

## **EXPLANATORY STATEMENT**

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

*Primary Industries (Excise) Levies Act 1999*

*Primary Industries (Excise) Levies Amendment (Bananas) Regulations 2017*

### **Legislative Authority**

Section 8 of the *Primary Industries (Excise) Levies Act 1999* (the Levies 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 Act provides for the ability to impose levies on bananas.

Part 27 of Schedule 15 to the *Primary Industries (Excise) Levies Regulations 1999* sets out details for imposition of levies on bananas.

### **Purpose**

The purpose of the *Primary Industries (Excise) Levies Amendment (Bananas) Regulations 2017* (the Regulations) is to amend the Banana levy to increase the rate of Plant Health Australia (PHA) levy on bananas to 0.5 cents per kilogram, and minor rounding of the marketing levy to 1.15 cents per kilogram.

The amendments apply to returns for quarters and financial years that start on or after 1 April 2017.

### **Background**

Levies and charges are introduced, administered and collected by the Australian Government, usually at the request of industry. The Department of Agriculture and Water Resources (the Department) disburses the levy collected to the relevant recipient body.

The peak industry body for banana growers, the Australian Banana Grower's Council (ABGC), has requested amendments to the existing levy arrangements to increase the existing PHA levy from the current rate of 0.0103 cents per kilogram to 0.5 cents per kilogram (an increase of 0.4897 cents per kilogram) and to have a minor rounding of the marketing levy from 1.1497 cents to 1.15 cents (an increase of 0.003 cents per kilogram).

The levy will raise money to repay the Australian Government for a grant of \$3 million (excluding GST) used to purchase a property in Tully, Northern Queensland, infested with Panama disease Tropical Race 4, and the ongoing containment and management of the disease. Any remaining levy funds will be used to improve banana industry biosecurity more generally.

## **Impact and Effect**

The overall rate of the levy on bananas would increase from 2.45 cents per kilogram to 2.94 cents per kilogram, comprised of:

- Marketing levy: 1.15 cents per kilogram (increase of 0.0003 cents per kilogram from 1.1497 cents per kilogram)
- Research and development levy: 0.54 of a cent per kilogram (current rate)
- Plant Health Australia levy: 0.5 of a cent per kilogram (increase of 0.4897 cents per kilogram from 0.0103 cents per kilogram)
- Emergency Plant Pest Response levy: 0.75 of a cent per kilogram (current rate).

## **Consultation**

Consistent with the *Australian Government Levy Principles and Guidelines*, the ABGC conducted a thorough consultation campaign with all known existing and potential levy payers. This campaign included information being distributed at industry meetings, through mail outs and an e-bulletin.

In August 2016, the ABGC also undertook an independent ballot of all banana growers seeking support for the levy increase. Results indicated that 55 per cent of the national production area voted and 84 per cent of these votes were in favour of the levy increase.

The Australian Government's *Levy Principles and Guidelines* require a six-week period for prospective levy payers to lodge objections to the levy submission. The objection period for the change commenced on 13 October 2016 and closed on 24 November 2016. No objections were received.

The department consulted the Departments of the Prime Minister and Cabinet and Treasury in preparing the Regulations. The Office of Best Practice Regulation has agreed that a Regulation Impact Statement is not required (ID 21618).

## **Details / Operation**

Details of the Regulations are set out in the [Attachment A](#).

The Regulations 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 B](#).

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

**Details of the *Primary Industries (Excise) Levies Amendment (Bananas) Regulations 2017***

**Section 1 – Name of Regulation**

This Section provides that the name of the Regulations is the *Primary Industries (Excise) Levies Amendment (Bananas) Regulations 2017*

**Section 2 – Commencement**

This Section provides for the regulation to commence on 1 April 2017.

**Section 3 – Authority**

This section provides that the Regulations is made under the *Primary Industries (Excise) Levies Act 1999*.

**Section 4 – Schedule**

This Section provides for the *Primary Industries (Excise) Levies Regulations 1999* to be amended as set out in Schedule 1.

**Schedule 1 – Amendments**

**Item 1** amends Clause 27.3 of Schedule 15 to change the current marketing levy from 1.1497 to 1.15 cents per kilogram.

**Item 2** increases the current Plant Health Australia levy from 0.0103 to 0.5 of a cent per kilogram.

**Statement of Compatibility with Human Rights**

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

***Primary Industries (Excise) Levies Amendment (Bananas) Regulations 2017***

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 (Excise) Levies Amendment (Bananas) Regulations 2017* (the Regulations) is to amend the Banana levy to increase the rate of Plant Health Australia (PHA) levy on bananas from a rate of 0.0103 cents per kilogram to 0.5 cents per kilogram, and minor rounding of the marketing levy from 1.1497 cents per kilogram to 1.15 cents per kilogram (minor rounding increase of 0.003 cents per kilogram).

The amendments apply to returns for quarters and financial years that start on or after 1 April 2017.

**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**