



Australian Government
**Department of Agriculture,
Fisheries and Forestry**

Levies Revenue Service

Canberra	1800 020 619
Sydney	1800 625 103
Brisbane	1800 647 801
Melbourne	1800 683 839
Adelaide (SA, NT & TAS)	1800 814 961
Perth	1800 895 506

www.daff.gov.au/levies

INFORMATION ON DAIRY PRODUCE LEVY (Milk Delivered to a Manufacturer)

WHY IS THERE A DAIRY PRODUCE LEVY?

A levy is payable on dairy produce to provide funding for marketing, research and development carried out via Dairy Australia. A further component is used to fund the Animal Health Australia (AHA) program. The Levies Revenue Service (LRS) receives the funds and forwards them to Dairy Australia and AHA, in addition to distributing the Australian Government's matching research and development (R&D) contributions. Levies and export charges are introduced and administered by the Australian Government at the request of Industry.

WHAT IS THE LEVY PAYABLE ON?

Levy is payable on relevant dairy produce delivered by a producer to a manufacturer or produced and used by a manufacturer in the manufacturing of dairy produce.

Relevant Dairy Produce means dairy produce that is:

- (a) Whole milk; or
- (b) Whole milk products

WHO PAYS THE LEVY AND WHO SUBMITS RETURNS?

The producer (a manufacturer of or a person who produces, relevant dairy produce) is liable to pay the levy.

Where a producer sells their produce via an intermediary, such as a first purchaser, buying agent or selling agent; the intermediary is liable to pay levy on behalf of the producer. The intermediary must forward the levy to LRS along with return forms which are available from all LRS offices or by accessing the LRS website at www.daff.gov.au/levies. The intermediary can recover the amount of levy paid from the producer, by offset or otherwise.

A producer who processes and uses their own whole milk commercially (eg on farm cheese making etc) must submit levy and returns directly to the LRS as the milk is processed.

ARE THERE ANY EXEMPTIONS ASSOCIATED WITH THIS LEVY?

No exemptions from paying levy currently apply in relation to the Dairy Produce Levy.

WHAT IS THE RATE FOR THE DAIRY ALL MILK LEVY?

The rate for the Dairy Produce Levy is calculated as follows:

Milk Fat	2.6448 cents per kilogram (litreage X milk fat% = kgs of milk fat)
Protein	6.4438 cents per kilogram (litreage X protein% = kgs of protein)

The sum of these two rate components is the total applicable rate per kilogram of Dairy Produce.

Note: Levy Rates are current as at 1 January 2006.

WHEN IS LEVY DUE FOR PAYMENT?

Monthly Returns:

The return together with payment is due within 1 month and 28 days after the end of the month in which delivery/use took place. For example the return with payment for the month of July is due on or before 28 September.

Annual Information Return:

The annual information return is due on or before 28th July. For example the return for the 2005/2006 levy year is due on or before 28th July 2006.

Note: The annual information return is an information return only and relates to shareholder entitlements of Dairy Australia.

GENERAL INFORMATION AND DEFINITIONS

The levy rate is calculated on a per kilogram of milk fat and protein basis. When test results are not available then **default rates** apply i.e. the milk fat rate is currently taken to be 3.2% and the protein content is taken to be 3.0%.

The **producer** is taken to be the person who produces or manufactures whole milk or whole milk products.

A levy year is the same as a financial year (i.e. 1st July to 30th June).

A return must be in the form of a declaration that the information given is correct in every material particular.

The annual information return must set out:

- 1) ABN No
- 2) Farm Trading Name (farm name, which may be the same as the Legal Name)
- 3) Legal Name attributed to the ABN No (enterprise name)
- 4) Farm Enterprise address (physical location of the farm)
 - a. Address
 - b. State
 - c. Postcode
- 5) Postal Address
 - a. Address
 - b. State
 - c. Postcode
- 6) Contact details (if available)
 - a. Phone Number
 - b. Fax Number
 - c. Mobile number
 - d. Email address
- 7) Total Levy paid by farmer
- 8) Milk fat production on which levy deductions were based
- 9) Protein production on which levy deductions were based
- 10) Litres of Milk produced

Information about producers may be provided on the reverse of the all dairy produce returns, or provided in an electronic format as shown below. For further advice or arrangements to supply this information, please contact your regional LRS office as listed at the foot of this information sheet.

- a) Microsoft Excel spread sheet
- b) Any type of CVS file format
- c) Any type of text file format
- d) Microsoft Access data base file
- e) Microsoft Word document

WHAT RECORDS MUST BE KEPT, WHO SHOULD KEEP THEM & FOR HOW LONG?

People who lodge returns to LRS and people who pay levy/charge to intermediaries are required to keep records supporting the information supplied in returns or information relating to payments made to intermediaries. These records are to be kept for a period of five (5) years and are to be made available to LRS officers.

