

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2012 No. 75**

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

*National Residue Survey (Excise) Levy Act 1998*

*Primary Industries (Excise) Levies Act 1999*

*Primary Industries Legislation Amendment Regulation 2012 (No. 1)*

#### **Legislative Authority**

Section 8 of the *Primary Industries (Excise) Levies Act 1999* (the Levies Act) and Section 8 of the *National Residue Survey (Excise) Levy Act 1998* (the NRS Act) provide 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 those Acts.

Schedule 27 to the Levies Act provides that the Regulations may impose levies or charges on one or more specified primary industry products in the circumstances and at the rates payable by the liable person (ascertained in accordance with the regulations). Primary industry products include animal products. Schedule 11 to the NRS Act provides that the Regulations may prescribe the rate of National Residue Survey Levy imposed on livestock slaughter.

Clause 3 of Schedule 7 (Deer slaughter) to the Levies Act and Clause 3 of Schedule 11 (Livestock slaughter) to the NRS Act provide for the imposition of levies on deer slaughter. The Amendment Regulation amends the *Primary Industries (Excise) Levies Regulations 1999* (the Levies Regulations) and the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* (the NRS Regulations) to re-apportion the deer slaughter levy.

The levy re-apportionment has been requested by the Deer Industry Association of Australia (DIAA)—the peak industry body representing the deer industry under the *Primary Industries and Energy Research Development Act 1989*.

Clause 4 of Schedule 7 to the Levies Regulations and Regulation 200 of Division 3 (Deer) to the NRS Regulations prescribes the levy rate on deer slaughter. The levy is imposed on the slaughter at an abattoir of deer intended for human consumption and is payable by the producer of the deer.

Clause 5 of Schedule 7 to the Levies Act provides that, before the Governor-General makes regulations for the purpose of prescribing a levy or charge, the Minister for Agriculture, Fisheries and Forestry must take into consideration any relevant recommendation made to the Minister by the representative industry organisation. The Minister has taken into account recommendations of the submission from the DIAA, on behalf of the deer industry.

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

The Amendment Regulation commences on 1 July 2012.

## **Background**

The National Residue Survey (NRS) implements chemical residue monitoring programs and recovers the costs of the programs from participating industries. These programs form the basis for documentation that enables the Australian Government to certify that raw food products bound for export and domestic consumption are free from significant chemical contamination.

Statutory levies are the preferred mechanism by which most primary industries choose to meet the cost of residue-monitoring programs required for access to international and domestic markets. These levies are collected at the same time, and in the same manner, as other statutory levies such as marketing, research and development (R&D) and Australian Animal Health Council levies in order to reduce collection costs for industries.

The deer industry has experienced a significant production decline over the last 10 years. Lower slaughter numbers has reduced the NRS levy revenue received via the deer slaughter levy requiring an increase to the NRS component of the levy to fund the industry's residue monitoring program. The deer industry requires a residue monitoring program to access its key export markets and with approximately 85 per cent of venison produced in Australia exported, a residue monitoring program is critical to the industry's viability.

## **Purpose and Impact**

The purpose of the Amendment Regulation is to re-apportion the deer slaughter levy. The re-apportionment involves decreasing the R&D component of the levy from 4 to 2 cents per kilogram—in the Levies Regulations—to increase the NRS component of the levy from 4 to 6 cents per kilogram—in the NRS Regulations. The NRS component of the levy needs to be increased to 6 cents per kilogram to deliver a residue monitoring program that maintains market access.

The Amendment Regulation does not have any financial impact on the Australian Government or the deer industry. The R&D component of the levy is reduced so matching government contributions for R&D funding will not increase. The increase to the NRS component of the levy will be achieved through re-apportioning the levy, so there is no additional cost to the deer industry.

## **Consultation**

In October 2010, the DIAA, on behalf of the deer industry, made a submission to the Minister for Agriculture, Fisheries and Forestry for a reduction to the levies on deer slaughter and deer velvet, charges on deer and deer velvet, and the re-apportionment of the two components of the deer slaughter levy—NRS and R&D. In May 2011, the DIAA provided a second submission including the outcome of the industry-wide consultation on changes to the deer levies and charges. Industry consultation is considered adequate for the suite of levy and charge amendments requested by the DIAA. The Minister for Agriculture, Fisheries and Forestry approved the re-apportionment of the deer slaughter levy on 24 January 2012.

The Rural Industries Research and Development Corporation—the statutory authority established by the *Primary Industries and Energy Research and Development Act 1989*—has confirmed that a reduction in the R&D component of the levy is acceptable considering the industry's circumstances and should not impact future deer-related projects.

In December 2011, the Office of Best Practice Regulation was consulted in the preparation of the Amendment Regulation (ID 13412).

## **Operation**

Details of the Amendment Regulation are set out below.

### ***Primary Industries Legislation Amendment Regulation 2012 (No. 1)***

#### **Section 1 – Name of Regulation**

This Section provides for the name of the Regulation to be the *Primary Industries Legislation Amendment Regulation 2012 (No. 1)*.

#### **Section 2 – Commencement**

This Section provides for the Regulation to commence on 1 July 2012.

#### **Section 3 – Amendment of *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* and *Primary Industries (Excise) Levies Regulations 1999***

This Section provides that Part 1 of Schedule 1 amend the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* and Part 2 of Schedule 1 amend the *Primary Industries (Excise) Levies Regulations 1999*.

#### **Schedule 1 – Amendments**

##### **Part 1 Amendment of the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998***

###### **Item [1] Paragraphs 200 (a) and (b)**

This item replaces paragraphs (a) and (b) of Regulation 200 of Division 3 (Deer) to the NRS Regulations with new paragraphs increasing the rate of NRS excise levy on the slaughter of deer from 4 cents to 6 cents per kilogram.

##### **Part 2 Amendment of the *Primary Industries (Excise) Levies Regulations 1999***

###### **Item [2] Schedule 7, Clause 4**

This item replaces clause 4 of Schedule 7 to the Levies Regulations with a new clause decreasing the research and development component of the levy on deer slaughter from 4 cents to 2 cents per kilogram.

## **Statement of Compatibility with Human Rights**

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

### ***Primary Industries Legislation Amendment Regulation 2012 (No. 1)***

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 Legislative Instrument re-apportions the deer slaughter levy. The re-apportionment decreases the R&D component of the levy from 4 to 2 cents per kilogram—in the *Primary Industries (Excise) Levies Regulations 1999*—to increase the NRS component of the levy from 4 to 6 cents per kilogram—in the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998*. The NRS component of the levy is being increased to 6 cents per kilogram to maintain a viable residue monitoring program, which underpins access to key export markets for the deer industry.

### **Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**The Hon. Peter Douglas Sidebottom MP, Parliamentary Secretary for Agriculture,  
Fisheries and Forestry**