

# **Primary Industries (Excise) Levies Amendment Regulations 2002 (No. 6) 2002 No. 192**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 2002 No. 192**

Issued by the 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 2002 (No. 6)

*Primary Industries (Customs) Charges Act 1999*

Primary Industries (Customs) Charges Amendment Regulations 2002 (No. 3)

*Primary Industries Levies and Charges Collection Act 1991*

Primary Industries Levies and Charges Collection Amendment Regulations 2002 (No. 4)

Section 8 of both the *Primary Industries (Excise) Levies Act 1999* (the Levies Act) and the *Primary Industries (Customs) Charges Act 1999* (the Charges Act) provide that the Governor-General may make regulations prescribing matters required or permitted by these Acts to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to these Acts.

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.

These Regulations implement a marketing and research and development (R&D) levy and charge scheme for the table grape industry. The levy and charge is imposed on table grapes, and payable by table grape growers or exporters.

Horticulture Australia Limited (HAL) is the industry services body and it co-ordinates marketing and R&D programs for many horticultural industries. The Australian Table Grape Association Inc (ATGA) is a member of HAL, and have agreed for HAL to manage the levy and charge scheme for the table grape industry. HAL is funded by statutory levies and charges, voluntary contributions and Commonwealth Government matching funding for eligible R&D expenditure.

Subclause 4(1) of Schedule 15 of the Levies Act and subclause 3(3) of Schedule 10 of the Charges Act provide that regulations may fix a rate of levy and charge, respectively, for marketing purposes.

Subclause 4(3) of Schedule 15 of the Levies Act and subclause 3(5) of Schedule 10 of the Charges Act provide that regulations may fix a rate of levy and charge, respectively, for R&D purposes.

Subclause 6(4) of Schedule 15 of the Levies Act and subclause 5(3) of Schedule 10 of the Charges Act provide that before the Governor-General makes regulations to respectively fix rates of levy and charge for marketing the Minister must take into consideration any relevant recommendations made to the Minister by HAL.

Subclause 6(6) of Schedule 15 of the Levies Act and subclause 5(5) of Schedule 10 of the Charges Act provide that before the Governor-General makes regulations to respectively fix rates of levy and charge for R&D the Minister must take into consideration any relevant recommendations made to the Minister by HAL.

Subclause 6(7) of Schedule 15 of the Levies Act and subclause 5(6) of Schedule 10 of the Charges Act respectively require HAL to consult with the body that is the eligible industry body for the relevant horticultural product before recommending rates of levy and charge for marketing to the Minister.

Subclause 6(8) of Schedule 15 of the Levies Act and subclause 5(7) of Schedule 10 of the Charges Act respectively require HAL to consult with the body that is the eligible industry body for the relevant horticultural product before recommending rates of levy and charge for R&D to the Minister.

Subclause 6(9) of Schedule 15 of the Levies Act and subclause 5(8) of Schedule 10 of the Charges Act require that a recommendation made by HAL to the Minister be accompanied by a written statement of the views of the industry body consulted in relation to the recommendation. The Regulations prescribe the ATGA as the eligible industry body with which HAL must consult in relation to table grapes. HAL recommended the initial operative rates of levy and charge to the Minister after consultation with the ATGA. The Regulations give effect to the recommendations of HAL, which are consistent with the table grape industry's request.

The Regulations:

- Prescribe ATGA as the eligible industry body to be consulted by HAL before making recommendations to the Minister about levy and export charge;
- Impose a statutory marketing and R&D levy and charge on table grapes;
- Set an initial operative R&D levy and charge rate of 0.5 cents/kg on table grapes and a marketing levy and charge of 0.5 cents/kg on table grapes. The moneys raised will go to HAL to fund marketing and R&D. The Commonwealth will match eligible R&D expenditure by HAL on a \$1 for \$1 basis; and
- Provide for the manner of payment of levy and charge, the provision of returns by persons who become liable to pay the levy and charge and the keeping of records.

The Office of Regulation Review (ORR) was consulted in the preparation of the Regulations. A Regulation Impact Statement is attached as annex "A".

Details of the Regulations are set out in the Attachment.

The Regulations commence on 1 October 2002 to capture the entire 2002-2003 table grape season to ensure equity amongst levy payers.

