

EXPLANATORY STATEMENT

Issued by Authority of the Minister for Agriculture, Drought and Emergency Management

Primary Industries (Excise) Levies Act 1999

Primary Industries (Excise) Levies Amendment (Laying Chickens) Regulations 2021

Legislative Authority

The *Primary Industries (Excise) Levies Act 1999* (the Act) authorises the imposition of primary industries levies, which are duties of excise.

Section 8 of the Act provides that the Governor-General may make regulations 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.

Parts 2 and 3 of Schedule 27 to the Act provide that regulations may impose primary industries levies and set the rate of the levies. Clause 11 of Schedule 27 provides that a levy is payable by the person ascertained in accordance with the regulations.

Clause 2 of Schedule 16 to the *Primary Industries (Excise) Levies Regulations 1999* imposes an Emergency Animal Disease Response levy on laying chickens.

Purpose

The purpose of the *Primary Industries (Excise) Levies Amendment (Laying Chickens) Regulations 2021* (the Regulations) is to increase the Emergency Animal Disease Response levy on laying chickens from nil to 1.1 cents per laying chicken.

Levies are introduced, administered and collected by the Australian Government, usually at the request of the industry. The Department of Agriculture, Water and the Environment on behalf of the Commonwealth, collects the levy and disburses the funds to the relevant recipient body under powers provided by legislation.

Background and consultation

Australian Eggs Limited (AEL) is the industry services body which represents the egg industry as a member of Animal Health Australia and signatory to the Emergency Animal Disease Response Agreement (EADRA). AEL requested the Emergency Animal Disease Response (EADR) levy increase following underwriting by the Australian Government of egg industry contributions to three eradication responses to avian influenza under the EADRA. The Regulations will facilitate repayment of those funds to the government. Meeting such financial obligations under the EADRA is the primary purpose of EADR levies.

Consistent with the Australian Government's *Levy guidelines: How to establish or amend agricultural levies* for the type of levy amendment proposed, AEL notified levy payers of its request to the minister and held an objection period, which ran from 18 November 2020 to 18 December 2020.

Three objections were received, but did not require any changes to the levy proposal. One suggested repayment occur through research or marketing levies, but these can only be used for research or marketing purposes. The other two objections related to the operation of the EADRA and were not relevant to the levy process or proposed increase. AEL responded to each objector and also made its responses available on its website.

Egg Farmers Australia, the national representative body for egg producers in Australia, wrote to the minister, supporting the levy proposal.

Impact and Effect

It is considered unlikely the increase in the Emergency Animal Disease Response levy on laying chickens from nil to 1.1 cent per laying chicken will influence the price of eggs, given the number of eggs each laying chicken produces over its lifetime.

Details / Operation

Details of the Regulations are set out in Attachment A.

The Regulations are compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in Attachment B.

The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

Details of the *Primary Industries (Excise) Levies Amendment (Laying Chickens) Regulations 2021*

Section 1 – Name

This section provides that the name of the Regulations is the *Primary Industries (Excise) Levies Amendment (Laying Chickens) Regulations 2021*.

Section 2 – Commencement

This section provides for the whole of the instrument to commence on 1 July 2021.

Section 3 – Authority

This section provides that the proposed Regulations are made under the *Primary Industries (Excise) Levies Act 1999*.

Section 4 – Schedules

This section provides for the *Primary Industries (Excise) Levies Regulations 1999* to be amended as set out in Schedule 1.

Schedule 1

Item 1 amends subclause 2 of Schedule 16 to omit “nil” and substitute “1.1 cents per laying chicken”.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Primary Industries (Excise) Levies Amendment (Laying Chickens) Regulations 2021

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The purpose of the Primary Industries (Excise) Levies Amendment (Laying Chickens) Regulations 2021 (the Regulations) is to increase the Emergency Animal Disease Response levy on laying chickens from nil to 1.1 cents per laying chicken.

The Regulations commence on 1 July 2021.

Human rights implications

These Regulations do not engage any of the applicable rights or freedoms.

Conclusion

The measures in the Regulations are compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* as the Regulations do not engage any human rights issues.

The Hon. David Littleproud MP

Minister for Agriculture, Drought and Emergency Management