



February 2024

## ***Modernising the agricultural levies legislation***

### **4.70 Sugarcane levy**

This fact sheet provides an overview of the sugarcane levy as set out in the draft:

- Primary Industries (Excise) Levies Regulations
- Primary Industries Levies and Charges Collection Rules
- Primary Industries Levies and Charges Disbursement Rules.

These regulations and rules are part of a draft legislative framework and are provided for consultation and feedback. They can be accessed via the [Have Your Say website](#). The biosecurity protection levy is not established by this draft framework.

The draft legislation does not vary the practical operation of the levy, or what the levy would fund. It simplifies when the levy applies to sugarcane and clarifies that the levy does not apply to small processing establishments. It would include a definition of sugarcane plant. We have also streamlined payment dates and simplified record-keeping requirements.

#### **Roles and obligations**

The current legislation refers to the person collecting the levy as an intermediary. The draft legislation calls these people collection agents. The rules for payments, giving returns and record-keeping are clearly set out for levy payers and collection agents, making it easier to understand what to do.

#### **Imposition of levy**

- 1) Levy is imposed on sugarcane if:
  - a) the sugarcane is harvested in Australia and sold to a processor for processing at a processing establishment in Australia; or
  - b) the sugarcane is harvested in Australia and processed by a processor at a processing establishment in Australia.

For the purposes of 1) a) sugarcane is taken to be sold to a processor when the first payment for the sugarcane is made.

The levy at 1) b) covers the case where the processor is also the owner of the sugarcane and the case where the processor processes the sugarcane on behalf of another person, without the sugarcane being sold to the processor.

A definition of 'sugarcane plant' meaning a plant of the genus *Saccharum*, including any hybrids within that genus has been added.

## Exemption from levy

### *Sales*

- 1) Levy is not imposed on a sale of sugarcane if:
  - a) the sugarcane is sold in a sugarcane season for processing at a processing establishment in Australia; and
  - b) the total quantity of sugarcane processed at that establishment in that season is less than 3,000 tonnes.

### *Processing*

- 2) Levy is not imposed on the processing of sugarcane (where a sale has not occurred) if:
  - a) the sugarcane is processed in a sugarcane season at a processing establishment in Australia; and
  - b) the total quantity of sugarcane processed at that establishment in that season is less than 3,000 tonnes.

Sugarcane season means the period that begins on 1 March and ends at the end of the last day of February in the next calendar year.

If you claim an exemption, you must keep records to show how the exemption applies to you.

## Rate of levy

The rate of levy on sugarcane has not changed. GST is not applied to rates. The rates are outlined in Table 1.

**Table 1 Rate of levy on sugarcane**

Sugarcane levy component	Rate of levy
Research and development (R&D)	70 cents per tonne of sugarcane
Biosecurity response	0 cents per tonne of sugarcane

## Levy payer

The levy payer for sugarcane is outlined in Table 2 and Table 3.

**Table 2 Levy payer for sugarcane sold to a processor**

Sugarcane levy component	Levy payer
Research and development (R&D)	50% is payable by the person who sold the sugarcane to the processor; and 50% is payable by the processor.
Biosecurity response	100% is payable by the person who sold the sugarcane to the processor.

Note: Table 2 applies to the levy on the sugarcane is harvested in Australia and sold to a processor for processing at a processing establishment in Australia; or sugarcane harvested in Australia and sold to a processor for processing at a processing establishment in Australia.

**Table 3 Levy payer for sugarcane processed by a processor where a sale has not occurred**

Sugarcane levy component	Levy payer
Research and development (R&D)	50% is payable by the owner of the sugarcane; and 50% is payable by the processor.
Biosecurity response	100% is payable by the owner of the sugarcane.

Note: Table 3 applies to the levy on sugarcane harvested in Australia and processed by a processor at a processing establishment in Australia. If the processor is also the owner of the sugarcane, then 100% of the levy is payable by the processor.

## Collecting the levy

The collection agent for the sugarcane levy is the processor of the sugarcane. The collection agent collects and pays the levy to us (the Commonwealth) on behalf of the levy payer.

If the processor owns the sugarcane, they would pay the levy directly to us.

The levy is not imposed if the total quantity of sugarcane processed at a processing establishment in the sugarcane season is less than 3,000 tonnes.

## Payment of levy

The sugarcane levy is due monthly. In the draft legislation, monthly returns for sugarcane are due before the end of the next calendar month after the sugarcane was sold for processing or processed, once the threshold is met.

Monthly returns for sugarcane are not required until the threshold exemption has been met. A new term 'threshold calendar month' would be introduced. The 'threshold calendar month' is the first calendar month in the sugarcane season that the total quantity of sugarcane processed at the establishment is 3,000 tonnes or more.

Example: A monthly return for sugarcane sold for processing or processed in the month of April (if the threshold has been met) would be due before the end of 31 May.

Payment of the levy is made in two parts:

- 60% is due on the last day of the next calendar month after the threshold calendar month; and
- 40% is due on the last day of February in the next calendar year.

Details of what to include in your returns would be outlined on our website and through [Levies Online](#).

## Disbursement of levy funds

The sugarcane levy funds would be disbursed in accordance with the draft Primary Industries Levies and Charges Disbursement Rules. The levy funds would continue to be paid to the same organisations and be used for the same purposes as they are now:

- The R&D levy component would be paid to Sugar Research Australia.
- The biosecurity response levy component is currently set to nil but would be paid to Plant Health Australia if the rate was increased.

## More information

Information on the common elements for levies and charges is in fact sheet *3.1 Draft regulations and rules overview*.

Learn more about [modernising agricultural levies legislation](#).

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### Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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