Attachments

0205410A  
0205411A  
0205412A

## **ATTACHMENT.**

### **PRIMARY INDUSTRIES (CUSTOMS) CHARGES AMENDMENT REGULATIONS 2002 (No. 3)**

Regulation 1 provides for the name of the regulations to be the *Primary Industries (Customs) Charges Amendment Regulations 2002 (No. 3)*.

Regulation 2 provides for the commencement date to be 1 October 2002.

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

#### **SCHEDULE 1      AMENDMENT**

Item 1 inserts a new Part 20 about table grapes into Schedule 10 to the Customs Charges Regulations.

#### **PART 20      TABLE GRAPES**

Clause 20.1 provides that table grapes are chargeable horticultural products for the purposes of the definition in clause 1 of Schedule 10 to the Charges Act.

- Note 1 provides a cross-reference to the definition of table grapes in clause 20.2 of the Collection Regulations.

Clause 20.3 sets the operative rate of the marketing charge on table grapes of .0.5 cents/kg.

- Note indicates that charge is not imposed on chargeable horticultural products that have had levy previously paid on them.

Clause 20.4 sets the initial operative rate of the R&D charge on table grapes of 0.5 cents/kg.

- Note 1 indicates that charge is not imposed on chargeable horticultural products that have had levy previously paid on them.
- Note 2 indicates that there is a provision for a NRS levy but this is currently set at zero.

Clause 20.5 provides that the Australian Table Grape Association Inc (ABN 69953034946) is the eligible industry body for table grapes.

### **PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT REGULATIONS 2002 (No. 6)**

Regulation 1 provides for the name of the regulations to be the *Primary Industries (Excise) Levies Amendment Regulations 2002 (No. 6)*.

Regulation 2 provides for the commencement date to be 1 October 2002.

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

#### **SCHEDULE 1      AMENDMENT**

Item 1 inserts a new Part 20 about table grapes into Schedule 15 of the Excise Levies Regulations.

## **PART 20 TABLE GRAPES**

Clause 20.1 provides that table grapes are leviable horticultural products for the purposes of the definition in clause 1 of Schedule 15 to the Levies Act.

- Note 1 provides a cross-reference to the definition of table grapes in clause 20.2 of the Collection Regulations.

Clause 20.2 provides that table grapes sold by a producer by retail sale are exempt from levy if the total quantity of those table grapes is not more than 5000 kilograms.

Clause 20.3 sets the operative rate of the marketing levy on table grapes of 0.5 cents/kg.

- Note 1 indicates that levy is not imposed on leviable horticultural products that are exported from Australia. These are however subject to the export charge under the Customs Charges Act.

Clause 20.4 sets the operative rate of the R&D levy on table grapes of 0.5 cents/kg.

- Note 1 indicates that levy is not imposed on leviable horticultural products that are exported from Australia. These are however subject to the export charge under the Customs Charges Act.

Clause 20.5 provides that the Australian Table Grape Association Inc. (ABN number 69953034946) is the eligible industry body for table grapes.

## **PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT REGULATIONS 2002 (No. 4)**

Regulation 1 provides for the name of the regulations to be the *Primary Industries Levies and Charges Collection Amendment Regulations 2002 (No. 4)*.

Regulation 2 provides for the commencement date to be 1 October 2002.

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

## **SCHEDULE 1 AMENDMENT**

Item 1 inserts a new Part 20 about table grapes into Schedule 22 of the Collection Regulations.

## **PART 20 TABLE GRAPES**

Clause 20.1 provides that the part applies to table grapes.

Clause 20.2 provides definitions for use in the part.

- *chargeable table grapes* means table grapes that are not exempt from charge under clause 20.2 of Schedule 10 to the Customs Charges Regulations.

- *deal* means sell, buy or export.
- *exporter*, for chargeable table grapes, means the producer of the table grapes within the meaning of paragraph (g) of the definition of *producer* in subsection 4 (1) of the Collection Act.
- *fresh grapes* means grapes containing not less than 60% of moisture by mass.
- *leviable table grapes* means table grapes that are not exempt from levy under clause 20.2 of Schedule 15 to the Excise Levies Regulations.
- *retail sale*, for a sale of table grapes by a producer, means a sale by the producer of the table grapes except a sale:

(a) to a first purchaser; or

(b) through a selling agent, buying agent or exporting agent; or

(c) at a wholesale produce market.

