

# **Primary Industries (Customs) Charges Regulations 2000 2000 No. 131**

## EXPLANATORY STATEMENT

### STATUTORY RULES 2000 No. 131

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

*Primary Industries Levies and Charges Collection Act 1991*

*Primary Industries (Excise) Levies Act 1999*

*Primary Industries (Customs) Charges Act 1999*

*Primary Industries Levies and Charges Collection Amendment Regulations 2000 (No. 1)*

*Primary Industries (Excise) Levies Amendment Regulations 2000 (No. 1)*

*Primary Industries (Customs) Charges Regulations 2000*

Section 30 of the *Primary Industries Levies and Charges Collection Act 1991* provides that the Governor-General may make regulations prescribing matters required or permitted by that Act to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to that Act.

Section 8 of the *Primary Industries (Excise) Levies Act 1999* provides that the Governor-General may make regulations prescribing matters required or permitted by that Act to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to that Act.

Section 8 of the *Primary Industries (Customs) Charges Act 1999* provides that the Governor-General may make regulations prescribing matters required or permitted by that Act to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to that Act.

The *Primary Industries (Excise) Levies Act 1999*, (the Excise Levies Act), and the *Primary Industries (Customs) Charges Act 1999*, (the Customs Charges Act), consolidated the imposition of duties of excise and of customs on various primary industry commodities and products. In the consolidation process the former individual levies and charges imposition Acts were repealed. Regulations made under the repealed Acts were continued in force under transitional provisions in the Excise Levies Act and Customs Charges Act. The Collection Act provides the mechanisms for an efficient and effective collection process for all primary industry duties of excise and of customs. The *Primary Industries Levies and Charges Collection Regulations 1991* (Collection Regulations) contain the details required for the collection process.

The purpose of these regulations is to continue the process of replacing regulations that were made under those Acts that have been repealed. The Collection Regulations are divided into Schedules to be generally and serially compatible with those in the Excise Levies Act, since the number of commodities on which excise levies are imposed is greater than the number of commodities on which customs charges are imposed. The naming and numbering of Schedules in the *Primary Industries (Excise) Levies Regulations 1999* reflect the naming and numbering of Schedules to the Excise Levies Act. Similarly, the naming and numbering of Schedules to the *Primary Industries (Customs) Charges Regulations 2000* reflect the naming and numbering of Schedules to the Customs Charges Act.

There are no policy changes or new requirements for levy payers (other than two matters mentioned in Attachment 2). The details for each levy or charge now follow a standard format to simplify readability. Similar regulations have been done for the National Residue Survey levies.

Details of the substantive provisions contained in the proposed *Primary Industries Levies and Charges Collection Amendment Regulations 2000 (No. 1)*, *Primary Industries (Excise) Levies Amendment Regulations 2000 (No. 1)* and *Primary Industries (Customs) Charges Regulations 2000*, are included in Attachments 1, 2 and 3 respectively.

The Regulations commence on 1 July 2000.

## ATTACHMENT 3

### **PRIMARY INDUSTRIES (CUSTOMS) CHARGES REGULATIONS 2000**

The *Primary Industries (Customs) Charges Regulations 2000* commence with introductory paragraphs that, while having no legal effect, explain -

- \* What the Regulations do;
- \* How the Regulations are arranged;
- \* What are the rates of charge;
- \* What other legislation needs to be read.

Regulation 1 provides for a citation for the Customs Charges Regulations.

Regulation 2 sets the date of commencement as 1 July 2000.

Regulation 3 provides for a number of definitions.

Regulation 4 provides that the Regulations are incorporated and must be read as one with the *Primary Industries Levies and Charges Collection Regulations 1991*.

Regulation 5 provides that the Schedules have effect. Schedules 1 to 13 are explained below. The provisions contained in the Schedules contain no change in the nature of obligations that exist immediately prior the commencement of the Customs Charges Regulations.

Schedules 1 to 13 each prescribe details for a commodity or a class of commodities. Schedules 1 to 13 correspond with Schedules 1 to 13 to the Customs Charges Act.

