

2010-2011

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**HORSE DISEASE RESPONSE LEVY (CONSEQUENTIAL AMENDMENTS)
BILL 2011**

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Agriculture, Fisheries and Forestry,
Senator the Hon. Joe Ludwig)

HORSE DISEASE RESPONSE LEVY (CONSEQUENTIAL AMENDMENTS) BILL 2011

OUTLINE

1. The purpose of this Bill is to amend the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996* to enable funds raised by levies on manufactured horse feed and worm treatments for horses to be appropriated to the Australian Animal Health Council (also known as Animal Health Australia).
2. There are two companion Bills relating to this Bill: the Horse Disease Response Levy Bill 2011, which imposes the levies, and the Horse Disease Response Levy Collection Bill 2011, which authorises the Commonwealth to collect and administer the levies. All three Bills are required to establish the levy funding mechanism requested by the horse industry and enable it to meet its obligations as an Emergency Animal Disease Response Agreement (EADR Agreement) signatory. All three Bills are not retrospective in effect.
3. Under this Bill, Animal Health Australia will have the authority to hold and manage funds raised by the levies on the horse industry's behalf. This is similar to arrangements that other livestock industries with emergency animal disease response levies have in place.
4. Funds raised through the levies will initially flow to the Commonwealth's Consolidated Revenue Fund and subsequently be disbursed to Animal Health Australia. This Bill allows for Animal Health Australia to be reimbursed for costs incurred in receiving and applying monies received from the Commonwealth that have been raised by the horse disease response levies.
5. This Bill also provides a mechanism for any excess horse disease response levies that are collected to be paid to an organisation that is concerned with research and development activities relevant to the horse industry, or with promotion or maintenance of the health of horses. This mechanism is included as it is not possible to time the termination of the levies at the precise moment the debt to the Commonwealth has been fully paid.
6. For ease of reading, the provisions in the Bill for the horse disease response levies have been drafted separately to the provisions for other livestock industry levies in the *Animal Health Australia Council (Live-stock Industries) Funding Act 1996*. This is because the horse disease response levies are unlike the others, in that the levies do not relate to an animal product.

FINANCIAL IMPACT STATEMENT

7. There is no financial impact on the Commonwealth unless an emergency animal disease outbreak affecting horses occurs, and it is agreed that a national response is required. Should such an event occur, there will be a financial impact on the Commonwealth, in that it will initially meet the horse industry's costs of the response under the EADR Agreement. However, this money will be repaid through funds raised by the levies, and will include recovery of the Commonwealth's costs in collecting or recovering the levies. There is no impact on Commonwealth contributions to industry research and development as a consequence of these arrangements.

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NOTES ON CLAUSES

Clause 1: Short title

This clause is a formal provision specifying that the short title of the Act may be cited as the *Horse Disease Response Levy (Consequential Amendments) Act 2011*.

Clause 2: Commencement

The commencement date provides that sections 1 to 3 of the Act will commence the day the Act receives Royal Assent and that Schedule 1 of the Act will commence on the start of the day after the Act receives Royal Assent or the commencement of section 3 of the *Horse Disease Response Levy Collection Act 2011*, whichever happens later. However, Schedule 1 will not commence at all if the *Horse Disease Response Levy Collection Act 2011* does not commence.

Clause 3: Schedule(s)

This clause is intended to specify that amendments will be made to the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996*.

Schedule 1: Amendments to the Australian Animal Health Council (Live-stock Industries) Funding Act 1996

Item 1: Section 3

This item inserts a new definition of ‘horse disease response levy’ into section 3 of the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996*.

The purpose of the amendment is to make clear that all references to horse disease response levy in the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996* are references to the levy imposed by the *Horse Disease Response Levy Act 2011*.

Item 2: After section 4

This item adds a new clause 4A after the existing Section 4 of the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996* and specifies how monies raised by the horse disease response levies and paid to Animal Health Australia by the Commonwealth are to be applied. These applications are consistent with the application of monies raised by other livestock industries’ emergency animal disease response levies.

The note at the foot of item 2 changes the heading of section 4 by adding “—levies and charges other than horse disease response levy”. The purpose of the amendment is to make clear that section 4 provides for levies and charges under the *Primary Industries Levies and Charges Collection Act 1991* and section 4A provides for the horse disease response levy under the *Horse Disease Response Levy Collection Act 2011*.

Item 3: Section 5

The purpose of this item is to expand the scope of section 5 to sections 4 and 4A so that amounts raised by the horse disease response levies that are payable to Animal Health Australia are to be transferred from the Commonwealth’s Consolidated Revenue Fund.

Item 4: At the end of the Act

This item inserts a new clause 7 that provides for situations where the Commonwealth refunds an amount of horse disease response levy. This is in similar terms to the existing section 6, which provides for situations where the Commonwealth refunds an amount of levies and charges under the *Primary Industries Levies and Charges Collection Act 1991*.