- *table grapes* means fresh grapes other than fresh grapes that are *prescribed goods* on which levy is imposed under grapes in Schedule 13 or wines grapes in Schedule 26 to the Excise Levies Act.

Clause 20.3 defines what is a levy year. A levy year will be a financial year. The first levy year for this Part will be from 1 October 2002 to 30 June 2003. This is important when the period for the first annual return is considered (refer also to clauses 20.8 to 20.11).

Clause 20.4 defines who is a producer of table grapes.

- Note 1 clarifies that a producer can be the person who owns the product immediately after it is harvested (as defined in paragraph (b) of the definition of producer in the Collection Act). Table grapes are prescribed for the purposes of that definition.
- Note 2 identifies the person who exports chargeable horticultural products from Australia as a producer. Chargeable horticultural products are prescribed for the purposes of paragraph (g) of the definition of producer. Table grapes are chargeable horticultural products under Part 20 of Schedule 10 to the Customs Charges Regulations.
- It is feasible that the same person could be simultaneously interpreted as the producer for both paragraphs of the definition - the person could be the owner at harvest time and the exporter of those table grapes. This would mean that if levy has not been previously paid then charge would be payable (see note 1 clause 20.4 of the Excise Levies Regulations and note 1 clause 20.4 of the Customs Charges Regulations).

Clause 20.5 prescribes chargeable table grapes for the purpose of subsection 7 (3) of the Collection Act.

- The note indicates that the legal responsibilities for intermediaries who are exporting agents are outlined in that subsection.

Clause 20.6 prescribes when charge or levy is due for payment by people who must lodge a quarterly return.

- For example, payment for a return covering the period 1 October 2002 to 31 December 2002 is (under the time allowed by clause 20.9) due by 28 January 2003.

- The note cross-references section 15 of the Collection Act which is about penalty for late payment.

Clause 20.7 prescribes who must lodge a quarterly return. These are producers who sell table grapes by means other than by retail sale, selling agents, buying agents, first purchasers, exporters, and exporting agents as described in the Collection Act.

- The note, after subclause 20.8 (1), cross-references section 24 of the Collection Act which details offences in relation to returns.

Clause 20.8 provides for when a quarterly return must be lodged. A quarterly return must be lodged within 28 days of the end of the quarter to which it relates.

- For example, a return for the quarter 1 October 2002 to 31 December 2002 must be lodged by 28 January 2003.

- The note cross-references section 24 of the Collection Act which details offences in relation to returns.

Clause 20.9 prescribes when charge or levy is due for payment by persons who lodge annual returns.

- For example, payment for a return covering the levy year from 1 July 2003 to 30 June 2004 (see clause 20.3) is due by 28 August 2004 (under the time allowed by clause 19.12).

- The note cross-references section 15 of the Collection Act which is about penalty for late payment.

Clause 20.10 specifies that a producer who sells leviable table grapes by retail sale in a levy year must lodge an annual return for the levy year.

- The note cross-references section 24 of the Collection Act which details offences in relation to returns.

Clause 20.11 prescribes that an annual return must be lodged by 28 August in the next levy year.

- For example, a return covering the levy year from 1 July 2003 to 30 June 2004 is due on or before 28 August 2004.

- The note cross-references section 24 of the Collection Act which details offences in relation to returns.

Clause 20.12 stipulates what must be included in a quarterly or annual return.

- The note cross-references section 24 of the Collection Act which details offences in relation to returns.

Clause 20.13 stipulates what must be kept as records by producers.

- A penalty of 10 penalty units is provided for breaches of the regulations.
- Note cross-references to section 6.1 of the *Criminal Code*, which considers strict liability of offences.

Clause 20.14 stipulates what must be kept as records by first purchasers and buying agents.

- A penalty of 10 penalty units is provided for breaches of the regulations.
- Note cross-references to section 6.1 of the *Criminal Code*, which considers strict liability of offences.

Clause 20.15 stipulates what must be kept as records by exporters and export agents.

- A penalty of 10 penalty units is provided for breaches of the regulations.
- Note cross-references to section 6.1 of the *Criminal Code*, which considers strict liability of offences.

Clause 20.15 stipulates what must be kept as records by selling agents.

