

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2012 No. 73**

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

*Primary Industries (Excise) Levies Act 1999*

*Primary Industries (Excise) Levies Amendment Regulation 2012 (No. 1)*

#### **Statutory Basis**

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

Schedule 22 to the Act provides for the imposition of an excise levy on pig slaughter. Funds corresponding with the amounts of revenue raised under each Schedule are appropriated for Australian Pork Limited (APL) for marketing and research activities and Australian Animal Health Council Limited to ensure that Australia's national animal health system delivers competitive advantage for Australia's livestock.

Australian Pork Limited (APL) has been declared under the *Pig Industry Act 2001* as the industry services body for the pig industry. APL manages the pig industry's marketing activities and requested the change outlined below. Clause 5(2) of Schedule 22 to the Act provides that before levy amounts are specified, the Minister must take into consideration any relevant recommendation made to the Minister by the industry services body. Only one formal recommendation was made to the Minister. This was made by APL, in the form of the 'Submission to the Minister for Agriculture, Fisheries and Forestry to Increase the Marketing Component of the Pig Slaughter Levy'.

Clause 5(2) of Schedule 22 to the Act also provides that the Regulations must not prescribe an amount that is greater than the amount last recommended by the industry services body. The new amount is not more than that requested by APL.

#### **Purpose and impact of the Regulation**

The purpose of the Regulation is to increase the marketing component of the levy by \$0.90, from \$1.35 per pig slaughtered to \$2.25 per pig slaughtered, in three tranches over a four year period. The Regulation increases the amount destined for APL, as the industry services body, from \$1.35 to \$2.25 per pig slaughtered. The increase will occur in three tranches, from \$1.35 per pig slaughtered to \$1.65 (effective from 1 July 2012), \$1.65 to \$1.95 (effective from 1 July 2014) and \$1.95 to \$2.25 (effective from 1 July 2016).

The Regulation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

#### **Background to the Regulation**

Following an industry-wide ballot, APL approached government with a proposal to increase the marketing component of the pig slaughter levy by \$0.90 per pig slaughtered.

The increased marketing funds will be made available to APL to promote an increase in the frequency of purchase by existing pork consumers, to differentiate pork sufficiently from other protein options to sustain these gains and to attract new consumers.

Details of the Regulation are provided in the Attachment.

The Office of Best Practice Regulation has been consulted in the preparation of the Regulation (reference number ID 13453).

This legislative instrument has undergone a compatibility assessment of human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*, and it was found that it is compatible with human rights as it does not raise any human rights issues.

**Details of the *Primary Industries (Excise) Levies Amendment Regulation 2012 (No. 1)***

**Section 1 - Name of Regulation**

This Section provides for the title to be the *Primary Industries (Excise) Levies Amendment Regulation 2012 (No. 1)*.

**Section 2 – Commencement**

Schedule 1 will commence on 1 July 2012. Schedule 2 is to commence on 1 July 2014. Schedule 3 will commence on 1 July 2016. The split commencements reflect a three tranche increase to the levy.

**Section 3 – Amendment of *Primary Industries (Excise) Levies Regulations 1999***

This Section provides that the *Primary Industries (Excise) Levies Regulations 1999* (the Regulations) are amended as set out in Schedules 1, 2 and 3.

**Schedule 1 – Amendment begins on 1 July 2012**

**Item [1] – Schedule 22, subclause 1 (2)**

Item [1] substitutes in Schedule 22, subclause 1 (2) the levy rate of \$1.35 for the new rate of \$1.65. This increased rate is for the period 1 July 2012 until 30 June 2014.

**Schedule 2 – Amendment begins on 1 July 2014**

**Item [1] – Schedule 22 subclause 1 (2)**

Item [1] substitutes in Schedule 22, subclause 1 (2) the levy rate of \$1.65 for the new rate of \$1.95. This increased rate is for the period 1 July 2014 until 30 June 2016.

**Schedule 3 – Amendment begins on 1 July 2016**

**Item [1] – Schedule 22 subclause 1 (2)**

Item [1] substitutes in Schedule 22, subclause 1 (2) the levy rate of \$1.95 for the new rate of \$2.25. This increased rate is effective from 1 July 2016.