



AgForce Queensland Farmers Limited

ABN 57 611 736 700

Second Floor, 110 Mary Street, Brisbane, Qld, 4000
PO Box 13186, North Bank Plaza, cnr Ann & George Sts, Brisbane Qld 4003

Ph: (07) 3236 3100
Fax: (07) 3236 3077
Email: agforce@agforceqld.org.au
Web: www.agforceqld.org.au

Ref: MG/AR/GG24032

10 April 2024

Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

By Email: rrat.sen@aph.gov.au

Dear Senators

Re: Agriculture (Biosecurity Protection) Levies Bill 2024 [Provisions] and related Bills

AgForce Queensland Farmers Limited (AgForce) is a peak organisation representing Queensland's cane, cattle, grain and sheep, wool & goat producers. The cane, beef, broadacre cropping and sheep, wool & goat industries in Queensland generated around \$10.4 billion in on-farm value of production in 2021-22. AgForce's purpose is to advance sustainable agribusiness and strives to ensure the long-term growth, viability, competitiveness and profitability of these industries. Over 6,500 farmers, individuals and businesses provide support to AgForce through membership. Our members own and manage around 55 million hectares, or a third of the state's land area. Queensland producers provide high-quality food and fibre to Australian and overseas consumers, contribute significantly to the social fabric of regional, rural and remote communities, as well as deliver stewardship of the state's natural environment.

AgForce thanks the Committee for the opportunity to present a submission on this key topic for our members. AgForce maintains our strong opposition to the proposed Biosecurity Protection Levy (BPL) (see Appendix A, AgForce submission to *Agriculture (Biosecurity Protection) Levies Bill 2024*). The BPL will directly impact the majority of Australia's 85,000 producers across all commodities, as well as thousands of supply chain participants involved in levy collection. The Government's headstrong adherence to the 1 July 2024 timeframe has undermined appropriate consultation and does not allow for the robust processes necessary to develop a policy of this importance. As such, AgForce is deeply concerned about the risk of negative, unintended consequences for agricultural stakeholders and the potential to undermine stability of Australia's world-leading biosecurity system.

While the intent behind strengthening our biosecurity system is commendable, the flaws of the BPL cannot be ignored. We urge the Committee not to allow an arbitrary implementation deadline to result in a serious Government failure for the entire agricultural sector. A collaborative effort involving industry representatives, academics and policymakers can yield a more effective and equitable solution to secure biosecurity funding.

Key Issues

Since its announcement in the 2023-24 federal budget, the BPL has been met with overwhelming industry opposition stemming from:

Continued/ ...

... /Continued

- **Lack of recognition and fairness**

Our primary producers already shoulder a disproportionately large share of biosecurity costs and consequences, investing heavily in on-farm biosecurity activities, funding research and development through membership fees for Animal Health Australia and Plant Health Australia and significant contributions to emergency responses under deed arrangements. The BPL also lacks clarity regarding what each commodity will pay and there are concerns about potential overlap with existing levies already paid by growers and others in the supply chain.

- **Lack of industry confidence in use of the collected funds**

The agricultural sector is deeply concerned over lack of clarity around how the revenue collected under the BPL will be invested. Producers and their representative bodies have no direct role in determining its use and there are fears of significant impacts on the Rural Research and Innovation System. The late addition of an advisory panel to oversee the BPL has done little to improve industry confidence, instead appearing as a last-minute bid to give the legislation some credibility, exposing the chaotic processes driving Government policy in this matter.

- **Charging farmers to manage risks created by importers**

The two greatest biosecurity disasters in recent times, varroa mite and red imported fire ants, are both thought to have entered Australia in shipping containers. Disappointingly, the Coalition Government never delivered on their plan to raise hundreds of millions of dollars by imposing charges on containerised and bulk imports arriving via sea. Now, illogically, the Labour Government is rushing to impose costs of border biosecurity activities on our farmers instead.

The concerns of industry have been reinforced by independent academic critique. The Australian National University's Tax and Transfer Policy Institute (TTPI) has concluded that the BPL lacks economic justification and has serious design flaws¹. The TTPI analysis builds on a similarly scathing critique by the Productivity Commission in December 2023².

We also refer the Committee to the submission by the National Farmers Federation (NFF). AgForce is a member of the NFF and through the Farming Systems Committee has contributed to and endorsed the more comprehensive NFF submission. In also making our own submission, AgForce is determined to demonstrate the solidarity of Queensland farmers with our state and federal counterparts in opposing the BPL.

Lack of Recognition and Fairness

Australian farmers are spending \$3.8 billion a year to control vertebrate pests and weeds and despite their best efforts, are still suffering production losses of 1.5 billion³. Costs and losses due to parasites and disease are not included in these figures. Cattle parasites alone – buffalo fly, ticks and internal parasites – each cost the beef industry more than \$100M per year⁴. These costs reflect only a fraction of the ongoing challenge that biosecurity issues pose to the agricultural sector and the substantial investments required for effective management and control.

