

EXPLANATORY STATEMENT

Issued by Secretary of the Department of Agriculture, Fisheries and Forestry

Primary Industries Levies and Charges Collection Act 2024

Primary Industries Levies and Charges Collection Amendment (Honey) Rules 2025

Legislative Authority

The *Primary Industries Levies and Charges Collection Act 2024* (the Act) provides for the collection of agricultural levies imposed by regulations under the *Primary Industries (Excise) Levies Act 2024* or the *Primary Industries (Services) Levies Act 2024* and agricultural charges imposed by regulations under the *Primary Industries (Customs) Charges Act 2024*.

Section 59 of the Act provides that, for better securing the payment of levy or charge imposed in relation to collection of commodities/services, the Secretary of the Department of Agriculture, Fisheries and Forestry (the department) may, by legislative instrument, make rules prescribing matters: required or permitted by the Act to be prescribed by the rules, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Purpose

The purpose of the *Primary Industries Levies and Charges Collection Amendment (Honey) Rules 2025* (the Amendment Rules) is to amend the *Primary Industries Levies and Charges Collection Rules 2024* (the Collection Rules) to align the obligations of certain levy payers with collection agents by generally requiring honey levy and related returns to be paid and given quarterly, rather than annually. For levy payers who are also collection agents, this will make compliance administratively easier as they will have consistently timed obligations. Specifically, the Amendment Rules will amend the Collection Rules to generally require after the end of each quarter, rather than after the end of each calendar year:

- the payment of the levy that is imposed by the *Primary Industries (Excise) Levies Regulations 2024* (the Levies Regulations) on honey that is produced in Australia by a bee of the species *Apis mellifera* and is used in Australia in the production of other goods; and
- returns to be given in relation to that levy.

Background

The agricultural levy and charge system, known as the agricultural levy system, is a long-standing partnership between industry and the Australian Government to facilitate industry investment in strategic activities. Levies and charges are generally payable by farmers, producers, processors and exporters.

The Collection Rules set out detailed requirements for the collection of levies and charges for each product that is subject to a levy or charge imposed under the Levies Regulations or the *Primary Industries (Customs) Charges Regulations 2024*. These requirements relevantly include when persons are liable to pay levy or charge and to give a return of information in relation to that levy or charge.

Amounts equal to the collected levy and charge are generally disbursed under the *Primary Industries Levies and Charges Disbursement Act 2024* by the Commonwealth to recipient bodies and other entities to support activities the levies and charges were imposed to fund. This includes research and development, marketing, biosecurity activities, biosecurity responses, and National Residue Survey testing.

Impact and Effect

The amendments are intended to make it easier for certain persons required to make payments and give returns in relation to the honey levy as both a levy payer and a collection agent by aligning requirements to be on a quarterly rather than annual basis.

There are existing provisions in the Collection Rules that generally require collection agents to, after the end of each quarter:

- pay amounts, on behalf of levy payers, equal to the amount of the levy imposed on honey that is sold by the levy payer in the quarter to a business purchaser; and
- give a return in relation to those amounts.

Consultation

The measures in these Rules were developed in consultation with the Australian Honey Bee Industry Council (AHBIC). AHBIC is the national representative body for the honey bee industry, representing persons affected by the proposed amendments. The department informed AHBIC of the proposed changes to the Collection Rules and subsequent impacts on industry. AHBIC provided support for the proposed amendments.

The Office of Impact Analysis has been consulted on the proposed amendments and has advised that a detailed impact analysis is not required (OIA25 -09286).

Details/ Operation

Details of the Rules are set out in Attachment A.

Other

The Rules are 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 Rules will commence the day after registration.

The Rules are a legislative instrument for the purposes of the *Legislation Act 2003*.

ATTACHMENT A

Details of the *Primary Industries Levies and Charges Collection Amendment (Honey) Rules 2025*

Section 1—Name

This section provides that the name of the instrument is the *Primary Industries Levies and Charges Collection Amendment (Honey) Rules 2025* (the Amendment Rules).

Section 2—Commencement

This section provides that the Amendment Rules commence on the day after the Amendment Rules are registered.

Section 3—Authority

This section provides that the Amendment Rules are made under the *Primary Industries Levies and Charges Collection Act 2024* (the Act).

