

EXPLANATORY STATEMENT

Select Legislative Instrument 2006 No. 107

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

Primary Industries (Excise) Levies Act 1999
Primary Industries (Customs) Charges Act 1999
Primary Industries Levies and Charges Collection Act 1991

Primary Industries (Excise) Levies Amendment Regulations 2006 (No. 2)
Primary Industries (Customs) Charges Amendment Regulations 2006 (No. 2)
Primary Industries Levies and Charges Collection Amendment Regulations 2006 (No. 3)
Primary Industries Levies and Charges (National Residue Survey Levies) Amendment Regulations 2006 (No. 2)

Section 8 of the *Primary Industries (Excise) Levies Act 1999* (the Levies Act), section 8 of the *Primary Industries (Customs) Charges Act 1999* (the Charges Act) and section 30 of the *Primary Industries Levies and Charges Collection Act 1991* (the Collection Act) provide that the Governor-General may make regulations prescribing matters required or permitted by those Acts to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to each Act.

The Australian honey industry currently pays a research and development statutory levy and export charge of 0.8 of a cent per kilogram on the sale of honey and on honey used in the production of other goods to the Rural Industries Research and Development Corporation (RIRDC). The RIRDC is a statutory body that performs the function of the industry services body for the administration of the honey industry levy and charge scheme and co-ordinates research and development programs for the industry. The Australian Government provides matching funds for eligible research and development expenditure under the *Primary Industries and Energy Research and Development Act 1989*.

The purpose of the Regulations is to implement a proposal by the Australian Honey Bee Industry Council (AHBIC), the peak body representing the honey industry in Australia, to increase the operative research and development levy rate and export charge for the honey industry from 0.8 of a cent per kilogram to 1.5 cents per kilogram in two stages; 0.4 of a cent per kilogram on commencement of the regulations and an additional 0.3 of a cent per kilogram after three years.

The AHBIC proposed the increases to counter the effects of fire and drought on levy finances and the increasing costs of research and development. Up to \$150,000 annually is anticipated in increased funding as a result of the proposed Regulations. Funds will be used for the purposes of research and development.

The opportunity is being taken to make a machinery change to the levy collection mechanism in order to reduce collection costs by allowing people who pay less than \$2,000 levy and/or charge in a year to apply to pay annually instead of quarterly.

Extensive notification of the proposed increase and consultation with industry resulted in majority support for the proposal. No objections to the proposed increase have been received.

Primary Industries (Excise) Levies Act 1999

Paragraphs 4(1)(b) and 4(2)(b) of Schedule 14 to the Levies Act provide that regulations may fix a rate of research and development levy and export charge on honey.

Subclause 6(4) of Schedule 14 to the Levies Act provides that before the Governor-General makes regulations to respectively fix rates of research and development levy on honey the Minister must take into consideration any relevant recommendations made to the Minister by the Research and Development authority (RIRDC) or by the producers' organisation (AHBIC).

Primary Industries (Customs) Charges Act 1999

Clause 3 of Schedule 9 to the Charges Act provide that regulations may fix a rate of research and development levy and export charge on honey.

Subclause 5(3) of Schedule 9 to the Charges Act provide that before the Governor-General makes regulations to respectively fix rates of research and development export charge on honey the Minister must take into consideration any relevant recommendations made to the Minister by the Research and Development authority or by the producers' organisation, for honey, the RIRDC and the AHBIC, respectively.

Primary Industries Levies and Charges Collection Act 1991

The Act specifies no conditions that need to be met before the power to make the proposed regulations may be exercised.

Amendments to the *Primary Industries (Excise) Levies Regulations 1999* provide for the rate of levy for the research and development component on sale of honey and on honey to be used in the production of other goods, from 1 July 2006, to be set at 1.2 cents per kilogram; and, from 1 July 2009, at 1.5 cents per kilogram.

Amendments to the *Primary Industries (Customs) Charges Regulations 2000* provide for the rate of charge for the research and development component on honey, from

1 July 2006, to be set at 1.2 cents per kilogram; and, from 1 July 2009, at 1.5 cents per kilogram.

Amendments to the *Primary Industries Levies and Charges Collection Regulations 1991* (the Collection Regulations) provide for people who pay less than \$2,000 levy and/or charge in a year to apply to pay annually instead of quarterly. This change is aimed at reducing administrative work for small levy payers and reducing levy collection costs to the industry.

Amendments to the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* provide for the due date for returns to reference the changes to annual returns set out in the Collection Regulations.

Details of the Regulations are contained in Attachment A.