- A penalty of 10 penalty units is provided for breaches of the regulations.
- Note cross-references to section 6.1 of the *Criminal Code*, which considers strict liability of offences.

Office of Regulation Review number: 3021



## **ANNEX A.**

### **REGULATION IMPACT STATEMENT**

#### **TABLE GRAPE MARKETING AND RESEARCH AND DEVELOPMENT LEVY AND CHARGE**

The table grape growing industry is a relatively small industry in Australia when compared to the global industry and the Australian wine grape and dried fruit industries. Only 5% of all Australian grapes produced are destined for the table market, although recent consumption trends see growth of the market, especially in exports. Table grapes are grown commercially in all Australian states and territories, except Tasmania and the ACT. Victoria is the largest producing state accounting for 65% of production. The industry is diverse in both scale and scope in terms of yields and seasons.

The peak industry body, the Australian Table Grape Association (ATGA) is the author and proposer of the current levy and charge submission.

A recent significant impact on the industry has been the allowance of Californian table grapes to enter the Australian market from July 2002. The impact on the Australian industry is not yet known, but it is expected that Queensland and Western Australian growers will be substantially affected due to counter seasonal growing.

There has been no levy in place on table grapes in Australia except in Queensland where the Queensland Fruit and Vegetable Growers (QFVG) has had a state based levy of 38 cents per 10 kilogram package to fund marketing and R&D. This levy will be removed if the national levy and charge are implemented.

#### **Problem to be addressed**

Issues such as more efficient production, water resource management, quality assurance and emergency response plans continue to be problems that will be addressed through the R&D component. In relation to marketing, the issues of generic marketing and promotion, trade marks and counter seasonal supply alliances would also be addressed through the levy and charge proposal.

The table grape industry has not been able to fund and overcome these problems on a national basis. "Free rider" problems have caused breakdowns in voluntary contribution systems and the fragmented structure of the industry has meant that individual growers, or group of growers have not been able to self-fund programs. This has resulted in significant under investment in marketing and R&D.

The major industry growth is coming from exports, yet there is no current funding being directed to either marketing or R&D in this area.. Export market growth will be a critical factor in the future success of the industry. Exports are segmented into three different markets; established markets, such as Singapore, Malaysia, Indonesia, New Zealand and Hong Kong; recent markets, such as USA, Canada, Taiwan and Europe; and markets still to be accessed, such as Japan and South Korea.

Due to seasonal growing conditions, imports of table grapes from California will compete directly with Australian table grapes for approximately three months of each season and are likely to significantly undercut the price for early season produce from Queensland and Western Australia. Furthermore, there is future potential for Chilean table grapes to enter the Australian market and this will compound the competitive pressures, increasing import pressures to throughout the

entire domestic supply season. Not only will the levy and charge assist the industry to compete against these new import pressures, but they will also assist in the threat of increased domestic production. Owing to a potential glut of wine grapes, extra volumes may be directed into the table grape market causing further competition.

## **Objective of the Regulations**

The objective of the ATGA, in seeking a national levy and customs charge on the sale of Australian table grapes of 1 cent per kilogram is assist in correcting market failure in funding industry marketing and R&D activities. The levy and charge are necessary to fund national and international marketing and R&D programs for the benefit of all levy and charge payers. The intended outcome is a more effective, efficient, internationally competitive Australian table grape industry.

The industry's objective is help maintain the competitiveness in the domestic market when Californian and other imports gain access, develop sustainable competitive edges in export markets and assist in gaining access to new markets as well as to increase consumption of table grapes and to improve the industry's efficiency.

A national levy and charge offers the best way to provide the means to undertake such activities for the long-term competitiveness of the industry and has the advantage of attracting matching Commonwealth funding for R&D activities. Government matching will allow for the table grape industry to invest in wider 'public good' marketing and R&D that promotes sustainable natural resource management, environmental quality, improved food safety and improvements in occupational health and safety.

## **Options**

### Voluntary levies and charges

Voluntary levies for marketing and R&D have been tried in the past. Voluntary contributions have not been recommended by the industry because of the potential for some growers to act as 'free-riders', failing to contribute while gaining the benefit of the marketing and R&D activities. In addition, the QFVG levy, under Queensland legislation, will become voluntary on 1 July 2003. The proposed national levy and charge will replace, not be in addition to, the contributions paid by Queensland growers.

