



SUBMISSION TO THE Primary Industries (Excise) Levies Bill 2023 [Provisions] and related bills

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To whom it may concern,

Introducing the Plant Industry Forum

Plant Industry Forum represent a combined annual value to the Australian economy in excess of \$43.2 billion and growth in the sector is tipped to contribute significantly to the goal of exceeding \$100 billion in farm gate output by 2030 (Ag2030).

- Plant biosecurity is vital to Australian Plant Industries productivity and to our ability to access domestic and international markets for our products
- Plant biosecurity is also a service where many of the actions, currently, can only be undertaken by government
- Plant biosecurity systems are required to manage a large number of biosecurity incidences as they often occur concurrently.

The members of the Plant Industry Forum are signatories to the Emergency Plant Pest Response Deed (EPPRD). Alongside all Australian governments over the past 10 years Plant Industries have provided significant in-kind support and invested approximately \$33 million in cost sharing emergency responses such as citrus canker, brown marmorated stink bug, chestnut blight, banana freckle, khapra beetle, giant pine scale, tomato potato psyllid, Torres Strait fruit fly and Varroa mite. This figure is certain to increase as arrangements are finalised for cost sharing banana freckle and Varroa mite responses currently underway.

In addition, Plant Industry Forum members invest research, development and extension (RD&E) levies into extensive preparedness projects and activities which add up to millions of dollars annually. For example, the Grains Research and Development Corporation's overall biosecurity investment over the past six years totals about \$220 million, which includes \$42.3 million in 2022/23. Many Plant Industries do not have specialist staff to work on biosecurity preparedness and responses which places further stress on the system in the event of an incursion.

Plant Industry pest incursions have significant impacts on individuals and communities. During a response, the entire supply chain, production, input and service providers, processing, transport and marketing are all impacted. When a plant pest cannot be eradicated the cost of recovery is borne by the individual grower and the industry. Whether that is ongoing management of the pest or the loss of a particular crop entirely. The cost of ongoing management of a new endemic pest are borne by the grower alone.

Many Plant Industry Forum members have Plant Health Australia (PHA) and/or Emergency Plant Pest Response (EPPR) Levies in place. Plant Industry Forum members are actively involved in investment decisions with regards to their PHA levy and are called on to consult their industry in the striking of PHA and EPP levies as the need arises.

Plant Industry Forum Members work closely with PHA to prepare their industries for responses and rely on PHA's extensive knowledge of the Emergency Plant Pest Response Deed (EPPRD) in their preparation for and during responses.

Response

Plant Industry Forum Members share serious concerns about the proposed Bills. This long-running process to 'modernise' the agricultural levies system started 2016. Industry understands this is intended to be a move by the government to streamline the legislation which enables levy-collections and resulting activities, partnerships and co-investments that generate shared benefits for industry, the general public and economic growth. However, this long-running process – including consultations with levy-payers that have continued over with the change of government, after the 2022 Federal Election, have now been conflated with a new proposal to introduce the 'Biosecurity Protection Levy' in the 2023 budget. This proposal is being viewed as a tax by producers, not a levy, and is a fundamentally flawed policy proposal which undermines trust and confidence in the key partnerships enabled by the levy-system. This view has been underlined by the release of a Productivity Commission report, 'Towards Levyan? Industry levies in Australia' which provided a case study offering criticism of the failures with this new levy/tax proposal; especially its flawed design and lack of policy rationale.

The lack of prior consultation with industry/levy-payers on the levy/tax – despite the continued consultations of this 'modernising' agricultural levies process and 'consultations' on a 'sustainable' biosecurity funding model – is another cause for mistrust and loss of confidence in these processes.

Plant Industry Members have continually sought assurances from the department and levy-partner agencies that changes presented in these Bills do not alter the system's core features, functions and operations, such as industry representative bodies (IRBs), being responsible for initiating levies and adjusting levy rates, as well as having oversight of levy investment and use for levy-payers.

If modernising the agricultural levies legislation is an opportunity to maintain the industry-driven agricultural levy system while making improvements to improve and simplify the legislation that supports it to make it more efficient, then we cautiously support it. However, if any changes to legislation significantly impact the key responsibilities IRBs hold for our growers, levy-paying members or changes the operations and adds burdensome red tape we would consider this a major breach of trust.

During consultations with IRBs, there has been no disclosure of any moves to create significant changes to the system, or alter core functionalities with levy-recipient bodies. The Department has advised stakeholders that the proposed biosecurity protection levy is not being implemented through the levies modernisation work, and the two pieces of work are separate. They've also stressed it is intended that the biosecurity protection levy will be established under separate legislation. And the key features of the agricultural levy system are being maintained through the levies modernisation work - existing levy rates won't change, nor will the bodies that receive levies, or the purposes for which levies can be established and used.

However, Plant Industry Forum members continue to be extremely concerned that a fundamental shift in the transparency of the management and investment of the PHA and EPP levies under the proposed bill could still occur, through the removal of references to PHA as the recipient of the PHA and EPP levies.

As signatories to the EPPRD Plant Industry Forum members have a level of confidence that the PHA Levy and the EPPR Levy will be invested and managed by PHA under the current arrangement, the changes in the proposed Disbursement Bill alters these arrangements. The Plant Industry Forum is not comfortable with the proposed changes as we believe they create confusion and ambiguity relating to the use of levy payments by PHA and have the potential to reduce transparency and industry involvement in investment decisions.

Furthermore, Plant Industry Forum members are not confident that that the Disbursement Rules will align with the current PHA Levy and EPPR Levy definitions, nor is it clear exactly what funding PHA will receive and what requirements would be placed on PHA as a levy recipient body to hold and expend those funds on behalf of industry. The proposed bill now appears to make the situation for Plant Industry Forum Members worse by tying PHA up in regulation and red tape.

Of particular concern to the Plant Industry Forum is the removing of the PHA identifier and inserting the generic biosecurity activity and biosecurity response identifiers. As signatories to the EPPRD and being the Plant Industry Members of PHA this creates significant concern for the Plant Industry Forum in that we now have no assurance that the levies collected and disbursed will continue to be used under the current arrangements for the PHA Levy and the EPPR Levy. In the view of the Plant Industry Forum the risk that the levies will be collected and used elsewhere under the generic terms of "Biosecurity activities" and "Biosecurity responses" is unacceptable.

The Plant Industry Forum again stresses our serious concerns about the proposed Bills being introduced at a time when the government is pushing the biosecurity tax/levy on industry. This contradicts the fundamental principles of the levy system on multiple fronts. Funds raised through the flawed BPL, which has been flatly rejected by IRBs across agriculture, is to be funnelled into consolidated government revenue and through its 'design' doesn't allow industry oversight of its expenditure. It is the concern of the Plant Industry Forum that the proposed changes will water down current arrangements and mean that critical levy funds are not able to be invested by industry on issues important to industry such as preparedness and response activities.

The Plant Industry Forum remains concerned that these proposed changes will weaken IRBs ability to invest grower levies in activity important to industry and recommends that PHA be named as the responsible party for the receipt and deployment of the PHA levy and EPPR Levy.

The Plant Industry Forum repeats its call for assurance that changes presented in these Bills do not alter the system's core features, functions and operations, such as IRB's being responsible for consulting, striking and adjusting levies as well as having oversight of levy investment and use.

Plant Industry Forum requests that this submission is made public with no redactions or deidentification.

We welcome the opportunity to comment further.

Sincerely,

Nathan Hancock

CEO, Citrus Australia & Chair, Plant Industry Forum