Section 4—Schedules

This section provides that each instrument specified in a Schedule to this instrument 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 Levies and Charges Collection Rules 2024

Item 1—Section 5 (paragraph (b) of the definition of *threshold quarter*)

This item repeals paragraph (b) of the definition of *threshold quarter* in section 5 of the *Primary Industries Levies and Charges Collection Rules 2024* (Collection Rules) and substitutes new paragraph (b).

The effect of new paragraph (b) of the definition of *threshold quarter* is to add that a threshold quarter in a calendar year, in relation to honey, has the meaning given by clause 3-1 of Schedule 1. New paragraph (b) of the definition of *threshold quarter* retains the definitions of threshold quarter, in a calendar year, in relation to goat fibre and potatoes. This broader change enables consistent subparagraph numbering to be retained.

The purpose of the amendment is to provide that in the Collection Rules, a threshold quarter in a calendar year in relation to honey, has the meaning given in clause 3-1 of Schedule 1. This amendment is consequential to the amendment made by item 4 of this Schedule to insert a new subclause 3-1(2) to Schedule 1, which provides for a threshold quarter in a calendar year in relation to honey.

Item 2— Clause 1-1 of Schedule 1

This item amends clause 1-1 of Schedule 1 to the Collection Rules, which provides a simplified outline of Part 1-1 of Schedule 1.

The item inserts, after “honey sold to a business purchaser”, the words “or used in the production of other goods” into the second paragraph under the subheading “*Honey*” in clause 1-1 of Schedule 1.

The purpose of the amendment is to update the simplified outline in line with other amendments made by this Schedule to the collection of the levy imposed on honey (the honey levy) by the *Primary Industries (Excise) Levies Regulations 2024* (Levies Regulations). Specifically, that for honey used in the production of other goods, the honey levy is now generally payable, and returns are generally due, after the end of each quarter in a calendar year.

Item 3— Clause 1-1 of Schedule 1

This item amends clause 1-1 of Schedule 1 to the Collection Rules, which provides a simplified outline of Part 1-1 of Schedule 1.

The item omits the words “or used by the levy payer in the production of other goods” from the third paragraph under the subheading ‘*Honey*’ in clause 1-1 of Schedule 1.

The purpose of the amendment is to update the simplified outline in line with other amendments made by this Schedule to the collection of the honey levy. Specifically, that for honey used in the production of other goods, the levy is no longer payable, and returns are no longer due, after the end of each calendar year.

Item 4—Clause 3-1 of Schedule 1

This item repeals and substitutes clause 3-1 of Schedule 1 to the Collection Rules, which sets out the obligations of levy payers or charge payers in relation to the collection of the honey levy and charge imposed on honey (the honey export charge) by the *Primary Industries*

(Customs) Charges Regulations 2024. This broader repeal and substitution enables simple numbering to be retained in the rules.

New clause 3-1 of Schedule 1 provides:

- for the purposes of section 8 of the Act, for when the honey levy is due and payable (new subclause 3-1(1) of Schedule 1) and for when the honey export charge is due and payable (new subclause 3-1(4) of Schedule 1);
- for the definition of a **threshold quarter** in a calendar year, which will be relevant in some circumstances to working out when the honey levy is due and payable (new subclauses 3-1(2)-(3) of Schedule 1);
- for the purposes of paragraph 59(2)(a) of the Act, for requiring levy payers and charge payers to give quarterly or annual returns in relation to honey levy or honey export charge (new subclause 3-1(5) of Schedule 1); and
- for the purposes of paragraph 59(2)(b) of the Act, for requiring levy payers and charge payers to make and keep certain records in relation amounts they have paid or have been paid on their behalf (new subclause 3-1(6) of Schedule 1).

The purpose of the amendments is to prescribe certain obligations of levy payers in relation to the payment of the levy imposed on honey used in the production of other goods and to the returns given in relation to that levy. Specifically:

- for honey used by the levy payer in the production of other goods, the levy is now generally due and payable, under subclause 3-1(1) of Schedule 1, on the last day of the first calendar month after the end of the threshold quarter or a later quarter, rather than on the last day of February in the next calendar year; and
- returns in relation to that levy are now generally required by subclause 3-1(5) of Schedule 1 to be given before the end of the first calendar month after the end of the quarter, rather than before the end of February in the next calendar year.