If it was left to a voluntary levy regime, marketing and R&D undertaken on behalf of the table grape industry would be insignificant, contributing to stagnation in the industry. In a fragmented industry, voluntary levies would not capture the national benefits which would flow from a national compulsory levy.

### Compulsory levies and charges

The ATGA has requested that a national levy and charge of 1 cent per kilogram be imposed on table grape growers at the first point of sale. The monies raised will fund national and international marketing and R&D through Horticulture Australia Ltd (HAL).

The export charge is not an additional impost on top of the levy. It is a separate impost applicable to export sales only. As is the case with other compulsory national horticultural levies, where produce is initially directed to the domestic market with a levy paid at first point of sale and such produce is later exported, the export charge is not imposed.

## **Impact analysis**

### **Likely Costs**

The marketing and export agents who will deduct the payments directly from grower's remittances will perform the collection of the proposed levy and charge. These established "collection agents" would be required to remit payment to Levies Revenue Service (LRS) on a quarterly basis. There will be no significant extra business compliance costs or paper work as the levy and export charge will be collected with existing payment and collection mechanisms related to other leviable products.

The extra cost to table grape growers is paying a levy and export charge of 1 cent per kilogram, which as a proportion of gross value of production is less than 0.5%. The levy and charge represents a collective commitment by growers for their future over the long term. The levy and charge was designed to be as low as practical to impose as little burden on the growers as possible. The rates have been set according to what industry participants' judge as an acceptable and sustainable.

It is not expected that the imposition of the levy will have a significant impact on consumer prices. The levy and charge will be borne by the growers. In the future marketing and R&D should lead to better quality produce becoming available which may attract higher consumer prices, but the marketing and R&D should also lead to a reduction in grower input costs.

There will be an additional cost to the Commonwealth of about \$309,000 annually. The levy and export charge will raise around \$720,000 annually and after deducting collection costs and the HAL administrative fee, it is expected there would be around \$618,000 (including government matching funds) for expenditure on table grape marketing and R&D annually.

There will be no significant cost to the Commonwealth for the administration of the levy and export charge as the LRS operates on a cost recovery basis.

### **Likely Benefits**

The ATGA believes the levy and export charge will benefit all table grape growers in the industry, which number in excess of 1000. The advantages of collective investment for the industry include its increased purchasing power and the economies of scale in marketing and R&D that it provides.

Imposition of the levy and export charge will enable the ATGA to implement its marketing and R&D priorities. An Industry Advisory Committee will be established under the auspices of HAL to ensure that current and future plans are implemented in accordance with industry wishes and government priorities. Both ATGA and HAL will be accountable to levy payers and the Commonwealth for funds invested.

Expected benefits from implementing the levy and export charge:

- involving and uniting the industry towards common goals;
- advancing the industry through growing produce which meets the needs of consumers;
- increasing efficiencies on-farm, post-harvest and throughout the whole supply chain;
- undertaking necessary market intelligence research (especially for export markets);

- providing for a healthier product;
- causing more environmentally friendly use of chemicals.

Table grape growing areas would benefit through environmental gains. Consumers would benefit through consuming a healthier product. Part of the levy proceeds will be used to disseminate the results of marketing and R&D projects, thus benefiting all growers and those associated with the industry. These outcomes are in line with the Government's R&D priorities for agricultural industries.

Smaller producers and smaller producing states will receive significant benefits from the national levy and charge. Producers in Queensland, Northern Territory and Western Australia would contribute approximately 10-15% of levies and charges but will gain access to the results from major research programs flowing from a national levy and charge that would be beyond the resources of these individual growers and states to fund.

The net returns to industries from investment in R&D have generally been shown to be highly positive. In February 2002, Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, Senator The Hon. Judith Troeth, launched the report, *Innovating Rural Australia: Research & Development Corporation (RDC) Outcomes*, which demonstrates the need to maintain our investment in rural R&D in Australia's long-term interests. Returns from our investment in rural R&D have been estimated by independent surveys at greater than 7:1. The RDC model is a successful investment management model, and represents a true partnership between Government and industry. This partnership is based on the Commonwealth Government's commitment to match dollar-for-dollar industry contributions to 0.5 per cent of each industry's gross value of production.