In addition to strong personal investment in biosecurity at the level of individual enterprises, Australian farmers have long recognised the value of partnership between government and industry towards funding a coordinated biosecurity system.

Continued/ ...

¹ Vanek, S, Breunig, R, February 2024, [The biosecurity protection levy: Principles for design, paper no: Policy Brief 3 /2024](#)

² Productivity Commission. 2023. [“Towards Levyathan? Industry Levies in Australia.”](#)

³ ABARES, [Cost of established pest animals and weeds to Australian agricultural producers](#), November 2023.

⁴ Shephard, R., Webb Ware, J., Blomfield, B. and Niethé, G., 2022. Priority list of endemic diseases for the red meat industry-2022 update. Project B. AHE, 327.

... /Continued

The Emergency Animal Disease Response Agreement (EADRA) was established in 2002. This unique contractual arrangement brings together the Australian, state and territory governments along with livestock industry groups. Its purpose is to significantly increase Australia's capacity to prepare for and respond to emergency animal disease (EAD) incursions. By minimizing uncertainty over management and funding arrangements, the EADRA ensures a swift and effective response to EAD incidents. It covers 66 categorised animal diseases and involves 23 signatories, including governments and industry bodies⁵.

Similarly, the Emergency Plant Pest Response Deed (EPPRD) was established on 26 October 2005. It serves as a formal legally binding agreement between Plant Health Australia (PHA), the Australian Government, state and territory governments and national plant industry bodies. The EPPRD covers the management and funding of responses to emergency plant pest (EPP) incidents, ensuring timely and efficient actions while minimizing uncertainty over management and funding arrangements⁶.

There are clear benefits of these emergency deed arrangements, including:

- Known liabilities and agreed funding mechanisms in advance.
- Industry involvement in decision-making from the outset.
- Consistent national approach to managing incursions.
- Commitment to risk mitigation through biosecurity strategies.
- Reserve of trained personnel and technical expertise.
- Accountability and transparency for all parties
- The government initially underwrites industry contributions.

In contrast, it is presently unclear that the BPL can demonstrate any benefit for primary producers, representing a grossly unfair value proposition. The situation is made worse because industry stakeholders remain uncertain about the specific levy amounts for each commodity.

Lack of Industry Confidence in use of the Collected Funds

The BPL's imposition and collection principles do not align with long-standing levy establishment norms. The agricultural levy system has been in place for more than 30 years. Each year the Department of Agriculture, Fisheries & Forestry disburses around \$800 million to 18 levy recipient bodies, made up of around \$500 million in levies and charges and \$300 million in Commonwealth matching payments for eligible research and development activities. Levy settings are determined by primary industries. Any new or amended levy is driven by primary industries⁷.

The BPL deviates dangerously from this tried and tested approach, with policy settings that do not allow primary industries any oversight of investment priorities for the funds collected and hence no indication that those paying the BPL will receive any tangible benefit from the use of collected funds. When added to existing levies, the BPL could significantly burden primary producers and supply chain participants and the financial strain could undermine the stability of the entire agricultural levy system.

Significant impacts on the Rural Research and Innovation System are key among the resulting risks. ABARES have highlighted that research and development (R&D) continues to yield high returns, with estimates indicating that each additional \$1 of investment could generate a return for farmers of \$7.82.

Continued/ ...

⁵ animalhealthaustralia.com.au

⁶ planthealthaustralia.com.au

⁷ DAFF, [About levies and the levy system](#), Last updated: 28 April 2023

... /Continued

This demonstrates that investment of producer levies into R&D continues to be fundamental to the delivery of new technology and knowledge into the Australian agricultural system and is an important driver of productivity growth, and competitiveness⁸.

The BPL also diverges from the agreed principle of ‘sustainable investment’ in the widely supported National Biosecurity Strategy (NBS)⁹, which ensures that investment approaches are ‘efficient, equitable, adaptable, transparent and are responsive to the changing risk environment.’ The NBS was endorsed by all agriculture ministers in 2022 and departure from this strategy represents a significant policy failure.

AgForce is aware that the Government has invited industry stakeholders to participate on a Sustainable Biosecurity Funding Advisory Panel (the Panel), announced just as the BPL legislation was introduced to Parliament. This government’s opportunistic timing has imposed a very difficult position on farming organisations, being unable to both take up a position on the panel and still maintain credible opposition to the BPL. Several weeks after its announcement, there is still no detail or formal terms of reference for the Panel, signifying that this measure is a tokenistic last-ditch attempt to undermine industry’s opposition to the levy.

