

AGRICULTURE (BIOSECURITY PROTECTION) LEVIES BILL 2024 [PROVISIONS] AND RELATED BILLS

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TRANSPORT LEGISLATION COMMITTEE

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Submissions due 10 Apr 2024



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Taxing Australian Farmers & Increasing Costs of Food

In what parallel universe would any Australian government tax their own farmers, to pay for foreigners to bring their products into this country?

This levy will charge Australian farmers for the biosecurity costs of importers.

Ultimately, farmers will be forced to pass on costs, which means families will spend more on their fresh food.

This legislation is another example of this Labor Government biting the hand that feeds it.

The Federal Coalition firmly opposes Labor's Biosecurity Protection Levy, also known as Labor's fresh food tax. This is a tax that will increase cost-of-living pressures and drive-up food prices, impacting Australian families at the checkout. We know that the price of food has already increased under Labor by 9% and this is being felt by every family, every week.

As exporters to the world, our farmers are already required to pay levies and charges to sell their products to other countries.

It comes down to this – why would any Australian government tax their own farmers – to pay for the biosecurity risks of their international competitors – to bring their products into this country?

There is an immense lack of logic in Labor's Biosecurity Protection Levy that is being ignored.

A Strong Biosecurity System

The Federal Coalition recognises that a strong and robust biosecurity system is crucial for protecting Australia against the threat of exotic pests and diseases.

The Federal Coalition has always supported a sustainable funding model for biosecurity. However, in contrast to Labor's approach, taxing farmers was never considered or part of the mix.

In the May 2023 Budget, Labor announced a \$153 million Biosecurity Protection Levy that would apply from 1 July this year – which was essentially a fresh food tax on our hardworking farmers.

At Senate Estimates on 13 February 2024, in response to widespread opposition from across the agricultural sector to this proposed levy and its equitable application, the Minister for Agriculture announced that it would be redesigned.

The Albanese Labor Government will now set the tax rate of the Biosecurity Protection Levy as a proportion of an industry's average gross value of production over a three-year period, instead of the former base rate of 10% on industry-led agricultural levies.

This Labor Government is completely ignoring the reality that our farmers already contribute to Biosecurity through their existing industry-led agricultural levies. This is double-dipping into the industry that puts quality food onto the tables of Australians every single day.

New Taxes on our Businesses

The Government introduced a package of Bills into Parliament to impose the new Biosecurity Protection Levy on 28 February 2024.

The legislation that has been introduced into Parliament lacks any detail on the cost to farmers, or how the levy will be collected. It also stipulates that the Biosecurity Protection Levy can be set to nil – in case the costs of collecting the levy in some sectors exceeds the revenue raised from it.

Labor's Biosecurity Protection Levy remains a fresh food tax on Australia's 85,000 farmers.

Shamefully, this Government has decided to inflict a new tax hit on Australian farmers, to make them pay for the biosecurity risks of their international competitors.

No Consultation with Agriculture

The agricultural industry was blindsided by the announcement of this levy.

There was talk of budget measures to address the funding shortfall of the Department of Agriculture, Fisheries and Forestry, but at no stage was a levy suggested as a solution. It was stated that consultation on the levy had occurred as a part of the Government's Sustainable Funding and Investment to Strengthen Biosecurity however there is no mention of a levy in the 2022 discussion paper. The Office of Impact Analysis determined that the policy proposal for the BPL was not "good practice".

The lack of regulatory impact statement also does not give industries confidence in the ability for the department to deliver effective biosecurity measures through the BPL.

The scale of distress that these Bills caused, is evidenced by the letter to the Prime Minister from 50 industry organisations in December 2023. Their unified concerns and opposition to the Biosecurity Protection Levy is justified and has not been addressed – simply redesigned with no details.

A Tax Disguised as a Levy

Levies are charges imposed at the request of industry by government following extensive consultation with stakeholders. Funds are spent on what industry requests.

