

## **EXPLANATORY STATEMENT**

### **SELECT LEGISLATIVE INSTRUMENT No. 54, 2015**

Issued by Authority of the Minister for Agriculture

*National Residue Survey (Excise) Levy Act 1998*

*Primary Industries Levies and Charges (National Residue Survey Levies) Amendment  
(Honey) Regulation 2015*

#### **Legislative Authority**

Section 8 of the *National Residue Survey (Excise) Levy Act 1998* (NRS Levy Act) provides that the Governor-General may make regulations prescribing levies that are duties of excise, the rates of those levies, the person liable to pay those levies and any exemptions from a levy.

Subclause 2(5) of Schedule 7 of the NRS Levy Act provides that regulations may exempt a specified class of persons from the National Residue Survey Levy (the levy) for the sale of honey.

Part 9 of the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* (Principal Regulations) provides that levies are imposed on honey and honey export. Excise levies are applied to domestic sales and uses of honey.

#### **Purpose**

The purpose of the *Primary Industries Levies and Charges (National Residue Survey Levies) Amendment (Honey) Regulation 2015* (Amendment Regulation) is to amend the Principal Regulations to introduce a levy exemption for producers who in a financial year have sold (through prescribed sales) or used (in the production of other goods) a total weight of no more than 1500 kilograms of honey.

#### **Background**

The NRS Levy Act provides, among other things, that the Governor-General may make regulations prescribing levies and any exemptions from a levy. The NRS Levy Act provides that producers of honey are exempt from having to pay the levy if their retail honey sales are below 600kg in a financial year. When initially implemented in 1963, this threshold was intended to keep the levy cost effective, by not collecting the levy from smaller producers where the cost of collection would exceed the revenue collected.

The Australian Honey Bee Industry Council (AHBIC), the peak industry body for honey producers in Australia, submitted a proposal to the Department of Agriculture (the Department) for amendments to the regulations relating to honey levies and charges.

#### **Impact and Effect**

The AHBIC proposal indicated that a recent rise in collection costs has resulted in an increased number of honey producers whose levy contribution is less than the corresponding collection cost, despite their annual retail sales of honey being greater than 600 kilograms. The Amendment Regulation would raise the threshold for the levy exemption to ensure that the levy is cost effective.

The proposal meets the requirements of the Australian Government *Levy Principles and Guidelines*.

### **Consultation**

The amendments have been requested by AHBIC, who consulted with, and received majority support from, actual and potential levy and charge payers.

The Department of Treasury has confirmed costings undertaken by the Department for the proposal and that the changes will have no net impact on the Budget.

The Department consulted with the Office of Parliamentary Counsel in the drafting of the amendments. The Office of Best Practice Regulation (OBPR) advised that the regulation impact statement (RIS) meets best practice consistent with the *Australian Government Guide to Regulation* (OBPR reference 17593).

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

The Amendment Regulation is 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 is set out in the Attachment.

### **Details of the *Primary Industries Levies and Charges (National Residue Survey Levies) Amendment (Honey) Regulation 2015***

#### Section 1 – Name

This section provides that the name of the Amendment Regulation is the *Primary Industries Levies and Charges (National Residue Survey Levies) Amendment (Honey) Regulation 2015*.

#### Section 2 – Commencement

This section provides that the Amendment Regulation commences on 1 July 2015.

#### Section 3 – Authority

This section provides that the Amendment Regulation is made under the *National Residue Survey (Excise) Levy Act 1998*.

#### Section 4 – Schedule

This section provides that the *Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998* are amended as set out in Schedule 1.

#### Schedule 1 – Amendments

**Item 1** adds an exemption from the NRS excise levy on honey (in addition to the exemptions prescribed in Schedule 7 to the NRS Levy Act for no more than 600 kilograms of honey) for producers of honey who in a financial year have sold (through prescribed sales) or used in the production of other goods a total weight of no more than 1500 kilograms of honey. The exemption does not apply to honey sales through an intermediary (such as a buying agent).

**Statement of Compatibility with Human Rights**

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

***Primary Industries Levies and Charges (National Residue Survey Levies) Amendment  
(Honey) Regulation 2015***

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**

This Legislative Instrument amends the *Primary Industries Levies and Charges (National Residue Levies) Regulations 1998* and introduces a levy exemption for producers who in a financial year have sold (through prescribed sales) or used (in the production of other goods) a total weight of no more than 1500 kilograms of honey.

**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. Barnaby Joyce MP  
Minister for Agriculture**