Charging Farmers to Manage Risks created by Importers

AgForce was initially pleased to note the measures contained in the [Sustainable biosecurity funding](#) package¹⁰, which reports to contain increased contributions from taxpayers, travellers and importers.

However, the increased charges were not new, but merely adjustments to existing cost-recovered activities. Worse still, the proportion of Commonwealth biosecurity funding contributed by importers at the Commonwealth level has actually been reduced from 59% to 48% following the budget measures.

From the DAFF [website](#) on Sustainable biosecurity funding and the BPL:

“The Government recognises that many primary producers already invest in biosecurity ... While these investments are important, they do not directly fund biosecurity costs at the border that prevent pest and disease incursions into Australia ... The Biosecurity Protection Levy will ensure that those who directly benefit from Australia’s strong biosecurity make a modest and direct contribution to ensure the biosecurity system is sustainably funded into the future.”

AgForce asserts that this assumption has little basis in fact. It is highly unreasonable to expect our farmers to cover the biosecurity costs necessitated by imported goods.

Instead of forcing Australian farmers to pay even more for risks created by international importers, AgForce urges the Government to establish an Importer Container Levy – as recommended by the independent Craik Biosecurity review¹¹. From this review:

“Much of the material of concern to the national biosecurity system, including of environmental concern, arrives via vessels and containers – either in the contents of the container or on the external surfaces of the container itself”.

In recognition of this, in 2018 the Coalition Government announced a plan that would raise hundreds of millions of dollars by imposing charges on containerised and bulk imports arriving via sea.

Continued/ ...

⁸ ABARES [Agricultural research and development investment in Australia - 2022-2023 update](#)

⁹ Commonwealth of Australia 2022, [National Biosecurity Strategy](#)

¹⁰ DAFF, [Sustainable biosecurity funding](#), last updated 29 February 2024

¹¹ 2017, Priorities for Australia’s biosecurity system: An independent review of the capacity of the national biosecurity system and its underpinning intergovernmental agreement, Department of Agriculture and Water Resources, pg. 120.

... /Continued

Much to the frustration of the agricultural sector, this promise never eventuated; for reasons that have never been fully disclosed.

The Container Levy was subjected to specific consultation and detailed review via working group process to develop a sound model and implementation pathway. Unfortunately for primary producers, such a process seems not to have been followed for the BPL.

Independent Academic Critique

A report by the Productivity Commission has echoed the concerns voiced by the agricultural sector, highlighting the following issues:

- **Equitability:** The BPL disproportionately affects certain industries, including broad-acre sectors. A more equitable approach would consider risk profiles and actual biosecurity contributions.
- **Accountability:** The lack of transparency in how levy funds are allocated undermines industry trust. Clear accountability mechanisms are essential.
- **Efficiency:** The BPL's administrative burden and compliance costs may outweigh its benefits. Streamlining processes and minimizing bureaucracy should be priorities.

Following on from the work of the Productivity Commission, the Australian National University's Tax and Transfer Policy Institute (TTPI) conducted a thorough analysis of the BPL. The authors concluded that all the Productivity Commission's critiques were valid, including the following 'warning signs':

- It is unclear that the economic benefits of the sectoral public good will exceed the costs of the industry levy.
- It is unlikely that the industry levy could achieve the same sectoral public good at lower cost than through general revenue.
- It is unclear that the levy will be imposed on an efficient tax base.
- Lack of widespread industry support for the levy.
- Levy payers are unlikely to be in a position to monitor and influence how levy proceeds are used.
- Levy payers will not be able to regularly vote to continue or discontinue the levy.

The TTPI concludes that "overall, the government's package to implement the BPL does not pass critical scrutiny" and recommends exploring these alternative policy approaches:

- Increase charges for biosecurity risk creators, such as importers and travellers, and
- Through general revenue, given that the benefits of a strong biosecurity system flow to all Australians.

Both these alternatives already have a strong basis in Australian policy.

Conclusion

Primary producers are among the first to acknowledge that biosecurity is vital to Australia, keeping our nation free from invasive weeds, pests and diseases that would otherwise damage key industries and negatively impact our health and environment. Far from opposing sustainable funding for biosecurity, our producers already play a significant role in supporting a strong biosecurity system and are willing to consider further improvements. However, a fair and transparent path is required that unites all stakeholders.

AgForce urges the Committee to recognise that the BPL is a deeply flawed instrument that should not be allowed to progress further. We encourage further communication towards reaching a mutually beneficial outcome for our primary producers.

Continued/ ...

... /Continued

Should you require further information, please do not hesitate to contact Dr Annie Ruttledge, Senior Policy Advisor for Biosecurity & Sustainability

Thank you for your attention to this critical matter.

Yours faithfully

Michael Guerin
Chief Executive Officer

Enc: AgForce Queensland Farmers (AgForce) Submission to the Introduction of the Biosecurity Protection Levy
– Consultation Paper