Recent departmental consultation process outlined that this levy would not be subject to producer voting arrangements in relation to its establishment or change nor will producers or their representative bodies have a direct role in determining its use.

There are growing concerns that funds raised will not be put back into better biosecurity practices for the agricultural sector but rather will go into consolidated revenue. Stakeholder feedback has pushed for the “Levy” to be renamed as a “tax” or “excise” to better reflect its functions. If the levy is to be implemented, Industry has requested regular updates and transparent reporting from the department on how funds are being spent.

Undermining the Industry Input into Biosecurity

The agricultural industry is already investing heavily and co-funding biosecurity programs. These contributions were not considered when costing the levy.

Not only is this inequitable but has the potential to undermine pre-existing biosecurity efforts by increasing cost of production for farmers and decreasing their ability to contribute to the levies they previously were.

This threatens the statutory levy system by diverting funds away from exiting levies that could be used to respond to a biosecurity threat.

If funds from the levy are not well targeted or not allocated to the industry at all (possible given funds would be transferred into unconsolidated revenue) the levy could disadvantage Australian producers in the wake of a biosecurity threat.

Existing contributions should be recognised by the ‘levy’ if it is to be implemented.

Will it go to Biosecurity? Where's the Minister's guarantee?

Can the Minister for Agriculture guarantee that every cent raised by this levy will go back into biosecurity and the agricultural sector?

In contrast to the Albanese Labor Government, the Federal Coalition's approach to sustainably funding Australia's biosecurity system is targeted at the risk-creators – the importers.

Charge the Importers – just as Australian Exporters are charged by other countries

Under a Federal Coalition Government, Australian farmers will not be punished for the biosecurity risks that others pose.

As the Leader of the Opposition announced in his response to the May 2023 Budget, instead of taxing farmers for biosecurity, the Federal Coalition will introduce an Importer Container Levy - as recommended by the independent Craik Biosecurity review.

Under the former Coalition Government, we were a considerable way down the path to implementing this approach – however it has not been taken forward by Labor.

By applying a charge on containerised cargo coming into Australia, an Importer Container Levy is the sensible and fair way forward.

This is what the Coalition stands for.

The Albanese Labor Government should apply some common sense, take the action that's required – and scrap this tax.

Independent Review Findings

Two independent reviews on the Biosecurity Protection Levy conducted by the Productivity Commission and the Australian National University have found that this policy is flawed.

Adding to the frustrating of the agriculture sector - these Bills outline no details on who the relevant producers actually are - when it comes to determining who pays this new tax, or how much.

In fact, these crucial details will be set out in regulations, which can then be changed or amended.

A Tax with No Rules

By the time the tax rejig was confirmed in February 2024, it was obvious that the Government had no idea what the financial impacts will be on different industries.

At Senate Estimates, the Department said that they would “formally advise industries of their rate in the coming weeks or months.”

A major issue is that these Bills do not indicate who will be paying the Biosecurity Protection levy.

The legislation only mentions “certain producers”.

It is expected that it’s not just farmers that are captured under the levy, but also fishers and foresters.

The chaos, confusion and absence of detail surrounding this new tax – which is due to take effect in July – is simply not good enough.

Who Collects the Levy?

When it comes to this policy, Labor’s ‘consultation process’ with the agricultural sector and industry stakeholders has been appalling.

Additionally, the Government does not know how it will collect this levy from industries which do not currently contribute to the existing industry-imposed agricultural levy system.

Based on the legislation, it is also not clear whether collection agents are aware how they will collect the levy charge from an impacted industry.

This is a Labor Government making policy on the run.

This is a Labor Government, not across the details of what they are proposing.

Destruction of our Agricultural Economy

The imposition of the Biosecurity Protection Levy – a new fresh food tax on farmers and Australian families – is yet another damaging blow to the agriculture sector, which is under constant assault by the Albanese Labor Government.