The Regulations are legislative instruments for the purposes of the *Legislative Instruments Act 2003*.

The Office of Regulation Review (ORR) was consulted in the preparation of the Regulations. ORR has advised that it is not necessary to prepare a Regulation Impact Statement on this matter (ORR Number 2005/7664).

The Regulations commence on 1 July 2006, the date requested by AHBIC.

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ATTACHMENT A

LEGISLATIVE PROVISIONS FOR THE INCREASE OF RATES OF LEVY AND CHARGE FOR R&D PURPOSES.

DETAILS OF THE PROPOSED *PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT REGULATIONS 2006 (No. 2)*

Regulation 1 would provide for the name of the regulations to be the *Primary Industries (Excise) Levies Amendment Regulations 2006 (No. 2)*.

Regulation 2 would provide for the commencement date to be 1 July 2006.

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

Schedule 1	Amendment
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Item 1 substitutes clauses 1 and 2 (except the note to clause 2) of Schedule 14 to the (Excise) Levies Regulations.

Clause 1 would set the operative rate of levy for the research and development component on the sale of honey at 1.2 cents per kilogram from 1 July 2006; and from 1 July 2009 at 1.5 cents per kilogram.

Clause 2 would set the operative rate of levy for the research and development component on honey used in the production of other goods at 1.2 cents per kilogram from 1 July 2006; and from 1 July 2009 at 1.5 cents per kilogram.

· the note indicates that there is a National Residue Survey excise levy on honey.

DETAILS OF THE PROPOSED *PRIMARY INDUSTRIES (CUSTOMS) CHARGES AMENDMENT REGULATIONS 2006 (No. 2)*

Regulation 1 would provide for the name of the regulations to be the *Primary Industries (Customs) Charges Amendment Regulations 2006 (No. 2)*.

Regulation 2 would provide for the commencement date to be 1 July 2006.

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

Schedule 1	Amendment
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Item 1 substitutes clause 1 (except the note) of Schedule 9 to the (Customs) Charges Regulations.

Clause 1 would set the operative rate of charge on the research and development component of honey at 1.2 cents per kilogram from 1 July 2006; and from 1 July 2009 at 1.5 cents per kilogram.

- the note indicates that there is a National Residue Survey excise levy on honey.

LEGISLATIVE PROVISIONS FOR THE INTRODUCTION OF ANNUAL RETURNS FOR SMALL LEVY PAYERS.

DETAILS OF THE PROPOSED *PRIMARY INDUSTRIES LEVIES AND CHARGES COLLECTION AMENDMENT REGULATIONS 2006 (No. 3)*

Regulation 1 would provide for the name of the regulations to be the *Primary Industries (Customs) Charges Amendment Regulations 2006 (No. 3)*.

Regulation 2 would provide for the commencement date to be 1 July 2006.

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

Schedule 1

Amendment

Item 1 amends the numbering in the paragraph.

Item 2 inserts a new subclause 6(2) that would provide for a person not to lodge a quarterly return if they have applied for an exemption from lodging quarterly returns, been granted an exemption, or have not received notification of a decision whether to continue an exemption.

Item 3 amends the note to add the statement that a person who has an exemption from lodging quarterly returns must still lodge an annual return.

Item 4 inserts new clauses 11A to 11B dealing with an exemption from lodging quarterly returns. The clauses set out: that a person with reasonable grounds for believing they would pay less than \$2,000 in honey levy and charge may apply to lodge annual instead of quarterly returns; the form that an application to the Secretary for an exemption must take; conditions for granting, refusing or continuing an exemption; and the date when a quarterly return must be lodged if an exemption is refused or not continued.

Item 5 inserts a new clause 17 that would provide for a person to apply to the Administrative Appeals Tribunal for the review of a decision by the Secretary refusing to grant or continue an exemption.

DETAILS OF THE PROPOSED *PRIMARY INDUSTRIES LEVIES AND CHARGES (NATIONAL RESIDUE SURVEY LEVIES) AMENDMENT REGULATIONS 2006 (NO. 2)*

Regulation 1 would provide for the name of the regulations to be the *Primary Industries Levies and Charges (National Residue Survey Levies) Amendment Regulations 2006 (No. 2)*.

Regulation 2 would provide for the commencement date to be 1 July 2006.

Regulation 3 would provide that Schedule 1 amends the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998*.

Schedule 1

Amendment

Item 1 amends subregulations 81(1) and (2) to include a reference to annual returns. The amended subregulations would specify that the due date for quarterly or annual returns is set out in Schedule 21 to the *Primary Industries Levies and Charges Collection Regulations 1991*.