

# **Primary Industries Levies and Charges Collection Amendment Regulations 2003 (No. 6) 2003 No. 209**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 2003 No. 209**

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

*Primary Industries Levies and Charges Collection Act 1991*

Primary Industries Levies and Charges Collection Amendment Regulations 2003 (No. 6)

Subsection 30(1) of the *Primary Industries Levies and Charges Collection Act 1991* (the Collection Act) provides that the Governor-General may make regulations, not inconsistent with the Act, 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.

Section 27(3A) of the Collection Act provides that an authorised person may provide information to the industry services body including the name, address and ABN of any person who has paid, or is liable to pay dairy levy and details relating to the amount of dairy levy that person has or is liable to pay. Section 27(4) of the Collection Act allows that the appropriate levies be prescribed, through regulations, as "dairy levy".

The *Dairy Industry Service Reform Act 2003* amended the *Dairy Produce Act 1986* to create the concept of an industry service body, which will provide specified services to the dairy industry. Dairy Australia Limited has been declared *by* the Minister for Agriculture Fisheries and Forestry to be the industry services body. Dairy Australia Ltd is a private company limited by guarantee and is funded by the dairy service levy and matching Commonwealth research and development grants. Dairy Australia Limited replaced the Australian Dairy Corporation and Dairy Research and Development Corporation, and commenced operations on 1 July 2003.

Under the Constitution of Dairy Australia, the voting entitlements of members are calculated on the basis of 1 vote for every \$1 of dairy service levy paid in respect of the member for the previous financial year. Dairy service levy is imposed in respect of the 2003-2004 and later financial years.

For Dairy Australia's first year of operation 2003-2004, members' voting entitlements will have to be calculated on the basis of the total amount of the equivalent former levies, the Dairy Corporation Levy, Dairy Promotion Levy and Dairy Research Levy, which were replaced by the Dairy Service Levy on 1 July 2003. Revenue for this levy will be paid in respect of the members for the 2002-2003 financial year.

The purpose of the regulations is to authorise Department of Agriculture, Fisheries and Forestry Levies and Revenue Service to provide information about those payments to the industry services body for use in the calculation of voting entitlements for 2003-04. The regulations achieve this purpose by prescribing the appropriate levies as "dairy levy" under subsection 27(4) of the Collection Act.

The regulations also prescribe as "dairy levy" the Animal Health Council (AHC) levy imposed under paragraph 6(1)(g) of Schedule 6 to the *Primary Industries (Excise) Levies Act 1999* and the Emergency Animal Disease Response (EADR) levy imposed on dairy produce by clause 3 of Schedule 6 to the *Primary Industries (Excise) Levies Regulations*. This is because some smaller

first purchasers, or processors, do not extract individual levies from the dairy farmer, but rather a net amount of all dairy levies payable. In these cases, this information will be passed to Dairy Australia by the Department of Agriculture, Forestry and Fisheries Levies and Revenue Service. Dairy Australia's register is maintained so that the amount of AHC/EADR levies can, if necessary, be automatically deducted from the net amount of levy paid by dairy farmers, in order to allocate the correct voting entitlement.

The regulations will commence on gazettal.