In each case, the obligation to make payments and give returns after the end of each quarter is subject to the person having an exemption from giving quarterly returns in the year. If the person has such an exemption, they will be required to give returns and make payments after the end of each calendar year. Clause 3-4 of Schedule 1 provides for the process for obtaining an exemption from giving quarterly returns (see item 5 of this Schedule).

New subclause 3-1(2) of Schedule 1 provides that a **threshold quarter** in a calendar year is the first quarter in the calendar year in which the sum of the following is more than 1,500 kilograms:

- the total quantity of honey sold by the levy payer by retail sale in that year;
- the total quantity of honey that is used by the levy payer in that year in the production of other goods.

This is consistent with the threshold exemption in subclause 3-2(3) of Schedule 1 to the Levies Regulations, which provides that levy is not imposed unless the sum of those respective amounts, in a calendar year, is 1,500 kilograms or less. Once the threshold quarter is reached, the levy payer will be obliged to pay levy and give returns for the threshold quarter and any later quarters in the financial year.

New subclause 3-1(3) of Schedule 1 provides that subclause 3-1(2) does not apply to honey that is covered by exemptions from levy in subclause 3-2(1) (levy previously imposed) or subclause (2) (honey sold after export) of Schedule 1 to the Levies Regulations.

Item 5—Clause 3-4 of Schedule 1

This item repeals and substitutes clause 3-4 of Schedule 1 to the Collection Rules which sets out the process for obtaining an exemption from giving quarterly returns for charge payers.

New clause 3-4 of Schedule 1 provides for the process for obtaining an exemption from giving quarterly returns for levy payers or charge payers.

In particular, new clause 3-4 of Schedule 1 provides for when a person is not required to give returns for quarters in the year if the person is:

- a levy payer for levy imposed on honey that is used by the levy payer in a calendar year in the production of other goods; or
- a charge payer for charge imposed on honey that is exported in a calendar year other than through an exporting agent.

For such a levy payer, it will be if the person applies to the Secretary for an exemption from the requirement to give returns for quarters in the year before the end of the threshold quarter in the year and the Secretary grants the exemption under section 10 of the Collection Rules.

For such a charge payer, it will be if the person applies to the Secretary for an exemption from the requirement to give returns for quarters in the year before the end of the first quarter in the year in which such charge is imposed and the Secretary grants the exemption under section 10.

In each case, the person may apply for the exemption only if the person reasonably believes that the sum of the amount of levy and charge that the person will pay, or will be likely to pay, in relation to honey and the calendar year will be less than \$4,000.

The purpose of the amendment is to enable persons who will, under new subclause 3-1(1), generally be required to pay the levy imposed on honey used in the production of other goods and give returns relating to that levy on a quarterly basis, to seek an exemption from the requirement to give quarterly returns. If such an exemption is granted to the person, the person will be required to give returns and make payments annually.

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 Collection Amendment (Honey) Rules 2025

This disallowable 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 Levies and Charges Collection Amendment (Honey) Rules 2025* (the Amendment Rules) is to amend the *Primary Industries Levies and Charges Collection Rules 2024* (the Collection Rules) to align the obligations of certain levy payers with collection agents by generally requiring honey levy and related returns to be paid and given quarterly, rather than annually. For levy payers who are also collection agents, this will make compliance administratively easier as they will have consistently timed obligations. Specifically, the Amendment Rules will amend the Collection Rules to generally require after the end of each quarter, rather than after the end of each calendar year:

- the payment of the levy that is imposed by the *Primary Industries (Excise) Levies Regulations 2024* on honey that is produced in Australia by a bee of the species *Apis mellifera* and is used in Australia in the production of other goods; and
- returns to be given in relation to that levy.

Human rights implications

This legislative instrument does not engage any of the applicable rights or freedoms.

Conclusion

The measures in the legislative instrument are 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* as the legislative instrument does not engage any human rights issues.

Adam Phillip Fennessy PSM

Secretary of the Department of Agriculture, Fisheries and Forestry