

## Biosecurity Protection Levy

This submission is made by the Australian Mushroom Growers' Association (AMGA) which is the Industry Representative Body for *Agaricus* mushroom growers and is responsible for proposing the industry agreed levies for R&D and Marketing to the Minister as per the legislation.

The AMGA is generally supportive of the efforts of the Federal Government in relation to biosecurity measures to prevent incursions of external pests and disease which can have significant economic effects upon primary producers. However, the AMGA has some major concerns regarding the proposed 10% additional amount for non-specific biosecurity purposes over and above the current statutory levy which is used purely for mushroom R&D and marketing.

The Mushroom *Agaricus* levy is raised on spawn usage which is currently at level of \$1.08 per Kg for R&D and \$ 2.92 per Kg of spawn used for marketing. For the financial year 2022/23 the total amount raised from growers for R&D was \$ 1 224 904 and for marketing \$ 3 365 850: A Grand Total of \$ 4 590 754. An additional 10% on the 2022/23 total would amount to \$ 459 075. The Australian mushroom industry since the year 2000 has seen a major contraction in the number of growers and the number of levy payers is now less than **forty five**. The Biosecurity Protection Levy is targeted to raise some \$ 50 million and on this basis 45 growers will be contributing a disproportionate amount compared with other primary producers, hardly a modest contribution.

Fresh *Agaricus* mushroom imports are only permitted from New Zealand and for many years there has been no significant trade between New Zealand and Australia. Because of the highly perishable nature of the product, the opportunity for export of fresh mushrooms is negligible, largely being confined to Oceanic countries at a level of less than 50 tonnes per annum. In partnership with Plant Health Australia the mushroom industry has developed a Mushroom Biosecurity Plan; this has been undertaken with matched R&D funds under the auspices of Hort. Innovation programme MU18006. The plan has only recognised the following high priority exotic pests, namely *A. bisporus* virus16 (Abv16) and Brown Cap Mushroom Virus (BCMV) and the likelihood of these viruses having an impact on the mushroom industry is remote. Unlike tree and field crops, the mushroom industry is on a very short six week growing cycle under controlled conditions and in the event of a disease outbreak cropping can be curtailed by early steam sterilisation. To address the mushroom viral issues, project MU22003, a Ph.D. program to study viruses associated with *Agaricus* mushrooms in Australia is about start.

The AMGA draws attention to the fact that the Australian mushroom industry has suffered a decline in production from 72 000 tonnes per annum in the 2018/19 financial year to a forecast 61 650 tonnes per annum in the 2022/23 financial year. The industry was severely disrupted during the Covid lockdowns, reduced demand from the food service sector in particular severely impacted smaller growers in the industry. All growers are currently facing reduced demand for their product; mushroom purchases are largely discretionary; cost of living pressures is having a major impact on sales countrywide. At the same time growers are experiencing higher raw material, energy, labour costs and additional biosecurity charges on essential peat casing imports.

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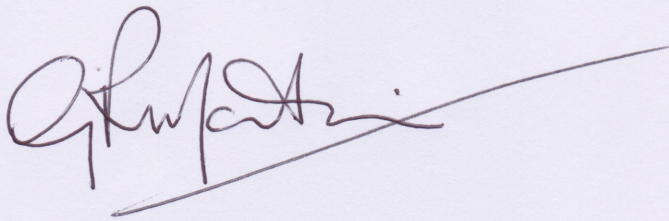




Over the past eighteen months in Victoria one large mushroom grower and a large compost facility have gone into voluntary liquidation and subsequently closed, with several smaller growers in other states shuttering their operations, with significant job losses as a consequence. In the past month the AMGA has learned of yet another long term operation closing in Victoria, yet another halving their production, plus a long term family business in Queensland closing one of their two operations with the loss of forty jobs. Our industry is in a parlous state.

The AMGA has estimated that given our current annual mushrooms production of 61,650 tonnes and with a biosecurity protection levy of \$ 459 075 then this equates to \$ 0.00744647 or 0.75 cents per Kg. This is almost four times the per Kg price to be applied to apple growers at 0.19 cents per Kg, for a mushroom industry which has limited exports and no fresh *Agaricus* imports with a much lower biosecurity risk profile compared with apples.

From the AMGA's perspective the use of our overall statutory levy as a basis for a biosecurity protection levy is a crude and inappropriate tool and our industry intends to lobby the Minister for an exemption from this extra tax burden which on the face of it appears to be of but little benefit to the mushroom industry and disproportionately supports other primary producers.



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