For further information or clarification on what records must be kept, who should keep them and for how long please contact your nearest LRS office.

ARE THERE ANY PENALTIES FOR LATE PAYMENTS OR OTHER OFFENCES?

Where levy/export charge is paid late, penalty will be payable at the rate of 2% per month compounding on the sum of the unpaid amounts, including penalties already accrued, until the outstanding levy is paid in full.

Penalties are also imposed for other breaches of the legislation.

For more information please contact your nearest LRS office.

Caution: Giving false or misleading information is a serious offence.

DOES GST APPLY TO AUSTRALIAN GOVERNMENT LEVIES/CHARGES?

No. Australian Government levies administered by the LRS are exclusive of the GST (Goods and Services Tax). The levy/charge is a separate calculation, exclusive of GST consideration.

For further information contact the Australian Taxation Office on 132 478 or visit their website www.ato.gov.au.

WHERE DO I LODGE MY RETURN?

Send your completed returns and payments to:

The Secretary
Levies Revenue Service
Department of Agriculture, Fisheries & Forestry
Locked Bag 4488
KINGSTON ACT 2604

If you would like to receive information and reminder notices electronically in the future from LRS, please ensure that you have included your business email address on your return form.

*Where payment of levy is made by EFT, please fax your return to 1800 609 150. If you would like to make a payment by EFT, please call (free call) 1800 020 619 for more information. (Please note that calls to this number **may** incur charges if made from mobile or pay phones.)*

WHAT IS THE LEVIES REVENUE SERVICE?

The Levies Revenue Service (LRS) is an organisation within the Australian Government Department of Agriculture, Fisheries and Forestry Australia. LRS is responsible for both the collection and distribution of levies to the relevant Research and Development Corporations, Marketing Agencies, Animal Health Australia, Plant Health Australia and the National Residue Survey. LRS is also responsible for the distribution of the Australian Government's matching research and development contributions.

LRS collects over 60 different levies and charges from a client base of over 10,000 levy payers.

For more information about LRS, please visit our website at www.daff.gov.au/levies.

WHAT IS DAIRY AUSTRALIA?

Dairy Australia commenced operations on 1 July 2003. Dairy Australia is the new industry owned Service Company that has been formed to assume functions previously undertaken by the Australian Dairy Corporation (ADC), and the Dairy Research and Development Corporation (DRDC). Once the Federal Parliament passed the relevant legislation, most existing statutory responsibilities of the ADC and the DRDC were transferred to Dairy Australia.

Dairy Australia focuses primarily on research and development (R&D), information, national marketing and international trade development; i.e. the main functions of the DRDC and the ADC.

These include:

- Investing in over 300 R&D projects for the farm and manufacturing sectors;
- Trade policy analysis;
- Promotion of the health and nutritional benefits of dairy products;
- Provision of industry statistics; and
- Management of issues such as criticism of dairy products, environmental concerns etc.

For more information about Dairy Australia you can visit their website at: www.dairyaustralia.com.au .

WHAT LEGISLATION IS ASSOCIATED WITH THIS LEVY/CHARGE?

The levy is imposed and collected under the following legislation:

Primary Industries Levies and Charges Collection Act 1991
Primary Industries (Excise) Levies Act 1999
and associated legislation

Please be advised that under section 27 of the *Primary Industries Levies and Charges Collection Act 1991* (PILCC Act 1991) an authorised person is able to release the names and addresses of levy payers to industry bodies and recipient organisations. In certain circumstances, the amount of levy paid by individual producers is able to be released to persons authorised under legislation.

Copies of the legislation may be obtained via the Internet at www.comlaw.gov.au or purchased from Canprint Information Services by phoning 1300 656 863.

This information sheet is a guide only and does not substitute for the relevant legislation.

WHO CAN I CONTACT ABOUT LEVIES?

For more information please contact the LRS office in your State. For those in South Australia, the Northern Territory or Tasmania please contact the Adelaide office.

Canberra – Central Office ☎ Telephone 1800 020 619 ☎ Fax 1800 609 150	Melbourne ☎ Telephone 1800 683 839 ☎ Fax 03 9322 5500
Adelaide (SA, NT & TAS) ☎ Telephone 1800 814 961 ☎ Fax 08 8201 6099	Perth ☎ Telephone 1800 895 506 ☎ Fax 08 9334 1677
Brisbane ☎ Telephone 1800 647 801 ☎ Fax 07 3716 9177	Sydney ☎ Telephone 1800 625 103 ☎ Fax 02 9325 6677
✉ E-mail us at: Levies.Management@daff.gov.au	🌐 Visit our Website: www.daff.gov.au/levies