



Australian Government

Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference: 14718
Contact: Stephen Wills
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Mr Mark Tucker
Deputy Secretary
Department of Agriculture

Dear Mr Tucker

Regulation Impact Statement – Onion Levy Increase

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

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 and promotion as well as inequities in the National Residue Survey levy.

The preferred option is to increase the rate of the existing statutory levy for R&D from \$1.60 to \$2.90 per tonne for hard onions with the funds being directed towards R&D, marketing and biosecurity work.

The benefit is that it provides funds towards the priorities as identified in the Australian Onion Strategic Plan 2012-17.

The RIS also included an appropriate range of options comprising the status quo, voluntary contributions, indexation levies, and ad valorem 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

A handwritten signature in black ink, appearing to be 'J. McNamara', written in a cursive style.

Jason McNamara
Executive Director
Office of Best Practice Regulation

19 November 2013