

1) How should a producer be defined for the purposes of the Biosecurity Protection Levy?

~~a) Are definitions from existing levies legislation appropriate (see levies related legislation)?~~

~~b) If your submission relates to a commodity that is not subject to existing agricultural levies, how would you define a producer for that commodity?~~

2) What should the levy rate look like for the commodities of interest to you, noting that:

a) the Biosecurity Protection Levy is intended to be 10 per cent of the 2020-21 statutory agricultural levy and charge rates collected.

b) some commodities are not subject to agricultural levies.

The amount of the levy seems to be focused on taxing for a particular revenue target rather than considering what is affordable to producers. Adding a further 10 per cent levy (\$0.30/head) onto existing levies for [REDACTED] which already have a smaller value per head puts pressure onto the production system here in [REDACTED]. Without ongoing process to review the levy amount in relation to seasonal and environmental conditions, introduces further enterprise risk (however small) and reduction in tight profit margins within small livestock enterprises. This tax needs to be considered on a year by year basis, or at a minimum, every three years with producer consultation, through existing producer consultation channels so there is no further cost.

It is unclear as to whether the federal government has considered [REDACTED] pay extra contributions to fund state biosecurity activities. If another levy is added into our state production system, the tight margins producers are experiencing along with low commodity value (caused by national policy intentions to [REDACTED]) will put pressure on retaining their [REDACTED]. The addition of another levy may be enough pressure to cause more producers to exit the industry, forcing further significant structural change that cannot be undone. [REDACTED] [REDACTED] have endured a significant period of uncontrollable change imposed on their production environments all constructed by state and federal government including: extra costs imposed by mandatory [REDACTED] introduction (over \$1 per head), cultural heritage regulation seeking to create another cost base to impose on producers to fund archaeological and cultural research on private land, and the banning of [REDACTED] which provides significant value to our rural communities on an economic, social and environmental basis. A portion of [REDACTED] land owners in remote and rural areas also pay an extra biosecurity levy imposed to be spent on a regional basis for biosecurity management.

[REDACTED] are already paying their fair share toward biosecurity on a co-investment model, and an extra tax is only going to put downward pressure on an industry providing significant GDP through exports and significant local economy benefits including rural and regional labour. The addition of this levy will have a cascading effect on individual producers already struggling to adapt to an unreasonable [REDACTED] ban driven by minority ideology rather than science, and the extra burden from another 'levy' will be the straw that breaks the [REDACTED].

3) Should any thresholds and/or exemptions be considered?

The ongoing disruption to the fundamental market structure of the [REDACTED] by the federal government by imposing trade barriers to our state should be enough for an exemption to be considered on any additional [REDACTED] to [REDACTED] for a period of five years until the structural change is resolved. The lack of Eastern States understanding of the differences in the production system, growing system and market options has led to a "one size fits all" national policy

and regulation implementation with unintended consequences experienced in [REDACTED] such as state [REDACTED] decline.

Until our [REDACTED] know the level of change that will be caused by these policies, an exemption of any further market deterrents should be supported to ensure our own state biosecurity programs can continue to run into the future which are currently at risk of being funded. Our [REDACTED] already have a scheme in place to manage biosecurity threats, but with further eroding of value of the state [REDACTED], we may need to look at winding up the Footrot Control Program and Wild Dog Eradication program if we experience further decline in [REDACTED].

4) How should Biosecurity Protection Levy collection arrangements and mechanisms be implemented for your commodity of interest?

a) How should the levy be collected?

b) How regularly should the Biosecurity Protection Levy be paid?

Obviously, any further tax introduced should be paid using existing levy channels to prevent double up of administration costs and generating another bureaucracy with its own set of additional costs.

i) If paid annually, should it be paid at the end of each financial year or calendar year?

c) Are there other options to reduce administrative burden and/or harmonise with existing levy and charge arrangements?

5) What information would be important to you to have confidence the levy is proportionate to biosecurity system benefits?

The levy is a tax if there is no industry oversight as to how it is used, especially across states. As stated by the Australian Government in the consultation paper, there will be no way of changing this tax or evaluating how the use of the tax is effective in improving biosecurity.

The first statement around the parameters of the tax dictating that there will be “no change to the “levy” system or oversight in how the funds are used into the future” are at odds with idea that government is committed to “greater transparency and accountability” within biosecurity.

For this additional cost to producers to be collected for biosecurity purposes, there needs to be some accountability in a similar manner to the Research and Development Corporations when spending levies.

Ideally a baseline should be established before the tax is implemented to understand how collecting more money is reducing risk to keeping pests and diseases out of Australia, especially with new activities which have not had proven strategies and are making the assumption that risks to human, plant and animal health are caused through behaviour of northern communities not city-based frequent flyers to Bali regularly bringing back threats such as measles into our country.

