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Biosecurity Sustainable Funding Implementation Branch
Department of Agriculture, Fisheries and Forestry

Via email: SecretariatBSF@aff.gov.au

PGA SUBMISSION

Consultation Paper – Introduction of the Biosecurity Protection Levy (BPL)

INTRODUCTION

The Pastoralists and Graziers Association of WA (PGA) is a non-profit industry organisation established in 1907, which represents primary producers in both the pastoral and agricultural regions of Western Australia.

Current membership numbers equate to 84% of all pastoral leases, excluding Indigenous and conservation leases, and 21% of broadacre producers in the agricultural regions of Western Australia. This includes grain, livestock and mixed enterprises.

As an organisation which consists solely of primary producers from both the pastoral and agricultural regions of Western Australia, we are pleased to provide this brief submission on the proposed Biosecurity Protection Levy (BPL).

BACKGROUND

The 2023 Federal Budget announced plans for the introduction of a new Biosecurity Protection Levy (BPL) on Australian producers of agricultural, forestry and fishery products. The levy, set to commence on 1 July 2024, will be set at a rate equivalent to 10 per cent of the 2020–21 industry-led agricultural levies. This is estimated to increase receipts by \$153.0 million over 3 years from 2024–25.

SUMMARY

The PGA strongly opposes the introduction of the Biosecurity Production Levy (BPL).

The introduction of a new Federal based levy will impose a new and compulsory financial impost on broad acre producers, as well as duplicate the biosecurity services they already pay for under existing Commonwealth levies which are distributed to various Rural Research and Development Corporations (RDCs). In addition, Western Australian primary producers also pay a State- biosecurity fee to three Industry Funding Schemes.

Further, the PGA understands that the BPL will not be hypothecated. Therefore, it is not levy but a tax. It is unreasonable for the Commonwealth Government to impose a new tax on one sector of the Australian economy and community.

It is also the PGA's opinion that there is no shortage of levies being collected from primary producers. Meat and Livestock Australia (MLA) maintains a cash reserve of around \$100 million, and Australian Wool Innovation (AWI) has a cash reserve around \$70 million.

ISSUES

There are over 7,000 broadacre cropping, grazing and pastoral enterprises in Western Australia. These farms and pastoral leases are primarily engaged in the production of grains, oilseeds, and other crops, especially wheat, barley, oats, lupins and hay, or the grazing of livestock for meat or wool on a large scale.

Many broadacre enterprises are mixed operations and can often be contributing two to three payments to different levy funded RDCs. The introduction of the BPL will only duplicate existing industry good services already paid for and provided to Western Australian broadacre producers.

Western Australian broadacre producers currently pay statutory levies under the *Commonwealth Primary Industries Research and Development Act 1989* to cover research, development, marketing, biosecurity, product assurance and food safety functions at the following rates:

Wheat; Barley; Canola; Lupins	1.02% of the sale value.
Wool	1.5% of the sale.
Fodder	\$0.50 cents per tonne.
Cattle – export	\$0.9523 cents per kilogram.
Lambs & Sheep export	\$0.60 cents per head.
Cattle – processing	\$0.60 cents per kilogram.
Lamb – processing	\$0.16 cents per head.
Sheep – processing	\$0.15 cents per head
Cattle – transaction	\$5.00 per head.
Lambs and Sheep – transaction	up to 2% per head.

Western Australian broadacre farmers also pay a State-biosecurity fee to three Industry Funding Schemes. The rates are:

Cattle	\$0.20 cents per transaction.
Sheep and goats	\$0.17 cents per transaction.
Grains, seeds, and hay	\$0.25 cents per tonne on the first sale of grains, and \$0.125 cents per tonne on the first sale of hay produced in the South West.

Many of these levy payments are forwarded to companies such as Animal Health Australia (AHA) and Plant Health Australia (PHA) to fund preparedness activities such as Australian Veterinary Emergency Plans, preparedness training, PLANTPLAN, monitoring programs, pest and disease libraries and databases and targeted industry specific biosecurity programs on farm.

Further, through these corporations and other peak industry bodies, emergency disease response agreements have been contractually agreed with the Commonwealth Government for industry and Australian Governments to collectively pay for the costs of a disease response and recovery effort.

Some industry sectors already collect a levy in advance of disease response and recovery efforts as a contingency.

CONCLUSION

According to a recent analysis by accounting firm RSM International, existing levies represent 12% to 15% of a farmer's profit.

Consequently, it is very unfair on the Government to say that the farm industry is not contributing towards its own biosecurity.

The PGA notes that the whilst the Commonwealth Government matches research and development spending by the RDCs dollar for dollar it does not do so for marketing. This somewhat suggests the value the Commonwealth Government sees in generic marketing.

AWI and MLA currently use a portion of the levy collected to fund generic marketing. The utility of generic marketing of commodities is not an agreed principle.

If the Commonwealth Government wants a greater contribution from the farm sector, then MLA and AWI should divert some part of the levy from marketing to biosecurity.

In the case of the GRDC the percentages of the levy distribution should be changed so that GRDC receives less of the levy and that proportion is transferred to PHA.

Further, the Commonwealth Government has an established policy of cost recovery that charges the non-government sector for specific government activities.

It is the PGA's opinion that nothing is more specific than the Commonwealth Government's quarantine and biosecurity arrangements at Australian sea ports and airports that control the Australian border.

Therefore, it is incumbent on the Commonwealth Government to seek its funding from those who cross the border and use the Commonwealth's arrangements, rather than continuing to unfairly tax Australian primary producers for services they already pay for.

The PGA welcomes the opportunity to provide evidence on this important issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'T. Seabrook', with a long horizontal flourish extending to the right.

Tony Seabrook
PGA President