

Pig Industry Fund

Primary Industry Funding Schemes (Pig Industry Fund) Regulations 2016

Management Plan 2019-20 to 2023-24



Enquiries

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Introduction

The *Primary Industry Funding Schemes Act 1998* (the Act) was established to provide South Australian primary industries with a legislative instrument to raise funds within their sector to undertake activities that support and develop the sector, to maximise their strategic advantage, and to meet the challenges from an ever increasing global marketplace.

Section 4 allows the Governor to make regulations to establish a fund for a particular primary industry sector. All existing funds are administered by the Minister for Primary Industries and Regional Development (the Minister), which ensures appropriate accountability for the use of funds to various functions and activities for industry benefit. Primary Industries and Regions SA (PIRSA) administers the funds on behalf of the Minister.

The Pig Industry Fund (the fund) is established by *Primary Industry Funding Schemes (Pig Industry Fund) Regulations 2016* (the regulations).

All South Australian persons who carry on a business involving keeping pigs are required to contribute to the fund. The contribution rate is set in the regulations.

If a pig producer does not make the contribution directly, it should be made via a collection agent.

Collection agents for this fund are:

- (a) for a pig that is sold by a stock agent—the stock agent; or
- (b) for a pig that is sold to a person who operates an abattoir by a person other than a stock agent—the person who operates the abattoir;

and are required by the regulations to collect contributions and forward them to the Minister to be paid into the fund account.

Contributors may seek a refund of their contributions. If a refund is paid to a contributor, they are deemed to be 'in default of the regulations' and not entitled to receive benefits or services funded by payments from the fund.

Payments are made from the fund for purposes defined in Regulation 6—Application of Fund.

In accordance with section 9 of the Act, this management plan has been developed in consultation with the South Australian pig industry. It covers a five-year period and must be updated annually, but may be updated at any time.

This management plan guides the operation of the fund and helps contributors understand how their contributions are to be used.

Estimate of contributions to the fund

The regulations require producers of pigs to contribute to the fund.

The contribution rate for this fund is set in regulation 5—Contributions to Fund and is 20 cents per pig sold for \$20 or more by a South Australian producer, whether within or outside South Australia.

The estimated contribution income for the most recent and the next five financial years is provided in Table 1. Industry production estimates have been derived from consultation with Pork SA. While production estimates may provide a reasonable degree of accuracy for the current season, average production estimates are used in forward years.

Table 1 Estimated contributions

Financial year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Contribution rate per pig sold	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Estimated pigs sold	1,041,175	1,000,000	950,000	970,000	990,000	1,020,000
Estimated income	\$208.235	\$200,000	\$190,000	\$194,000	\$198,000	\$204,000

Collection agents are required to remit contributions to PIRSA at the end of each month.

Collection agents that only deal in small quantities may seek the approval of the Minister to remit less frequently.

Producers paying directly to the fund are required to remit payments at the end of each quarter.

Investment of the fund

PIRSA administers the financial operations of the fund on behalf of the Minister in accordance with the regulations and the Public Finance and Audit Act 1987.

Contributions are invested in a separate interest bearing account at the Department of Treasury and Finance. Interest is paid quarterly on monies held, and is treated as income to the fund in accordance with regulation 4(3)(b).

Purposes of the fund

Payments from the fund must be made in accordance with Regulation 6 of the *Primary Industry Funding Schemes (Pig Industry Fund) Regulations 2016*:

6—Application of Fund

- (1) Subject to this regulation, the Fund may be applied by the Minister for any of the following purposes:
 - (a) carrying out research, or investigative or other programs, relating to pigs, pig products or any other aspect of the pig industry recommended to the Minister by a body—
 - (i) that, in the opinion of the Minister, represents the pig industry; and
 - (ii) that has a membership base comprised predominantly of pig producers who are not in default in relation to contributions to the Fund;
 - (b) repayment of contributions to the Fund under regulation 5;
 - (c) payments to a body that, in the opinion of the Minister, represents pig producers for 1 or more of the following purposes:
 - (i) promoting the pig industry;
 - (ii) carrying out programs to investigate health problems in pigs;
 - (iii) carrying out or facilitating any other research and development, or collecting and disseminating information to pig producers, in relation to the improvement of practices in the pig industry or any other aspect of the pig industry;
 - (iv) fees for affiliation of the body with regional, State or national bodies representing or promoting the interests of the pig producers;
 - (v) participation of the body in regional, State or national pig industry forums;
 - (vi) the reasonable operating and management expenses of the body;
 - (vii) other purposes of the body;
 - (d) payment of the expenses of administering the Fund.
- (2) The Fund must not be applied for the purpose of subregulation (1)(c)(ii) if another funding source is available for that purpose.

Eligible organisations

An applicant organisation may be considered to be eligible to receive a payment from the fund if that organisation is a body that:

- (i) in the opinion of the Minister, represents the pig industry, and
- (ii) that has a membership base comprised predominantly of pig producers who are not in default in relation to contributions to the Fund;

As such, Pork SA is an organisation eligible to apply the Pig Industry Fund.

Pork SA is also responsible for inviting and assessing project applications seeking Pig Industry Fund support, and managing contracts and payments for approved projects.

Parties intending to apply for Pig Industry Fund project support will find Application Forms and Guidelines at the Pork SA website: <https://www.porksa.com.au/pig-industry-fund/>

Ineligible activities

Funding will not normally be provided for:

- Infrastructure items
- Retrospective activities or expenditure
- Duplication of research, programmes or projects
- Purchasing of major equipment or activities that could be considered part of normal business operations
- Purchase of capital items as defined by the ATO
- Any other activities that Pork SA assesses as inappropriate.

In exceptional circumstances, where funds are provided for capital items, these items remain the property of the Fund. Upon completion of the project, equipment may be transferred, sold on behalf of the Fund, purchased by the applicant or given to the applicant at the discretion of the Minister, after a recommendation from Pork SA.

Funding guidelines

Application process

Eligible organisations should apply to PIRSA for Pig Industry Fund grants during May or June leading to the commencement of a financial year.

Application specifications

Applications should be forwarded to the Pig Industry Fund Responsible Officer (see page 2) and must:

1. Include a covering letter to the Minister for Primary Industries and Regional Development seeking funding and attaching the application
2. Provide the following details for each activity proposed for funding:
 - name of the activity

- a brief description of the activity
- reference to the purpose (as defined by Regulation 6 - Application of Fund) with which the activity aligns
- budgeted cost

Application assessment and approval

PIRSA will check that the proposed activities comply with Regulation 6 - Application of Fund and verify that the requested amount is within the Expenditure Authority for the Pig Industry Fund.

A compliant application will result in PIRSA recommending to the Minister that the grant be made. The Minister's decision will be forwarded to the eligible organisation as it becomes available.

Payments to fund recipients

Payments will be made as non-recourse grants, following the completion and return to PIRSA of the *Acknowledgement of Letter and Acceptance of Conditions of Pig Industry Fund Grant* form.

Reporting requirements

The Minister requests that a detailed annual report on projects completed in a financial year be submitted to PIRSA within the month (July) following the close of that financial year.

The report is to include a Statement of Acquittal of funds granted in the reportable financial year.

Fund administration

Changing the contribution rate

Regulation 5—Contributions to Fund sets the contribution rate to the fund at 20 cents per pig sold for \$20 or more by a South Australian producer, whether within or outside South Australia. This plan assumes that there will be no change to this rate before 2023-24.

A variation to the rate may only be made following consultation with the industry, expected to be coordinated through Pork SA as the current recognised pig industry representative body in South Australia or any successor organisation to Pork SA which in the opinion of the Minister represents pig industry. Acceptable evidence of support for a variation to the contribution rate is to include results of any contributor survey held for the purpose and may include outcomes of any other consultation with industry.

As a body recognised by the Minister as representing South Australian pig farmers, Pork SA may write to the Minister recommending the contribution rate be varied, but contribution rate changes should be made at a time allowing sufficient notice of the rate change to collection agents or producers directly submitting contributions.