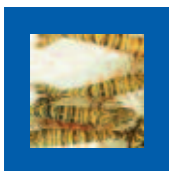




The industry must also consult the organisation that will manage the levy expenditure (unless there is a proposal to form a new organisation for this purpose).

The Government can also impose, in the public interest, a new levy or charge on an industry, and review it after a specified period.

### CHANGES TO EXISTING LEVIES



The industry must establish the case for change. If a levy increase is involved, the industry needs to estimate the extra amount that will be raised and how it will be spent and benefit levy payers.

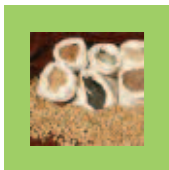
The Government can also change a levy or charge in the public interest.

### ACCOUNTABILITY



Organisations receiving levy money are accountable to levy payers and the Australian Government. They are required to table annual reports with audited financial statements in parliament and hold annual general meetings.

### EXAMPLES OF LEVY USE



Research and Development Corporations invested around \$464 million in R&D in 2003–04. Industry and government investments in R&D not only result in productivity increases, but also deliver essential “public good” results such as regional development, food safety improvements, environmental benefits, medical advances and new consumer products.

### FURTHER INFORMATION

For more information about the Levies Revenue Service (LRS) visit our website: [www.daff.gov.au/levies](http://www.daff.gov.au/levies) or to order the LRS Business Plan and Report to Stakeholders, call 02 6272 4701 or free call 1800 020 619.

For more information about levy issues contact our regional offices: Information on levies can also be obtained from the LRS Central Office, Canberra.

South Australia and Northern Territory

Telephone: **1800 814 961**

Fax: **08 8431 0734**

Victoria and Tasmania

Telephone: **1800 683 839**

Fax: **03 9322 5500**

Queensland

Telephone: **1800 647 801**

Fax: **07 3831 4324**

Western Australia

Telephone: **1800 895 506**

Fax: **08 9334 1677**

New South Wales and ACT

Telephone: **1800 625 103**

Fax: **02 9325 6677**

Write to:

The Director

Levies Revenue Service

Locked Bag 4488

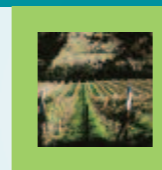
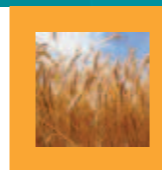
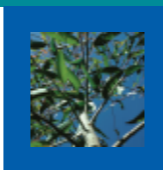
KINGSTON ACT 2604

Telephone: **1800 020 619**

Fax: **02 6272 5695**

Email: [Levies.Management@daff.gov.au](mailto:Levies.Management@daff.gov.au)

Web site: [www.daff.gov.au/levies](http://www.daff.gov.au/levies)



Australian Government

Department of Agriculture, Fisheries and Forestry



## LEVIES EXPLAINED

Profitable,  
Competitive and  
Sustainable  
Rural Industries



## OVERVIEW



Australian farm businesses are world leaders in terms of production efficiency, product quality, innovation, sustainability and ability to supply and respond to market needs.

The Australian Government and industry recognise the importance of coordination in achieving these results to the benefit of individuals and industry as a whole.



The effective use of primary industry levies and charges can greatly assist producers. By pooling their effort and resources, industries can work together to find solutions to priority issues.



Many of Australia's traditional primary industries strongly value the levy system and the support it provides for research and development, promotion and marketing, residue testing and animal health programs.

The system has enabled industries to maintain their position in highly competitive world markets. Other smaller and emerging industries are also appreciating the benefits of industry co-operation and resource sharing.



The Government's role, through the Department of Agriculture, Fisheries and Forestry, is to liaise with industries that want a levy system and to implement an effective collection system at minimum cost.

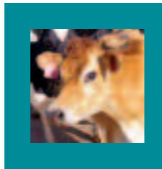


SENATOR THE HON RICHARD COLBECK  
Parliamentary Secretary to the Minister for Agriculture,  
Fisheries and Forestry

## WHY DO WE HAVE LEVIES?

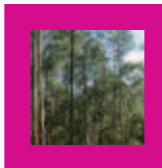
Levies and charges are used to fund activities such as research and development (R&D), marketing and promotion, residue testing and animal health programs.

## HOW ARE LEVIES INITIATED?



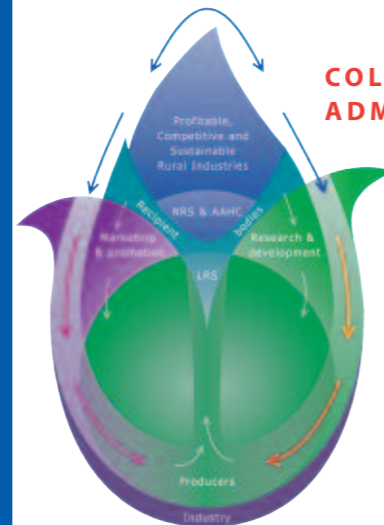
Usually an industry body identifies the need for a levy or charge to respond to a problem or opportunity requiring collective industry funding. The organisation puts a levy proposal to its members for discussion and should also consult with the Department on the proposal.

## LEVY PRINCIPLES AND GUIDELINES



The Australian Government developed Levy Principles and Levy Guidelines to help industry bodies prepare a sound case for a levy or charge. The principles and guidelines also ensure the industry body informs its members of the proposal, and that prospective levy payers have an opportunity to express their views.

If members support the proposal, the industry organisation submits it to the Australian Government for approval.



## COLLECTION AND ADMINISTRATION OF LEVIES

The Levies Revenue Service (LRS) is an agency within the Department and is responsible for the effective delivery of levies collection and disbursement of levies. LRS administers, collects and disburses levies, on a cost recovery basis, on behalf of industries.

LRS usually collects levies at the first point of sale or further along the process chain, depending on an industry's preference or circumstances.



LRS pays all levies and charges into the Consolidated Revenue Fund, without deduction, before disbursing them. In some cases, the Australian Government matches certain research and development expenditure up to the limit of levy receipts. This is also subject to a further limit in any financial year of 0.5 per cent of the gross value of production.

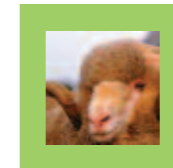
## IMPLEMENTING LEVIES



Industry submits a proposal to establish or change a levy to the relevant Research and Development Corporation or organisation, and to the Parliamentary Secretary for Agriculture, Fisheries and Forestry. The Parliamentary Secretary assesses the proposal against the Levy Principles and Levy Guidelines and recommends to the Prime Minister and Treasurer whether or not to proceed with it.

If the proposal is approved, the Government drafts legislation to implement the levy. This can take up to four or five months, or even longer.

## NEW LEVIES



The Levy Principles require industry organisations to consult all sectors of the industry and gain their support for a new levy or charge, before putting the proposal to Government. The Levy Guidelines specify consultation and voting procedures.

The industry body is responsible for consulting as many potential levy payers as possible and for ensuring the proposed collection system is efficient and keeps "red tape" to a minimum.

In proposing a new levy or charge to the Government, industry organisations must:

- show how it will benefit payers and the industry in general;
- estimate the amount that it will raise;
- provide a clear plan on how the money will be spent; and
- recommend how the levy or charge is to be calculated, for example, by product weight or value, or individual head of stock.