Harmful changes already being inflicted on our agriculture sector include:

1. Tearing up the dedicated Agriculture Visa, which was the biggest structural reform to the agricultural workforce in our nation’s history.

With Australia's top peak food industry bodies identifying that agriculture is facing a shortage of 172,000 workers, the decision to scrap this visa was a disgrace.

Labor's hopeless reliance on the Pacific Australia Labour Mobility (PALM) scheme to fill workforce shortages and changing it so that farmers will be forced to offer a minimum of 30 hours per week, despite agricultural work being seasonal.

2. The ideological and reckless decision to ban the live sheep export industry.

Labor is destroying an industry that is worth \$85 million and supports the livelihoods of more than 3,000 people.

3. Enormous cuts to regional infrastructure and water projects.

This includes the Federal Labor Government pushing back the start date of the Beef Corridors upgrade from the 2025/26 financial year until 2027/28 financial year.

This delay places a question mark over the sealing of more than 450 kilometres of the Queensland Beef Corridors, a project that has the support of seven mayors from seven Queensland local government areas.

The roads had been identified as some of the most important roads that would make the biggest impact to supply chains across Central Queensland.

The roads that will be sealed under the funding are Clermont – Alpha Rd, May Downs Road, Kilcummin – Diamond Downs Road, Alpha – Tambo Rd, Dawson Developmental Rd, Fitzroy Developmental Rd (Bauhinia – Duaringa), Fitzroy Developmental Rd (Taroom – Bauhinia), Duaringa – Apis Creek Rd, Glenroy Road Corridor (incl. Crossing)

So, on one hand, the Labor Government are betraying agricultural producers by imposing a levy for something that is not even their product and with the other hand betraying Central Queensland by delaying the Beef Corridor upgrade. An upgrade that will not only improve road safety for all road users but form a strategic web of agricultural supply chains from east to west.

4. The Labor Government have shown their lack of concern for the Great Artesian Basin by joining with the Greens and voting down an attempt by

The Nationals in Parliament, to ensure important safeguards are in place to protect Australia's water aquifers.

The Great Artesian Basin is one of the largest underground freshwater resources in the world.

We must protect the water assets of Australia, especially when it comes to carbon sequestration and the future of the Great Artesian Basin

The current EPBC Act doesn't go far enough in ensuring the appropriate approval process is in place – the fact that Labor and the Greens didn't support the amendment shows they are nothing but hypocrites.

The Nationals are doing everything we can in Canberra to put some protocols around carbon sequestration, or the injection of carbon dioxide into the Great Artesian Basin, to ensure the prosperity of this future water source.

5. The Labor Government have signed up to a reckless race to 82% renewables by 2030, which means 28,000 kilometres of transmission lines at a cost of \$80 billion will rip up agricultural land, while also chopping down thousands of hectares of native bushland and pristine farmland for wind and solar farms.
6. They've introduced a proposed carbon tax on new vehicles, where Australians could pay up to \$25,000 more for their favourite family car (SUVs/4WD) and up to \$18,000 more for their favourite ute - according to research undertaken by the Federal Chamber of Automotive Industries. This is a further impact on our agricultural industry who rely on these vehicles to simply go about their daily work.

Cost of Living Continues to Rise

This new tax on farmers will inevitably be passed onto consumers, which means even higher grocery bills for those in Flynn.

As the Federal Member for Flynn, I am determined to stop this new tax on our farmers and our food.

It is unfathomable the Labor government would ask farmers to pay for the biosecurity risks of international importers from other countries.

Instead of taxing farmers, a future Coalition Government will scrap this tax.

Under our plan, importers of foreign products will pay for the biosecurity risk they pose – not Australian farmers as it should be.

Thank you for the opportunity to provide a submission to this important matter facing Australian farmers.

I urge the committee to consider the ramifications of charging our world class agricultural industry for the biosecurity risks of imports from their competitors.

Yours sincerely,

Colin Boyce MP
Federal Member for Flynn

Our ref: BOYCE Submission Biosecurity Levy/K