## **Competition Policy**

The levy will be applied equitably to all table grape growers, and the marketing and R&D activities are designed to assist the industry as a whole. The proposed levy and charge will enhance the industry's efficiency.

## **Consultation**

The proposal conforms to the Government's levy principles and guidelines. The ATGA has conducted a thorough consultation campaign throughout the industry. The ATGA has advised the Government that all known potential levy payers, and collection agents were provided with detailed information on the proposed levy through printed material, radio and television. The ATGA has advised every potential levy payer was given an opportunity to vote in a postal ballot.

Consultation meetings were held around the country, together with telephone discussions and personal visits. Consultation meetings were facilitated through the regional grower associations. The ATGA retained the services of the Australian Electoral Commission to conduct a national ballot. 1016 ballot papers were issued with 515 returned for scrutiny. The total number of votes in favour of the question was 322 and the votes against were 192. This result equals 62.9% in favour of the motion.

HAL, the industry services company that undertakes marketing and R&D on behalf of horticulture industries, supports the table grape industry in its application for a statutory levy and charge.

The industry argues that national and international marketing and R&D levies and charges are essential to the industry's continued profitability and competitiveness. Other horticulture

industries with statutory levies in place have also confirmed the benefits of these arrangements for their long-term viability and competitiveness.

Neither the Government, nor the ATGA has received any submissions opposing the levy and charge. No dissensions have been made known to the Minister or Senator since the ATGA has proposed the new levies and charge. There were however 192 no votes in the ballot, representing 37% of responses.

## **Marketing**

No national or international marketing projects or programs have been undertaken to further market research, consumer studies or any other formal marketing within the industry because of the absence of a national funding mechanism. The priority area for marketing will focus on quality assurance, market intelligence and value added products.

The table grape industry has considered the issue of generic versus brand marketing carefully. It has concluded that, while brand promotion is feasible, the undifferentiated nature of the product and nature of the marketing system, dominated by supermarkets, means that generic marketing is more feasible and efficient at least in the foreseeable future. Therefore, the majority of growers in the industry and the ATGA support generic marketing as a worthwhile activity as all growers would benefit equally from effective generic marketing.

In relation to the market failure and net industry benefit of the marketing levy and charge proposal, the ATGA has demonstrated in their submission that the 50% test of support is the appropriate test. The non-rival nature of commodity marketing means that individual companies cannot quarantine the benefits of their own marketing because of "free rider" concerns. This has resulted in virtually no marketing of table grapes at all by either individual companies or industry groups. The lack of appropriability has also discouraged marketing in the industry. The most efficient method to counter this concern is the use of industry funded generic marketing that will benefit the entire industry. Generic marketing will also minimise the negative impacts of the fragmentation issues within the industry, and industry threats such as increasing domestic supply, competition from imports and other table grape substitutes will be most efficiently addressed from an industry wide marketing strategy.

## **Research and Development**

The industry has made a strong case for a levy and charge to address the industry's R&D problems. The priority R&D programs and projects, that will benefit the industry as a whole, include:

- research into cool chain management which could lead to improved industry supply chain management;
- research into occupational health and safety issues which should result in lower insurance premiums for all growers;
- food safety and quality assurance project;
- harvest and production technology to improve productivity; and
- chemical pesticides research that should reduce production costs for growers.

The ATGA has identified the following R&D activities as priorities:

- cultural practices, pest and disease control, varietal improvement and irrigation;
- management, with a focus on technology transfer and business management, and
- post harvest treatment, including cooling, packaging and handling.

### **Conclusion and recommended option**

The proposal for a national statutory levy and charge for table grape marketing and R&D:

- conforms to the Government's levy guidelines and principles;
- does not restrict competition,
- has limited financial impact on the Commonwealth, and
- has clear potential to benefit the industry.

It is therefore recommended for implementation.

### **Implementation and review**

The levy is to be implemented as soon as practicable, depending on the legislative process. The proposed implementation date is 1 October 2002. The industry is to review the levy and charge and the performance of the marketing and R&D programs in two years to determine whether they are to remain in place, be adjusted, or be removed.

Horticulture, Wine and Food Integrity Systems Branch  
Food and Agriculture  
Agriculture, Fisheries and Forestry - Australia  
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