


9<sup>th</sup> October 2023

Via online submission at <https://haveyoursay.agriculture.gov.au/biosecurity-protection-levy>

Dear members of Biosecurity Sustainable Funding Implementation Branch

**RE: BIOSECURITY LEVY**

Thank you for the opportunity to comment on the Governments delivery model to achieve sustainable funding for Australia's critical biosecurity system. It is the fair and reasonable costs element we wish to make comment on.

As biosecurity is everyone's business, we also fully endorse the  position on the topic. We offer our own particular emphasis via the below points.

**1. Is it a levy or is it a tax?**


Levies are utilised in various government settings to raise funds to achieve a particular purpose. Traditionally, a levy is a temporary tax to be used for a stated public purpose whilst a tax is a general contribution.

It is our current understanding that the funds collected will be transferred into DAFF unconsolidated revenue. Given this lack of specification of purpose we would deem that this is a tax.

Levies are also used when the intent of the funding is temporary/short term?

**We would like to understand the term of this proposed biosecurity levy.**

**2. Insufficient/no consultation**

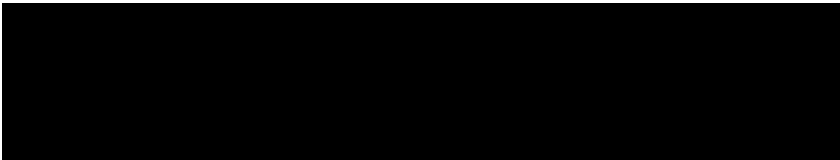
Given the first  heard of this levy was the budget announcement, we deem there has been insufficient consultation with industry on the levy in its entirety.

**We would like to initiate consultation on the levy itself, rather than the implementation.**

**3. Fairness of costs through the supply chain**

The consultation paper focusses on primary producers as major beneficiaries yet does not mention/acknowledge other immediate beneficiaries in primary industries such as logistics companies, pack houses, market agents, local communities in agricultural regions and the consumer.

**We would like to understand how the term 'beneficiaries' has been interpreted in this arrangement?**





#### 4. Potential unintended consequences

- Confusion, disruption, and withdrawal of current voluntary levies. The [REDACTED] levy space is extremely complex and must be understood in its entirety before embarking on a conversation. For those who do understand the environment in which it operates – the idea of attempting to retrofit this system to serve this purpose is ludicrous.
- Unfair emphasis on large scale commercial farms. Biosecurity risk is not scalable – a backyard grower can impact an entire commercial industry's future.
- Unfair emphasis on levied commodities. Currently [REDACTED] levies only 37 commodities yet [REDACTED] produces over [REDACTED]

**We would like to understand how these potential consequences have been considered by the government.**

#### 5. Growers existing contributions not understood

If the desired outcome for the government is fair and reasonable apportionment of biosecurity funding then we deem it reasonable for the government to understand the current funding industry provides which includes but it not limited to: [REDACTED] at positive value, [REDACTED] levies, [REDACTED] levies committed to biosecurity projects and On-farm biosecurity practices in place.

**We would like to understand the governments calculation of horticulture's existing contributions to biosecurity.**

Finally, we would draw your attention to your point used in the consultation paper that [REDACTED] [REDACTED] will pay an extra \$0.001845 or less than 0.19 cents per kg.

Although to those outside the industry this amount may seem like a very small amount, please be aware grower margins are very slim if existent at all. A Global coalition of [REDACTED] survey into global production and operation costs for prices for [REDACTED] found 57 percent of the global industry was selling at a loss or breaking even with 80 percent of respondents noting that they are now delaying or cancelling investments in their businesses. Interestingly, for the most part, it was noted that the [REDACTED] [REDACTED] has not received any governmental support during this time of hardship.

The Australian data, supported by evidence from [REDACTED] and the [REDACTED], had unanimous agreement that nearly all production and operating costs have gone up by 37 percent on average along with all agreeing that any rises in selling prices have not been sufficient to compensate for rising production and operating costs. Please don't be fooled into thinking seemingly small impacts won't have substantial impact to industry.

Kind regards

