

Horticulture Marketing and Research and Development Services Amendment Regulations 2003 (No. 1) 2003 No. 263

EXPLANATORY STATEMENT

STATUTORY RULES 2003 No. 263

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

Primary Industries and Energy Research and Development Act 1989.

Horticulture Marketing and Research and Development Services Act 2000.

Tobacco Research and Development Corporation Repeal Regulations 2003

Horticulture Marketing and Research and Development Services Amendment Regulations 2003
(No. 1)

Subsection 149(1) of the *Primary Industries and Energy Research and Development Act 1989* (the PIERD Act) provides that the Governor-General may make regulations, not inconsistent with the PIERD Act, 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. Section 34 of the *Horticulture Marketing and Research and Development Services Act 2000* (the Services Act) provides that the

Governor-General may make regulations prescribing all matters that are required or permitted by the Services Act, or are necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 8 of the PIERD Act provides for the establishment of Research and Development Corporations by regulation. Sub-section 149 (2) of the PIERD Act, requires in part that, before making a regulation for the purposes of section 8, the Governor-General is to take into consideration any relevant recommendation made to the Minister by the representative organisations for the primary industry.

Horticulture Australia Ltd (HAL) is the industry services body established by declaration under the Services Act to deliver marketing and R&D services to the horticultural industry.

The Tobacco Research and Development Corporation (TRDC) was established by regulations under the PIERD Act to conduct research and development activities on behalf of the tobacco industry. The TRDC operates autonomously, has its own board and separate reporting and accountability requirements in accordance with the PIERD Act.

As a result of declining demand for Australian grown tobacco, tobacco manufacturers have indicated that they will not continue purchases from north Queensland beyond 2003. The TRDC has therefore recommended it be wound up and tobacco R&D be administered by HAL, to provide a more flexible, cost effective and efficient structure for R&D in the Victorian tobacco industry beyond 2003.

Consistent with the TRDC proposal, administrative responsibility for tobacco R&D will be transferred to HAL from 24 October 2003. The TRDC will then be wound up as soon as it finalises its business affairs and submits a final Annual Report. Remaining TRDC reserves will be used to fund milestones associated with the 2003/04 program that are scheduled for completion by end September 2003 and to meet costs incurred in closing down the Corporation.

There are no policy changes or new requirements for levy payers in respect of tobacco R&D apart from the statutory levy being replaced by a voluntary levy. The collection of the voluntary levy will be the responsibility of HAL and an advisory committee of tobacco industry stakeholders which will be established to advise HAL on future R&D priorities and objectives.

The voluntary levy has been set at the same level as the former statutory levy and will be paid to HAL and used to fund R&D activities on behalf of those remaining in the industry. Matching Commonwealth contributions will continue under standard arrangements that apply to all commodity research programs administered by HAL.

The Tobacco Cooperative of Victoria Limited, the Queensland Tobacco Marketing Cooperative Association Limited, British American Tobacco Australasia, Philip Morris Pty Ltd and the South Queensland Tobacco Growers Co-operative Association Ltd, as the recognised representative bodies for the tobacco industry, support the new arrangements.

The Regulations in respect of the transfer of responsibility for administration of tobacco R&D from the TRDC to HAL commence on 24 October 2003. The Regulations relating to the windup of the TRDC will take effect on gazettal.

Details of the Regulations are included in [Attachments](#).

ATTACHMENT 1

TOBACCO RESEARCH AND DEVELOPMENT CORPORATION REPEAL REGULATIONS 2003.

Details of the proposed Regulations are as follows:

[Regulation 1](#) gives the name of the regulations as the *Tobacco Research and Development Corporation Repeal Regulations 2003*.

[Regulation 2](#) provides for commencement on gazettal.

[Regulation 3](#) provides for the Tobacco Research and Development Corporation Regulations [Statutory Rules 1995 No. 85] to be repealed.

[Regulation 4](#) provides for the final annual report of the Tobacco Research and Development Corporation to be prepared and presented to the Minister after the Corporation finalises its business affairs. The regulation also provides for the Corporation to cease to exist after completion of these activities.

ATTACHMENT 2

HORTICULTURE MARKETING AND RESEARCH AND DEVELOPMENT SERVICES AMENDMENT REGULATIONS 2003 (No. 1)

Details of the proposed Regulations are as follows:

[Regulation 1](#) gives the name of the regulations as the *Horticulture Marketing and Research and Development Services Amendment Regulations 2003 (No. 1)*.

[Regulation 2](#) provides for a commencement date of 24 October 2003.

[Regulation 3](#) provides that Schedule 1 amends *the Horticulture Marketing and Research and Development Services Regulations 2001*.

Schedule 1: Amendments

Regulation 1.4 provides for tobacco leaf to be prescribed as a horticultural product.

Regulation 3.1 provides for a method of calculation of the gross value of production of the dried fruit and tobacco leaf sectors of the horticultural industry. This is in the standard format for this type of provision.