

[REDACTED]

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[REDACTED]. Agriculture is vital to Tasmania's economy and with continued commitment from the government, the state's agricultural industry will continue thriving into the future. In Tasmania, processing and export are key enablers of agriculture's economic prosperity, with processing increasing Tasmania's gross food value by nearly 80% over 2020-21<sup>1</sup>.

[REDACTED] is grateful for the opportunity to make comment on the Biosecurity Protection Levy due for commencement in July 2024. In Tasmania, with the net commodities exported interstate recently valued at \$260.4 million<sup>1</sup>, it is crucial that the full impact of the levy on producers is thoroughly considered.

In the Consultation Paper, The Department of Agriculture, Fisheries and Forestry (DAFF) have outlined the implementation of a new levy designed to ensure primary producers are contributing to the cost of Australian Government Biosecurity activities<sup>2</sup>. Producers have been clearly defined as growers, producers, processors, or exporters of agriculture, fisheries, and forestry goods<sup>2</sup>. A large proportion of [REDACTED] membership is comprised of producers of commodities that are set to be directly impacted by the new levy.

As an island state, Tasmanian producers are heavily reliant on export in the sale, trade, and processing of some commodities. The introduction of the Biosecurity Protection Levy will add extra cost to export for Tasmanian producers who are already facing the economic impacts of increased shipping rates across Bass Strait. [REDACTED] firmly believes it is important that Tasmanian producers do not become further disadvantaged purely because of their geographical position. Given Tasmania's reliance on interstate sales and processing, the proposed levy will have a range of cross-commodity impacts.

[REDACTED] acknowledges the importance of a strong national biosecurity system as key to the future sustainability of the state's agricultural industry. The strength of our current biosecurity systems has allowed us to yield high quality produce and sustain our export market. After consultation with members, it is clear they believe contributing to the levy is important for safeguarding Tasmania's agricultural industry, economy, environment, and trade.

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However, all members that were consulted expressed concern over how the levy may impact their business income and concerning nearly half were not aware of the levy. Awareness of the different levy rates was low, and many found the proposed levy rates unreasonable.

Tasmanian producers are already paying existing fees through the national agricultural levy system that contributes to expenses such as biosecurity activities and biosecurity emergency responses. A large proportion of Tasmanian producers have existing biosecurity measures already in place that they have self-funded to protect their operations. This levy fails to consider producers' current biosecurity expenditure, which is a major concern for the implementation process. These examples clearly demonstrate that producers are already actively financially involved in maintaining biosecurity measures. After consultation with our members, it was evident that every single Australian should have a greater role in biosecurity funding regardless of their occupation or industry.

How the levy will be implemented is another major area of concern. Our consultation shows that there is strong support for a component of the proposed levy to be applied to travellers and those importing goods into Australia as they are major risk creators. The Federal Government recently cancelled a proposed onshore biosecurity levy which would have applied onshore to importers who use the biosecurity system<sup>3</sup>. This cancellation was based on industry consultation and consideration of impacts. [REDACTED] believes the same industry consultation should be offered to those in the agricultural sector on which the levy will have direct impact.

Transparency surrounding expenditure is another point of discussion. It has been suggested that the funds collected from the levy will go directly into the Department of Agriculture, Fisheries and Forestry's consolidated revenue stream<sup>2</sup>. There has been no clear indication of how the extra money will be utilised to enhance Australia's biosecurity activities which reflects the characteristics of a tax rather than a levy. This lack of detail on the use of funds creates doubt for producers about what the cost benefit will be. Concern over transparency was a prominent issue within our consultations, with all members expressing they would like to know how the levy funds will be used and how this will benefit them before the levy is introduced. As currently proposed the so called 'levy' amounts to just another tax.

There are also identifiable problems with the implementation and logistics of the levy. Our consultation shows support for alternative options for what the levy rate should look like and when and how it should be collected. These options include having the levy rate as a percentage of the commodity's market value and potentially introducing thresholds based on the size of the producer's operation and the producer's current level of biosecurity expenditure. There is also potential difficulty for producers if they themselves are required to enter data regarding their sales and exports and some have suggested having the processor or distributor deduct the levy at these points in the supply chain.

To combat these administrative issues there is support for implementing a simple and uniform process for all commodities.

**Recommendation**

██████ recognises and understands the critical importance of a strong Biosecurity structure in Australia. We believe the major onus and major levy contribution should be paid by importers and returning overseas travellers, those who are creating the major risks to the Australian environment, waterways, flora, fauna, and primary production and that the levy should be spent as a levy not collected as a tax.

We welcome further consultation, please contact ██████ if you require more information.