Without an evaluation framework in place, particularly starting with existing programs at the border with public services funded, there is no way of knowing that the extra taxes are used appropriately and therefore no way of providing confidence in the levy for biosecurity benefits extending to producers and agriculture. If nothing is measured from the outset, then biosecurity benefits will not be managed for the intended beneficiaries and stakeholders.

The Biosecurity Protection tax is additional to our own national levies and state voluntary contributions for our producers which will start to add up putting further pressure on the [REDACTED]

██████████ in ██████████ to maintain its production. This may lead to degradation of our own industry funded biosecurity scheme as any negative associations with the biosecurity tax materialise as opt-outs from the only scheme producers are able to do so.

Additional Notes Supporting the ██████████

The ██████████ in ██████████ recognise and understand that biosecurity is a shared responsibility. In ██████████ currently pay a \$0.17 cent contribution on the sale of every ██████████ produced within ██████████ to support industry biosecurity. This funds programs approved by ██████████, including a virulent footrot control program and wild dogs control program. The legislated industry fund has the flexibility to change the amount collected each year and may be used to manage potential future incursions of other pests/diseases that are a priority to the ██████████.

With the introduction of this Biosecurity Protection Levy the federal government now asks for producers to pay more funds, on top of existing biosecurity levies, to contribute to this cost recovery. The ██████████ contributes almost half of the gross value of agricultural production from all ██████████ industries in ██████████ and is an important contributor to the State economy. However, the ██████████ (including ██████████) is now under significant pressure resulting from the federal government political decision to phase out ██████████.

The introduction of yet another levy will place increased financial pressure on a critical agricultural sector, that is already heavily burdened and at a high risk, due to the federal government's choice to phase out the estimated \$92 million ██████████.

Major Issues for ██████████

- ██████████ \$692 million ██████████ and \$655 million ██████████ will suffer catastrophic consequences if the federal government closes ██████████.
- Regulatory change has already negatively affected the value of ██████████.
- Future of ██████████ is unknown - most ██████████ are exported from ██████████ providing a necessary market to counterbalance the production of ██████████ replacements for the ██████████ which are unable to be sourced from the Eastern States due to quarantine.
- ██████████ could contract by up to 30 per cent without ██████████ markets, which will shift the distribution of ██████████ and supporting service sectors into unviable territory.
- Further reduction in ██████████ numbers will limit the ability of the industry to meet the market demand required for maintaining export markets for ██████████.
- Subsequent risks to existing markets and fewer marketing opportunities for ██████████, since domestic markets are very small due to our low population.
- Major impact on supporting businesses (shearing/transport etc.) putting further pressure on labour supply, logistics and travelling longer distances to service disparate producers, resulting in increased work health and safety risks.
- Wider economic and social impact on regional communities reducing local job opportunities and decreasing rural population and the minimum numbers to keep public services open.
- Substantial backlog in ██████████ cannot cope with extra supply, and there is no housing or labour available to increase ██████████ capacity and throughput even if there was investment to increase killspace.
- Extra ██████████ on-farm held over as they have no commercial value, decreasing ground cover due to seasonal conditions and oversupply of ██████████ to market putting further downward pressure on enterprise income and farm income.

- The announcement by the agricultural minister resulted in an immediate decrease in meat prices, which is now followed through to breeding [REDACTED] pricing in all stock classes.
- Significant drop in producer sentiment in [REDACTED], with many producers (10-20%) intent on getting out of [REDACTED] on the back of increasing industry complexity caused by over-regulation.
- Reduction in [REDACTED] numbers will result in the bulk of numbers primarily being [REDACTED], further reducing the state [REDACTED] as [REDACTED] are not imported into [REDACTED] as an economic commercial [REDACTED] replacement due to quarantine restrictions.
- [REDACTED] reduction will have a drastic effect on the [REDACTED] clip for the [REDACTED] and viability of a [REDACTED] sale.
- [REDACTED] used for the majority of [REDACTED] growing enterprises are not suitable for the processed meat sector here in [REDACTED] because of the lower quality and size specifications of the [REDACTED] sitting outside the requirements for local [REDACTED] and chilled [REDACTED] markets.
- Unlike the Eastern States (who have better soils, a more even distribution of rainfall or irrigation), most farms in [REDACTED] have some areas unsuitable for cropping due to the soil type and position in the landscape. [REDACTED] traditionally make use this land as a low-risk enterprise, ensuring contribution to maintaining a viable farm income. The policy changes by government are now making [REDACTED] a high-risk system to run. **Farmers will look back to this point in time as the place where the government changed the face of farming in [REDACTED] resulting in many unintended but negative consequences, all due to blanket policy.**