#### Schedule 1 Buffalo

The Schedule contains a note that the current charge details are contained in the Customs Charges Act.

#### Schedule 2 Cattle (exporters)

In relation to this Schedule, it should be noted that clause 1 provides that no amount of levy is payable. This is in spite of levy being prescribed in clause 2. This arrangement is in recognition of voluntary payments in lieu of compulsory exaction of customs charges under the Customs Charges Act and underpins the voluntary system.

Consultation by the Minister as contemplated by clause 5 of Schedule 2 of the Customs Charges Act was not necessary because the Customs Charges Regulations do not alter the charge rates.

#### Schedule 3 Cattle (producers)

The Schedule contains a note that the current charge details are contained in the Customs Charges Act.

#### Schedule 4 Dairy produce

A note explains the reasons for there not being a customs charge after 1 July 2000.

Schedule 5 Deer

A note says where charge details may be found.

Schedule 6 Deer velvet

A note says where charge details may be found.

Schedule 7 Forest industries (export)

A note says where charge details may be found.

Schedule 8 Forest industries (import)

A note says where charge details may be found.

Schedule 9 Hone

A note says where charge details may be found.

Schedule 10 Horticultural products

A note says where charge details may be found for each of the 17 horticultural commodities under this Schedule. Each of those 17 commodities has a dedicated Part within the Schedule.

Schedule 11 Live-stock Le2~porters)

In relation to this Schedule, it should be noted that clause 1 provides that no amount of levy is payable. This is in spite of levy being prescribed in clause 2 for sheep, clause 3 for lambs, clause 4 for goats. This arrangement is in recognition of voluntary payments in lieu of compulsory exaction of customs charges under the Customs Charges Act and underpins the voluntary system.

Schedule 12 Live-stock (producers)

Whereas the rates are set out in the *Primary Industries Levies and Charges Collection (Buffalo, Cattle and Live-stock) Regulations 1998* in the form of tables (amounting to approximately 30 pages), the proposed new Schedule 12 uses formulas. For example, in the case of a \$75 lamb, the calculation will be as follows -

Example

Value of lamb      \$75.00

From clause 5 of Schedule 18 to the Customs Charges Regulations -

Multiply by 0.012 (specified in clause 2(3)(a))      \$0.90

Multiply by 0.0049333333 (specified in clause 2(3)(b))      \$0.37

Multiply by 0.002 (specified in clause 2(3)(c))      \$0.15

From regulation 239 of the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* -

Multiply by 0.0010666666      \$0.08

Total      \$1.50

i.e.      2% of \$75.00

In practice, export agents (who generally collect the charges), deduct 2% of the total sale within the range \$5.00 (inclusive) to \$10 (inclusive) for sheep and \$5.00 (inclusive) to \$75 (inclusive) for lambs. Accordingly they are not required to make a calculation of the type exemplified above.

Upon the collection of the revenue by the Department of Agriculture, Fisheries and Forestry-Australia, the disbursement of funds received from ad valorem transactions customs charges on sheep and lambs are made monthly in accordance with the following percentages -

#### Sheep

<b>Allocated to</b>	<b>percentage</b>
Meat and Livestock Australia Limited (MLA) for marketing	43.5%
MLA for research and development (R&D)	38.5%
Australian Animal Health Council	9%
National Residue Survey	9%
TOTAL	100%

#### Lambs

<b>Allocated to</b>	<b>percentage</b>
MLA for marketing	60%
MLA for R&D	24.6667%
Australian Animal Health Council	10%
National Residue Survey	5.3333%
TOTAL	100%

The reason for the large number of decimal places (applying to lamb transactions only) in two of the multiplication factors (as shown in the above example) is to provide greater accuracy. This is demonstrated as follows. For a month in which \$600,000 is raised in lamb customs charge (which is much higher than what is typically collected), the difference between the amount raised for R&D (using 10 decimal places in the multiplication factor indicated in clause 2(3)(b)) and the amount disbursed for R&D (using 4 decimal placed in the percentage disbursement factor indicated in the above table, ie 24.6667%) is approximately 20 cents.

#### Schedule 13 Wine

A note says where charge details may be found.