



30 April 2024

Committee Secretary  
Senate Standing Committees on Rural and Regional Affairs and Transport  
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Parliament House  
Canberra ACT 2600

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RE: Agriculture (Biosecurity Protection) Levies Bill 2024 [Provisions] and related bills

### **Levies Collection Fees**

AUSVEG welcomed the opportunity to appear in front of the Committee on Tuesday 23<sup>rd</sup> April, and outline why we oppose the proposed Biosecurity Protection Levy. As discussed in the hearing, Australia's vegetable growers paid over \$300,000 in Federal Government Levy Collection Fees in the financial year 2022-2023<sup>1</sup>.

According to the Hort Innovation website, the fruit and vegetable sector paid over \$580,000 in levy collection fees in 2022-23 (see Appendix 1)<sup>2</sup>. Given that the Department of Agriculture, Fisheries and Forestry (DAFF) have indicated that the current levy collection system for horticulture will be the same system used to collect the Biosecurity Protection Levy then it would be expected that the Biosecurity Protection Levy collection costs incurred by the administering Federal Department would be comparable just for collecting the Biosecurity Protection Levy just from vegetable producers.

According to the DAFF website the GVP 2019-2020 to 2021-2022 for horticulture (excluding turf, nursery industry and cut flowers) is \$16.4% of the total GVP<sup>3</sup> for the primary industry sector, extrapolating that out would indicate that the levy collection costs are potentially closer to \$3 million across all of agriculture, rather than the estimated \$800,000. Noting also that there are many anomalies across agriculture including those sectors that don't pay a levy at all, or others that pay a voluntary levy, which will need to be included in the levy recovery costs.

The report by ACIL Allen on Agricultural Levies System<sup>4</sup> in 2016 highlights the complexities and anomalies of the Australian agricultural levy system and the inequities within it. The ACIL Allen report identified over 16,000 levy collection points across agriculture (Appendix 2). Therefore, AUSVEG further argues that utilising some or all of the current levy collection systems is not the most equitable

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<sup>1</sup> <https://www.horticulture.com.au/growers/vegetable-fund/>

<sup>2</sup> <https://www.horticulture.com.au/growers/>

<sup>3</sup> <https://www.agriculture.gov.au/biosecurity-trade/policy/sustainable-biosecurity-funding>

<sup>4</sup> [https://acilallen.com.au/uploads/projects/299/ACILAllen\\_AgLeviesVol1.pdf](https://acilallen.com.au/uploads/projects/299/ACILAllen_AgLeviesVol1.pdf)



process, nor the simplest and is unlikely to be delivered within the proposed budget of \$800,000 across all of agriculture.

Further, AUSVEG is unclear on the scope of the proposed Biosecurity Protection Levy collection fees and whether that entails auditing levy payers for compliance. DAFF previously administered a National Compliance Program that undertook audits of levy payers to check rates of levy paid and any leakages. The last report in 2018-2019 identified that the overall compliance rate was only 63%.<sup>5</sup>

Once again AUSVEG thanks the Committee for the opportunity to present last Tuesday on the Biosecurity Protection Levy and the associated legislation.

Yours sincerely

Michael Coote

CEO, AUSVEG

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<sup>5</sup> [https://www.agriculture.gov.au/sites/default/files/documents/report-levies-stakeholders-2018-19\\_0.pdf](https://www.agriculture.gov.au/sites/default/files/documents/report-levies-stakeholders-2018-19_0.pdf)

## APPENDIX 1

|                                    | Actual Fed Gov Levy<br>Collection Costs 22-23 |
|------------------------------------|---|
| Almond Fund                        | \$12,856                                      |
| Apple & Pear Fund                  | \$40,808                                      |
| Avocado Fund                       | \$4,539                                       |
| Banana Fund                        | \$12,572                                      |
| Blueberry Fund                     | \$0   |
| Cherry Fund                        | \$38,774                                      |
| Chestnuts Fund                     | \$1,816                                       |
| Citrus Fund                        | \$27,405                                      |
| Custard Apple Fund                 | \$2,000                                       |
| Lychee Fund                        | \$4,000                                       |
| Macadamia Fund                     | \$5,837                                       |
| Mango Fund                         | \$6,551                                       |
| Melon Fund                         | \$16,437                                      |
| Mushroom Fund                      | \$3,446                                       |
| Nashi Fund                         | \$0   |
| Olive Fund                         | \$0   |
| Onion Fund                         | \$17,935                                      |
| Papaya Fund                        | \$3,000                                       |
| Passionfruit Fund                  | \$2,500                                       |
| Persimmon Fund                     | \$1,000                                       |
| Pineapple Fund                     | \$1,464                                       |
| Pistachio Fund                     | \$0   |
| Potato – fresh Fund                | \$12,272                                      |
| Potato – processing Fund           | \$7,813                                       |
| Processing tomatoes Fund           | \$0   |
| Prune Fund                         | \$5,319                                       |
| Rubus Fund                         | \$7,969                                       |
| Strawberry Fund                    | \$2,588                                       |
| Summerfruit Fund                   | \$9,824                                       |
| Sweet potato Fund                  | \$4,910                                       |
| Table grape Fund                   | \$29,150                                      |
| Vegetable Fund                     | \$300,318                                     |
| <b>Total levy collection costs</b> | <b>\$583,103</b>                              |

Excludes dried fruits, nursery, pyrethrum and turf  
Source: <https://www.horticulture.com.au/growers/>

**TABLE 3.9** LEVY COLLECTION POINTS BY COMMODITY GROUP

| Commodity group       | Number of levied commodities | Number of levy collection points* |
|-----------------------|------------------------------|-----------------------------------|
| Animal fibres         | 2                            | 180                               |
| Dairy                 | 1                            | 88                                |
| Field crops           | 8                            | 2,532                             |
| Fisheries             | 1                            | 18                                |
| Forestry              | 2                            | 395                               |
| Horticulture          | 32                           | 6,172                             |
| Live export           | 6                            | 84                                |
| Livestock slaughter   | 8                            | 636                               |
| Livestock transaction | 8                            | 2,753                             |
| Poultry               | 3                            | 61                                |
| Wine                  | 3                            | 3,855                             |
| <b>Total</b>          | <b>74</b>                    | <b>16,765*</b>                    |

Note: \* Collection points, or levy payers, can be counted more than once if they deal in multiple commodities and go to multiple LRBs. The active levy agent base as at 31 December 2015 is 8 421

SOURCE: ACIL ALLEN CONSULTING, MINTER ELLISON AND DEPARTMENT OF AGRICULTURE AND WATER RESOURCES

*Table 1 – ACIL Allen – Levy Collection Points (2016 data)*