schedule 15 to the Excise Act, require that before making a regulation for the appropriate Schedules, the Governor-General is to take into consideration any relevant recommendation made to the Minister by the relevant R&D authorities. The DFRDC and HAL, as the relevant authorities, wrote to the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry supporting the changes to these Schedules.

The Collection regulations facilitate the efficient collection of the levies on dried fruits. The only changes are minor and technical. They amend references to Schedule 9 to the Excise Act to references to Schedule 15 of the Excise Act. These are complementary to the changes in the Excise Regulations.

The Office of Regulation Review (ref 1744) was consulted over the proposed changes and advised that the proposal did not affect business and thus did not require a Regulation Impact Statement.

Details of the Regulations are included in Attachments 1 and 2:

The Regulations commence on 1 July 2001.

ATTACHMENT 1

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT REGULATIONS 2001 (No. 6)

Details of the Regulations are as follows:

Regulation 1 gives the name of the regulations as the Primary Industries (Excise) Levies Amendment Regulations 2001 (No. 6).

Regulation 2 provides for a commencement date of 1 July 2001.

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

Schedule 1 Amendments

Item 1 substitutes the present clause 1 of Schedule 9, with a new clause having the following effect:

Paragraph 2(a): \$0.00 is to be the new rate per tonne of dried vine fruits.

Paragraph 2(b): \$0.00 is to be the new rate per tonne of dried plums.

Paragraph 2(c): \$0.00 is to be the new rate per tonne of dried tree fruits.

The note cross-references the National Residue Survey Levy on dried fruits.

The former operative levy rates were \$11.00, \$13.00 and \$32.00 per tonne respectively. These are being re-established in Schedule 15, Part 9 -- see item 2.

Item 2 substitutes the present Schedule 15, Part 9 with a new Schedule 15, Part 9 with the following effect:

Paragraph 1 provides the definitions of dried fruit, dried tree fruits, and dried vine fruits.

Paragraph 2 prescribes dried fruit as a leviable horticultural product.

Paragraph 3 sets the operative rate of levy for the marketing component of dried vine fruit. This remains unchanged at \$7.00 per tonne of processed dried vine fruits.

Paragraph 4 sets the operative rates of levy for the research and development component of dried fruit. These remain unchanged from those previously set under Schedule 9: namely \$11.00 per tonne for dried vine fruits, \$13.00 per tonne for dried plums, and \$32.00 per tonne for dried tree fruits (other than dried plums).

The note cross-references the National Residue Survey Levy on dried fruits.

ATTACHMENT 2

PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT REGULATIONS 2001 (No. 4)

Details of the Regulations are as follows:

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

Regulation 2 provides for a commencement date of 1 July 2001.

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

Schedule 1 Amendments

Item 1 substitutes the definition of dried fruits in clause 2 of Schedule 14 to the Collection Regulations. The effect is to replace the previous reference to Schedule 9 of the *Primary Industries (Excise) Levies Act* 1999 with a reference to clause 9.1 of Schedule 15 to the Excise Regulations.

Item 2 substitutes the definition of levy in clause 2 of Schedule 14 to the Collection Regulations. The effect is to replace the previous reference to Schedule 9 of the *Primary Industries (Excise) Levies Act* 1999 with a reference to subclause 2(1) of Schedule 15 to the Excise Regulations.

Item 3 substitutes note 1 at the end of Schedule 14, clause 2. The effect is to replace the previous reference to Schedule 9 of the *Primary Industries (Excise) Levies Act* 1999 with a reference to clause 9.1 of Schedule 15 to the Excise Regulations. The note cross-reference the definitions for dried fruits, dried tree fruits, and dried vine fruits.