



Australian Government

Department of the Prime Minister and Cabinet

Office of Best Practice Regulation

Reference: 14183
Contact: Stephen Wills
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Mr Mark Tucker
Deputy Secretary
Department of Agriculture

Dear Mr Tucker

Regulation Impact Statement – Mushroom Levy Increase

Thank you for your letter dated 12 November 2013 regarding the draft Regulation Impact Statement (RIS) for Mushroom Levy Increase.

The RIS contains an adequate level of analysis and meets the Government's best practice regulation requirements. I note that the RIS has been formally certified as required by the best practice regulation requirements. I also confirm that the Office of Best Practice Regulation (OBPR) agrees with your assessment that the compliance costs for this proposal are likely to be zero.

The degree of detail and depth of analysis in the RIS is considered commensurate with the magnitude of the problem and the size of the potential impact of the proposal. The OBPR considered that this RIS was a 'D' category RIS, reflecting that the issue was of relatively minor significance in the economy with not material competition impacts.

I note the problem outlined in the RIS relates to the potential for underinvestment in industry-wide research and development (R&D) and for marketing as well as capturing collective benefits for the mushroom industry.

The preferred option is to increase the rate of the levy from \$0.54 per kilogram of mushroom spawn to \$1.08 per kilogram. The main benefit is that the levy increase provides funds towards R&D and marketing priorities as identified in the Australian Mushroom Growers Association strategic plan.

The RIS also included an appropriate range of options comprising the status quo, voluntary contributions, indexation levies, ad valorem levies and staged increases in levies. The OBPR considers that, given the impacts, the options were adequately assessed and that the RIS's conclusion recommending increases in the levy rate was supported by analysis in the RIS.

The OBPR maintains a RIS website and the Government requires that RISs be posted within 5 business days of a regulatory decision being publicly announced. Accordingly, we would appreciate you advising us when a decision on this proposal is announced. The website

provides a public comment facility on RISs posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate. We note that the RIS is in a form meeting the Australian Government's *Web Content Accessibility Guidelines*.

Please retain this letter as a record of the OBPR's advice. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

Jason McNamara
Executive Director
Office of Best Practice Regulation
November 2013