

EXPLANATORY STATEMENT

Issued by Authority of the Deputy Prime Minister and Minister for Agriculture and Water Resources

Primary Industries (Customs) Charges Act 1999

Primary Industries (Customs) Charges Amendment (Deer and Deer Velvet) Regulation 2016

Legislative Authority

Section 8 of the *Primary Industries (Customs) Charges Act 1999* (Charges Act) provides that the Governor-General may make regulations prescribing matters required or permitted by that Act to be prescribed for carrying out or giving effect to that Act. The Charges Act provides for charges to be imposed on the products of primary industries, including on live deer and deer velvet (commonly known as deer antler).

Purpose

The purpose of the *Primary Industries (Customs) Charges Amendment (Deer and Deer Velvet) Regulation 2016* (the Regulation) is to cease the collection of export charges on live deer and deer velvet. For live deer, the Regulation decreases the rate of charge for live deer from \$5 per head to \$0 per head. For deer velvet, it decreases the rate of charge for deer velvet from one per cent of the declared value of deer velvet, to zero per cent of the declared value of deer velvet.

Background

At the request of the deer industry, the Department of Agriculture and Water Resources collects charges on the export of deer velvet and the export of live deer. Research and development charges collected from the deer industry are matched by the Australian Government and disbursed to the Rural Industries Research and Development Corporation (RIRDC) to fund research and development related to deer farming.

The industry representative organisation for the deer industry, the Deer Industry Association of Australia Limited (DIAA), lodged a submission on 24 April 2015 with the then Minister for Agriculture requesting to cease the collection of the deer velvet levy and export charge, and the live deer export charge.

Impact and Effect

The charges collected from the export of live deer and deer velvet have decreased significantly in recent years and a large proportion is now used to cover collection administration costs.

Setting the rate of charge for the export of live deer to \$0 per head and the rate of charge for the export of deer velvet to 0 per cent of the declared value of the deer velvet ceases the collection of these charges. This would benefit industry by reducing the administrative and financial burden imposed by the regulations.

Rather than removing the charges in their entirety, setting the charge for deer live export to \$0 per head and the rate of charge for deer velvet export to zero per cent of the declared value of the deer velvet, provides the industry with the flexibility to consider activating the charges

again under current arrangements (for example, who pays the levy and how the levy is collected) if it wished to in the future. The Regulation adopts a similar approach to that taken to cease the collection of custom charges on bees and nashi.

Consultation

The DIAA has consulted with exporters of live deer and deer velvet on the amendments via a ballot among active industry participants and published advertisements in three major rural newspapers and the deer industry journal. The department has consulted with the Treasury, the Department of Finance and RIRDC on the proposal. The Office of Best Practice Regulation was also consulted in the preparation of the Regulation (ID 20057).

Details/ Operation

Details of the Regulation are set out in the Attachment A.

Other

The 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 Attachment B.

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

Details of the *Primary Industries (Customs) Charges Amendment (Deer and Deer Velvet) Regulations 2016*

Section 1 – Name

This section provides that the name of the Regulation is the *Primary Industries (Customs) Charges Amendment (Deer and Deer Velvet) Regulations 2016*.

Section 2 – Commencement

This section provides for the Regulation to commence on 1 July 2016.

Section 3 – Authority

This section provides that the Regulation is made under the *Primary Industries (Customs) Charges Act 1999*.

Section 4 – Schedules

This section provides that the Regulation is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 – Amendments

Primary Industries (Customs) Charges Regulations 2000

Item 1 reduces the rate of export charge on live deer from \$5 per head to nil.

Item 2 reduces the rate of export charge from 1% of the declared value of deer velvet to nil.

Statement of Compatibility with Human Rights

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

Primary Industries (Customs) Charges Amendment (Deer and Deer Velvet) Regulation 2016

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 purpose of the *Primary Industries (Customs) Charges Amendment (Deer and Deer Velvet) Regulation 2016* is to cease the collection of export charges on live deer and deer velvet. For live deer, the Regulation decreases the rate of charge for live deer from \$5 per head to \$0 per head. For deer velvet, it decreases the rate of charge for deer velvet from one per cent of the declared value of deer velvet, to zero per cent of the declared value of deer velvet.

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
Deputy Prime Minister and Minister for Agriculture and Water Resources