

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2010 No. 215**

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

*Australian Meat and Live-stock Industry Act 1997*

*Australian Meat and Live-stock Industry Amendment Regulations 2010 (No. 1)*

Section 74 of *Australian Meat and Live-stock Industry Act 1997* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted to be prescribed by the Act, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 27 of the Act provides for the establishment of a system of export quotas. Paragraph 28(3)(b) of the Act provides that the Secretary of the Department of Agriculture, Fisheries and Forestry may vary a meat export quota on application by the holder of the quota and on payment of the prescribed fee.

Subsection 3A(1) of the *Australian Meat and Live-stock Industry Regulations 1998* (AMLI Regulations) prescribes the fee for the purposes of paragraph 28(3)(b) of the Act. The red meat industry has agreed to the increase in the fee from 0.05 of a cent per kilogram of quota varied to 0.2 of a cent per kilogram, to reflect revised costs associated with the administration of the quota. Consultation has included several meetings with the Australian Meat Industry Council and a formal letter of support for the increase has been received.

The Regulations amend the AMLI Regulations to increase the rate of the prescribed fee from 0.05 of a cent per kilogram of quota varied to 0.2 of a cent per kilogram to ensure continued full cost recovery for the management of the quota system. This increase is due to the exhaustion of surplus funds (fees collected) that were collected prior to 2004. A nominal fee (0.05 cents) was set for the variation of quota. It was agreed at the time that fees would be examined once this surplus had been depleted. The surplus was exhausted in June 2010.

The European Commission and the United States of America impose tariff rate quotas to control the access of meat imported from Australia. The Quota Administration and Statistics Unit of the Department of Agriculture, Fisheries and Forestry (the Quota Unit) manages the allocation, monitoring and reporting of Australia's meat export quotas on a cost recovery basis. The Quota Unit also issues certificates of authenticity that provide the authority for exporters to have their product accepted by the importing countries at the concessional quota tariff rates.

The Regulations make minor amendments to the AMLI Regulations to update the definitions used in the Regulations; amend several headings; and update changes to the department's name.

The Regulations specify that the increased fee apply from the day after they are registered on the Federal Register of Legislative Instruments.

***Australian Meat and Live-stock Industry Amendment Regulations 2010 (No. 1)***

### Regulation 1 – Name of Regulations

This regulation provides for the citation of the Regulations.

### Regulation 2 – Commencement

This regulation provides for the Regulations to commence on the day after registration.

### Regulation 3 – Amendment of *Australian Meat and Live-stock Industry Regulations 1998*

This regulation provides that the *Australian Meat and Live-stock Industry Regulations 1998* are amended as set out in Schedule 1.

### Schedule 1 – Amendments

#### **Item [1] – Regulation 3, heading**

Item [1] inserts a new heading for Regulation 3, to reflect there are multiple definitions in Regulation 3.

#### **Item [2] – Regulation 3, definition of *quota year***

Item [2] inserts additional definitions for Regulation 3, to provide further clarity of terms used in the Regulations. The item also removes the definition of *quota year* as this term is no longer used in the Regulations.

#### **Item [3] – Regulation 3A, heading**

Item [3] inserts a new heading for Regulation 3A to reflect the regulation is about the fee for quota variation.

#### **Item [4] – Subregulation 3A (1)**

Item [4] inserts a new paragraph to amend the fee payable by a quota holder for the variation of quota, from 0.05 of a cent to 0.2 of a cent for each additional kilogram of quota entitlement.

#### **Item [5] – Subregulation 3A (2)**

Item [5] inserts the revised name for the Department of Agriculture, Fisheries and Forestry and removes the former name of Agriculture, Fisheries and Forestry Australia.