

EXPLANATORY STATEMENT

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

Primary Industries (Customs) Charges Act 2024

Primary Industries (Customs) Charges Amendment (Vegetables) Regulations 2025

Legislative Authority

The *Primary Industries (Customs) Charges Act 2024* (the Act) authorises the imposition of charges that are duties of customs within the meaning of section 55 of the Constitution. Section 24 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.

Part 2 of the Act authorises the regulations to impose a charge in relation to one or more products that are the produce of a primary industry in the circumstances prescribed by the regulations. The Act authorises the regulations to provide for an exemption from a charge imposed under Part 2 (section 9) and for working out the rate of the charge (section 13).

Purpose

The purpose of the *Primary Industries (Customs) Charges Amendment (Vegetables) Regulations 2025* (the Regulations) is to make technical amendments to the *Primary Industries (Customs) Charges Regulations 2024* (the Charges Regulations) to explain the interaction between the vegetable charge and other charges imposed on specific plant products.

Background

The agricultural levy and charge system, known as the agricultural levy system, is a long-standing partnership between industry and the Australian Government to facilitate industry investment in strategic activities. Levies and charges are generally payable by farmers, producers, processors and exporters.

Amounts equal to the collected levy and charge are generally disbursed under the *Primary Industries Levies and Charges Disbursement Act 2024* by the Commonwealth to recipient bodies and other entities to support activities the levies and charges are imposed to fund. This includes research and development, marketing, biosecurity activities, biosecurity responses, and National Residue Survey testing.

Subsection 7(3) of the Act provides that before the Governor-General makes regulations for the purposes of subsection 7(1), imposing a charge in relation to one or more products that are produce of a primary industry, the Minister must be satisfied that the imposition of the charge would result in one or more of the types of expenditure on matters or activities specified in subsection 7(3). Any charge imposed is a duty of customs that is a tax on certain products imported into, or exported from, Australia.

To the extent that the amendments to charges imposed by the Charges Regulations are made for the purposes of subsection 7(1) of the Act, the imposition of those charges results in one or more of the types of expenditure on matters or activities required by subsection 7(3) of that Act.

The Regulations do not set or amend the rate of a charge. As a result, the requirements in subsection 24(2) of the Act that apply before making regulations that set or amend the rate of a charge are not engaged by the Regulations.

Impact and Effect

The amendments will benefit industry and charge payers by clarifying the operation of the Regulations in line with the intended policy and industry practice and by providing improved certainty for charge payers, other stakeholders and the Department of Agriculture, Fisheries and Forestry in understanding and administering the legislation.

Consultation

Industry representative bodies who represent persons affected by the amendments were consulted during the development of the measures in the Regulations. The industry representative bodies consulted represent levy payers in the horticulture industry (vegetables and melons). Industry bodies were either supportive of or did not raise concerns about the measures.

Details/Operation

The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*. The Regulations commence on 1 July 2025.

Details of the Regulations are set out in [Attachment A](#).

Other

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 with Human Rights is set out in [Attachment B](#).

Details of the *Primary Industries (Customs) Charges Amendment (Vegetables) Regulations 2025*

Section 1—Name

This section provides that the name of the Regulations is the *Primary Industries (Customs) Charges Amendment (Vegetables) Regulations 2025* (the Regulations).

Section 2—Commencement

This section provides that the Regulations commence on 1 July 2025.

Section 3—Authority

This section provides that the Regulations are made under the *Primary Industries (Customs) Charges Act 2024* (the Charges Act).

Section 4—Schedules

This section provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Primary Industries (Customs) Charges Regulations 2024

Item 1 – At the end of subclause 50-1(2) of Schedule 2

This item adds a new note at the end of subclause 50-1(2) of Schedule 2 to the *Primary Industries (Customs) Charges Regulations 2024* (the Charges Regulations). The note provides that, “Division 64 imposes charge on vegetables. That Division includes vegetables in the family *Cucurbitaceae*, such as pumpkin and cucumber.”.

Division 50 of Schedule 2 provides for the imposition of the melon charge. Subclause 50-1(2) of Schedule 2 provides that **melon** means a fruit of any species or varieties listed by reference to their scientific names. The limited species or varieties listed are each in the family *Cucurbitaceae*.

The purpose of the amendment is to explain that the vegetable charge imposed by Division 64 includes vegetables in the family *Cucurbitaceae*, such as pumpkin and cucumber. This note is consequential to the note in item 4.

Item 2 – At the end of subclause 53-1(2) of Schedule 2

This item adds a new note at the end of subclause 53-1(2) of Schedule 2. The note provides that, “Division 64 imposes charge on vegetables (including shallots).”.

Division 53 of Schedule 2 provides for the imposition of the onion charge. Subclause 53-1(2) of Schedule 2 provides that “**Onion** means a bulb of the species *Allium cepa*, but does not include shallots (*Allium cepa* var. *aggregatum*)”.

The purpose of the amendment is to explain that the vegetable charge in Division 64 of Schedule 2 applies to shallots.

Item 3 – Subclause 64-1(3) of Schedule 2 (note)

This item omits the word “Note” from before the existing note at the end of subclause 64-1(3) of Schedule 2 to the Charges Regulations, and substitutes “Note 1” at the end of subsection 64-1(3) of Schedule 2.

This amendment is consequential to the amendment made by item 5 to add a new note at the end of that subclause.

Item 4 – Subclause 64-1(3) of Schedule 2 (note)

This item omits “However, other species or varieties of melon, such as pumpkin and cucumber, may be covered by subclause (1) of this clause.” from the existing note at the end of subclause 64-1(3) of Schedule 2 to the Charges Regulations, and substitutes “However, subclause (1) of this clause applies to vegetables in the family *Cucurbitaceae*, such as pumpkin and cucumber.”.

The purpose of the amendment is to make clear that while Division 64 of Schedule 2 does not apply to melons as defined in subclause 50-1(2), the vegetable charge in Division 64 of

Schedule 2 does apply to vegetables in the family *Cucurbitaceae*, such as pumpkin and cucumber.

Item 5 – At the end of subclause 64-1(3) of Schedule 2 (after the note)

This item adds a new Note 2 at the end of subclause 64-1(3) of Schedule 2 to the Charges Regulations (after the note). New Note 2 provides that, “Division 53 imposes charge on onions, Division 58 imposes charge on potatoes and Division 63 imposes charge on sweet potatoes.”.

Subclause 64-1(1) of Schedule 2 provides for the imposition of charge on vegetables. Subclause 64-1(3) of Schedule 2 provides that subclause (1) does not apply to onions (paragraph (d)), potatoes (paragraph (f)) or sweet potatoes (paragraph (h)).

The purpose of the amendment is to make clear that while the vegetable charge in Division 64 of Schedule 2 does not impose a charge on onions, potatoes or sweet potatoes, the product specific charges imposed by other Divisions of Schedule 2 (Division 53—Onions; Division 58—Potatoes; and Division 63—Sweet potatoes) provide for imposition of a charge on those products.

Statement of Compatibility with Human Rights

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

Primary Industries (Customs) Charges Amendment (Vegetables) Regulations 2025

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 (Customs) Charges Amendment (Vegetables) Regulations 2025* (the Regulations) is to make technical amendments to the *Primary Industries (Customs) Charges Regulations 2024* (the Charges Regulations) to explain the interaction between the vegetable charge and other charges imposed on specific plant products.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms.

Conclusion

The measures in the legislative instrument 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 legislative instrument does not engage any human rights issues.

The Hon Julie Collins MP

Minister for Agriculture, Fisheries and Forestry