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Grain Producers SA Ltd

Level 13, 431 King William Street, Adelaide, 5000

P: 1300 734 884 F: 1300 734 680

ABN: 43 154 897 533

grainproducerssa.com.au

To Whom it May Concern,

I write regarding the proposed Biosecurity Protection Levy currently out for public consultation.

Grain Producers SA (GPSA) appreciates the opportunity to provide a submission through this process.

GPSA is the peak industry body representing the 4,500 grain farming businesses in South Australia. South Australian growers plant more than 4 million hectares of cereals, pulses and oilseeds annually. SA produces an average of 7.9 million tonnes of grain each year, which contributes more than \$4 billion to Australia's gross food revenue. This is made possible by grain growing businesses and farming communities across the state.

Our members are strong economic contributors to the national economy, and as their representative, GPSA believes we are in a position to outline our concerns with the proposed Biosecurity Protection Levy.

It should be noted that this 10 per cent levy will be paid by grain producers, on top of their existing compulsory agricultural levies. Grain producers across South Australia already co-fund biosecurity programs and responses through the Grains Research and Development Corporation and Plant Health Australia levies.

The current compulsory agricultural levies applicable to grain producers encompass contributions to Emergency Plant Pest Response, National Residue Testing, Plant Health Australia, Research and Development, which collectively range from 1.005% to 1.020% of the sale value depending on the crop type. It's important to recognise that the proposed Biosecurity Protection Levy is intended to be 10 per cent of the statutory agricultural levy and charge rates collected in the 2020-21 financial year. This higher rate may pose a considerable financial burden for growers, especially when factoring in the inherent market and climate fluctuations they contend with.

This new levy is part of a \$1.03 billion budget package which the Federal Government says delivers on their election commitment to deliver long-term, sustainable funding that 'goes directly to strengthening Australia's biosecurity system'. The 10 per cent levy is forecast to raise \$47.5 million per year.

Importers' share of this (\$804.6m) is forecast at \$390 million (48pc of total) with taxpayers contributing \$350.9m (44pc of total), along with other minor contributions.

Given that the grains sector pays levies on the basis of a percentage of sale value (1.02pc), increasing the levy will force a contribution of an extra 0.102 per cent without any clear path on how this will benefit grain producers. The new overall total of levies for grains will be 1.122 per cent of sale value.

Based on most recent forecasts (\$28 billion value for last year's crop) this equates to \$28.56 million for the current rate and \$31.42 million with the added 10 per cent. Overall, this represents a disproportionate share of grains' contribution to the \$47.5 million total to be raised across all producers/sectors, from the 10 per cent levy.

GPSA does not support the Federal Government's proposed 10 per cent Biosecurity Protection Levy as it is involuntarily applied to the victim and appears to be nothing more than a cost recovery mechanism.

It should be noted that a Grain Producers Australia (GPA) survey found that 98.6 per cent of respondents said they (grain producers) should not have to pay this new 10pc levy, when the biosecurity risk-creators (importers) aren't paying any levies yet, such as the one proposed for sea containers – as announced by the Federal Government – to try to achieve a sustainable funding model.

GPSA's biggest concern if this new levy is implemented against industry will, is that the funding collected will be re-directed into consolidated revenue to the Department for Agriculture. The last thing grain producers in South Australia would want to see is their hard-earned levies used for department overheads to fill a budget gap for the Federal Government. The Federal Department of Agriculture should be maximising internal efficiencies and demonstrate it has met and exceeded performance targets.

GPSA would like to see any and all levy funds collected from grain producers to go directly back into grain biosecurity programs and measures and for this to be a transparent process.

At a national level, the grain industry has been calling for a levy on imported sea containers to ensure the risk creators and the main beneficiaries of importing products who are introducing increasing biosecurity threats pay their fair share.

Another concern about this proposal is around the precedent it sets for more funds to be used through grower levies to fund Federal Government Department operations.

GPSA understands the critical importance of biosecurity and that grain producers in South Australia have an important role to play. However, to fund biosecurity preparedness and responses there must be a funding system that is fair and equitable.

While acknowledging the necessity of funding for biosecurity measures, it's important to strike a balance that does not unduly burden the victims of biosecurity incursions. The significance of agriculture in our economy cannot be overstated, and grain producers already make substantial contributions through existing levies. Therefore, revisiting and potentially adjusting the planned charges can help ensure that the fi-

nancial responsibilities are distributed equitably, while still sustaining the vital work of the Federal Government's biosecurity programme. This balance is essential to support the continued growth and prosperity of our agricultural sector while maintaining the highest standards of biosecurity.

Thank you once again for the opportunity to provide a submission to this important proposal.

Yours sincerely,

Brad Perry

CHIEF EXECUTIVE OFFICER

GRAIN PRODUCERS SA