2008

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HORSE DISEASE RESPONSE LEVY BILL 2008

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Agriculture, Fisheries and Forestry, The Hon Tony Burke MP)
GENERAL OUTLINE

The purpose of this Bill is to impose a levy on the initial registration of horses, so that the horse industry can repay any amount paid by the Commonwealth on behalf of the horse industry in the event of an outbreak of an emergency horse disease. The Australian Horse Industry Council, the Australian Harness Racing Council and the Australian Racing Board support the imposition of a horse disease response levy.

The Bill will assist the horse industry fund its obligations under the provisions of the Emergency Animal Disease Response Agreement (EADRA). The EADRA commenced in March 2002 and provides for the Commonwealth initially meeting the industry’s obligations under the EADRA, with the industry repaying any amounts paid on its behalf through a statutory levy.

Under the terms of the EADRA, the Australian Animal Health Council (AAHC) co-ordinates, collates and maintains financial information in respect of any animal disease emergency. Livestock industries agreed that the AAHC will receive and disburse levy funds to be used to repay the Commonwealth for the costs underwritten by the Commonwealth on behalf of industry. Several payments of the levy may be made to the AAHC in any period.

Once the size of the industry’s debt to the Commonwealth is known, the horse industry will be advised of total debt by the AAHC and repayment arrangements will be implemented. The horse disease response levy will be activated, with all levy funds initially flowing to the Consolidated Revenue Fund and subsequently disbursed to the AAHC. The AAHC will manage the horse disease response levy funds on behalf of the industry in order to repay debt to the Commonwealth.

To allow the repayment arrangements via a levy to come into law, it is also necessary to provide for legislation to collect and administer the levy imposed under this new legislation, including amendment of the Australian Animal Health Council (Live-stock Industries) Funding Act 1996.

These arrangements are similar to those applying to other industries party to the EADRA.

FINANCIAL IMPACT STATEMENT

There are no direct financial implications for the Commonwealth as the intention of the Bill is to facilitate the imposition of a horse disease response levy on the registration of horses payable by owners. However, indirectly the arrangements will allow the repayment of monies to the Commonwealth expended on behalf of the horse industry under cost sharing arrangements for responses to emergency horse diseases.
NOTES ON CLAUSES

Item 1 Short Title
This clause provides for the Act to be called the Horse Disease Response Levy Act 2008.

Item 2 Commencement
This clause provides for the Act to come into effect on the day after it receives Royal Assent.

Item 3 Definitions
This clause defines the meaning of a horse, horse industry body; horse registration body and owner of a horse for the purposes of this Act.

Item 4 Imposition of levy
This clause provides for the horse disease response levy to be applied to only the initial registration of a horse with a recognised horse registration body. The horse disease response levy does not apply to any other registrations that may occur even with other horse registration bodies.

Item 5 Rate of levy
This clause provides for regulations to determine the levy rate.

Item 6 Who pays the levy
This clause determines that the horse disease response levy is paid by the owner of a horse.

Item 7 Declaration of horse industry body
This clause allows the Minister to declare in writing that a body represents the horse industry nationally. However, this provision is included to assist the reader, as the instrument is not a legislative instrument within the meaning of section 5 of the Legislative Instruments Act 2003.

Item 8 Act does not impose levy on property of a State
This clause provides that the Act does not allow the Commonwealth to impose a tax on any property belonging to a State or Territory.

Item 9 Regulations
This clause contains provisions authorising the Governor-General to allow regulations that will prescribe details that are necessary for the administration of horse disease response levies imposed by this legislation, including the authority to determine the horse disease response levy rate as per clause 5 of the Act.